



IONIK CORPORATION

(formerly “PopReach Corporation”)

Management’s Discussion and Analysis
For the Three Months Ended March 31, 2025 and 2024
(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for Ionik Corporation (formerly "PopReach Corporation", doing business as "Ionik") (the "Company"), three months ended March 31, 2025 and 2024.

This document should be read in conjunction with the information contained in the Company's consolidated financial statements and related notes for the three months ended March 31, 2025 and 2024 (the "Interim Financial Statements") and audited consolidated financial statements and related notes for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB"). Due to the various business combination transactions, historical results discussed in this MD&A, are based on partial periods depending on when the transactions occurred. As a result, results of operations may not be consistent period to period nor may be expected to be representative of future periods. Unless otherwise indicated, all dollar ("\$") and "USD" amounts and references in this MD&A are in thousands of United States dollars, except share and per share amounts.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, May 30, 2025, being the date the Company's board of directors (the "Board" or "Board of Directors") approved this MD&A and the Annual Financial Statements. All quarterly information contained herein is unaudited.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors that are discussed in greater detail under "Risk Factors and Uncertainties".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company's business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

COMPANY OVERVIEW

Ionik Corporation (formerly "PopReach Corporation", doing business as "Ionik", "PopReach Parent") was incorporated on September 25, 2018 and Federated Foundry Limited ("Federated" formerly 2810735 Ontario Inc) was incorporated on January 25, 2021, in each case pursuant to the provisions of the Business Corporations Act (Ontario). On April 28, 2022, PopReach Parent completed a reverse takeover transaction (the "Transaction") with Federated pursuant to a Business Combination Agreement dated October 18, 2021 between PopReach Parent and Federated, first amended on February 14, 2022 and subsequently amended immediately prior to closing of the Transaction (the "Combination Agreement"). As a result of the Transaction, Federated became a wholly owned subsidiary of PopReach Parent. Federated, in accordance with IFRS 3, is deemed to be the acquirer of PopReach Parent. The information contained in this MD&A pertains to the Company on a consolidated basis, and includes results of the PopReach Parent three months ended March 31,

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2025 and 2024. The Company elected to continue its consolidated operations following the Transaction using the name PopReach Corporation (doing business as "Ionik"). Effective November 26, 2024, the Company changed its name to Ionik Corporation.

Ionik is a data driven marketing technology company focused on assembling the most effective and complete suite of advertising, marketing and monetization solutions for brands, advertisers and publishers while building an extensive proprietary repository of opted-in first-party data. The Company has assembled a diversified, yet complementary portfolio of founder-led, organically growing, cash flow positive businesses featuring world-class teams and culture, with a goal of bringing together the synergistic components of advertising technology, marketing technology, e-commerce and content platforms that often sub-optimally reside in siloed companies across the digital technology industry. Ionik's mission is to provide the highest possible value to our advertising partners and better experiences for consumers by leveraging unique first-party data across our integrated marketing and advertising technology platform. Ionik's growth strategy includes both continued organic growth and growth through acquisitions based on three key objectives: diversification, sustainability and scalability.

The Company's registered and head office is located at 1 University Avenue, 3rd Floor, Toronto, Ontario, M5J 2P1.

Business Model

The Company's revenue consists primarily of digital advertising and related services revenues generated through performance marketing and brand solutions activities, both providing user acquisition and monetization solutions to customers. Ionik supplies leading advertising technology solutions for direct and programmatic advertising including deep creative expertise for optimized campaign management across all digital media channels for advertisers and the agencies representing them. The Company also provides user acquisition and enhanced monetization solutions for digital publishers.

NOTICE REGARDING ACCOUNTING TREATMENT OF THE FEDERATED ACQUISITION TRANSACTION

Under IFRS 3, Federated is deemed to be the acquirer of PopReach Parent in the Transaction, and as such the consolidated Annual Financial Statements are a continuation of the financial statements of Federated. Federated elected to continue its consolidated operations using the name PopReach Corporation (dba "Ionik") moving forward. The Audited Financial Statements include both Federated and PopReach Parent on a consolidated basis for the years ended December 31, 2024 and 2023. The Interim Financial Statements include both Federated and PopReach Parent on consolidated basis for the three months ended March 31, 2025 and 2024.

Change in Fiscal Year-End

As a result of the Transaction, and pursuant to the Combination Agreement, the fiscal year-end of the Company was changed from September 30 to December 31. The Company made the change to provide improved comparable information with its industry peers. As a result of the change, the Company had a fifteen month fiscal period ending December 31, 2022, compared to a twelve month fiscal period ending December 31, 2023.

SUMMARY OF FINANCIAL PERFORMANCE AND SIGNIFICANT DEVELOPMENTS (in US dollars)

Financial highlights for the three months ended March 31, 2025:

- Revenue of \$41.8 million, compared to \$48.4 million for the three months ended December 31, 2024 and \$42.1 million for the three months ended March 31, 2024
- Gross profit of \$17.4 million, compared to \$19.2 million for the three months ended December 31, 2024 and \$14.4 million for the three months ended March 31, 2024
- Net loss after tax of \$3.6 million (\$0.01 per basic and diluted share), compared to a net loss of \$16.9 million (\$0.05 per basic and diluted share) for the three months ended December 31, 2024 and a net loss of \$2.7 million ((0.01) per basic and diluted share) for the three months ended March 31, 2024
- Adjusted EBITDA¹ of \$6.3 million, compared to \$7.3 million for the three months ended December 31, 2024 and \$3.9 million for the three months ended March 31, 2024
- Adjusted Free Cash Flow¹ of \$6.1 million (96% Adjusted Free Cash Flow conversion rate), compared to \$4.8 million (65% Adjusted Free Cash Flow conversion rate) for the three months ended December 31, 2024 and \$2.0 million (50% Adjusted Free Cash Flow conversion rate) for the three months ended March 31, 2024
- Cash of \$12.7 million versus \$14.6 million as of December 31, 2024 and Working capital deficit of \$93.3 million versus \$23.8 million as of December 31, 2024 and \$9.7 million as of March 31, 2024.

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- Total undiscounted debt as at March 31, 2025 was \$122.5 million, including \$84.1 million of senior lender debt, \$28.8 million of convertible debt, \$6.8 million in a vendor take-back loan and \$3.0 million in working capital note compared to \$126.5 million in total debt as at December 31, 2024 and \$95.2 million in total debt as at March 31, 2024.

Significant developments for the three months ended March 31, 2025 and up to the date of this MD&A.

- On May 29, 2025, the Company was notified by its senior lender of a technical breach of a financial covenant under the credit agreement of its syndicate debt facility (the "Syndicate Debt Facility") as at March 31, 2025. In accordance with the terms of the Syndicate Debt Facility, this breach provides the lenders the contractual right to accelerate repayment of the outstanding balance. The Company is actively engaged in discussions regarding obtaining a formal waiver. Management believes these discussions are progressing positively, although no formal waiver has been finalized as of the date of this release. The Company has reclassified the outstanding debt under the Syndicate Debt Facility from non-current liabilities to current liabilities in its Q1 2025 financial statements. Updates regarding the covenant negotiations will be provided in due course.

¹ Please refer to "Non-GAAP Measures" below

NON-GAAP MEASURES

The Company prepares its Interim and Annual Financial Statements in accordance with IFRS®. However, the Company considers certain non-IFRS® financial measures as useful additional information to assess its financial performance. These measures, which it believes are widely used by investors, securities analysts and other interested parties to evaluate its performance, do not have a standardized meaning prescribed by IFRS® and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS®. Non-IFRS measures include "Adjusted EBITDA" and "Adjusted Free Cash Flow".

Consolidated adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-IFRS measure of financial performance. The presentation of this non-IFRS financial measure is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS® and may be different from non-IFRS financial measures used by other companies. Company management defines Adjusted EBITDA as IFRS® Net income (loss) adding back finance costs, income taxes, depreciation and amortization, gain/loss on disposal of assets and extinguishment of loans, fair value gain/loss on financial liabilities and modification/extinguishment on loans, and excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings, such as impairments where the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments, foreign exchange gains/losses, and other extraordinary one-time income and expenses, such as transaction costs and other severance and restructuring costs. Management believes Adjusted EBITDA is a useful financial metric to assess its operating performance on a cash basis before the impact of non-cash and extraordinary one-time items. See reconciliation of Adjusted EBITDA under "Adjusted EBITDA" below.

Company management defines "Adjusted Free Cash Flow" as Adjusted EBITDA less capital expenditures, such as acquisition of property and equipment and additions to intangibles for capitalized development costs, and income taxes paid during the period.

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Adjusted EBITDA and Adjusted Free Cash Flow

	March 31, 2025	For the three months ended		
		December 31, 2024	September 30, 2024	June 30, 2024
Net loss (income)	\$(3,581)	\$(16,869)	\$(2,941)	\$147
Add:				
Finance costs	4,546	4,483	3,092	2,651
Income tax (recovery) expense	523	(3,012)	1,112	1,440
Depreciation and amortization	4,729	6,119	3,936	3,565
Impairment loss on intangibles and goodwill	—	14,052	—	—
Gain on disposal of games	—	—	(110)	(2,772)
Fair value loss (gain) on financial liabilities	(478)	1,651	(33)	—
Gain on modification/extinguishment of loan	—	(16)	—	—
Share-based compensation expense	163	30	202	186
Extraordinary one-time expenses	326	995	615	576
Foreign exchange (gain) loss	134	(43)	135	99
Non-recurring income	(33)	(50)	(45)	(12)
Adjusted EBITDA¹	\$6,329	\$7,340	\$5,963	\$5,880
Less:				
Acquisition of property and equipment	(13)	(12)	(6)	(12)
Additions to intangible assets	(76)	(75)	(70)	(69)
Taxes paid	(144)	(2,447)	(406)	(1,865)
Adjusted Free Cash Flow¹	\$6,096	\$4,806	\$5,481	\$3,934

	For the three months ended			
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net loss	\$(2,678)	\$(44,719)	\$(1,703)	\$(4,243)
Add:				
Finance costs	2,554	2,332	2,024	3,329
Income tax (recovery) expense	88	(10)	105	40
Depreciation and amortization	3,572	3,589	3,328	3,176
Impairment loss on intangibles and goodwill	—	41,270	—	—
Gain (loss) on disposal of assets	—	8	(8)	—
Loss on modification/extinguishment of loan	—	1,691	—	1,129
Share-based compensation expense	221	494	242	296
Extraordinary one-time expenses	61	823	280	410
Foreign exchange loss	157	75	100	92
Non-recurring income	(72)	—	—	—
Adjusted EBITDA¹	\$3,903	\$5,553	\$4,368	\$4,229
Less:				
Acquisition of property and equipment	(17)	(2)	(19)	(36)
Additions to intangible assets	(70)	(251)	(456)	(150)
Taxes paid	(1,858)	(21)	(1,334)	(19)
Adjusted Free Cash Flow¹	\$1,958	\$5,279	\$2,559	\$4,024

¹ Refer to Non-GAAP Measures

Adjusted EBITDA was \$6,329 for the three months ended March 31, 2025, compared to \$3,903 for the three months ended March 31, 2024. Adjusted Free Cash Flow was \$6,096 for the three months ended March 31, 2025, compared to \$1,958 for the three months ended March 31, 2024.

The increase in Adjusted EBITDA for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was due to the acquisition of certain businesses explained below. The increase in Adjusted Free Cash flow for the three months ended March 31, 2025 is primarily due to an increase in the Adjusted EBITDA compared to the three months ended March 31, 2024 and lower corporate tax payments during the three months ended March 31, 2024.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company's revenue generating digital media companies can be generally grouped into two categories: Brand Solutions and Performance Marketing:

Brand Solutions

Q1Media, Inc. ("Q1Media"), incorporated under the laws of Delaware, and its accounts are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, Q1Media employs 68 employees on a full-time basis with an office in Austin, Texas. Q1Media is a digital media services company that focuses on the small and medium business ("SMB") category. Q1Media's revenues are derived from the sale of marketing solutions (online banner advertising and video advertising) and platform solutions (application plug-ins, yield optimization technology and services, and data reporting and analysis tools). Q1Media provides custom digital advertising campaign solutions across all major advertising platforms.

OpenMoves LLC ("OpenMoves"), formed under the laws of New York, is a wholly owned subsidiary of OpenMoves Acquisition, Inc., and its accounts are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, OpenMoves has a fully remote team of 14 full-time employees. OpenMoves specializes in performance and growth marketing with service offerings that include paid media, social media, search engine optimization, email marketing services and creative services. OpenMoves is a Google Premier Partner, Meta Advertising Expert, and Microsoft Advertising Partner.

Schiefer Media Inc. ("SCS"), incorporated under the laws of California, is a wholly owned subsidiary of SCS Acquisition, Inc. ("SCS AcqCo"), and its accounts, along with those of its wholly owned subsidiaries of Schiefer ChopShop Canada, Inc. (Ontario), and Schiefer ChopShop Inc. (Ontario) are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, SCS and its subsidiaries employ 37 employees on a full-time basis between offices in Costa Mesa, California and Ottawa, Ontario. SCS is a brand transformation company that uses data science and creativity to optimize marketing performance. With talent investments in marketing intelligence, strategy, analytics and innovation, SCS combines technology, data, and creativity to help their clients achieve optimal brand performance.

Crucial Interactive Holdings Inc. ("CIHI" or "Contobox"), incorporated under the laws of the Ontario, and its accounts, along with those of its wholly owned subsidiaries of Crucial Interactive Inc. (Ontario), Okra Media Inc. (Quebec), Media Xeo Inc. (Quebec), and Contobox US Inc. (Delaware), are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, CIHI and its wholly owned subsidiaries, employ 23 employees on a full-time basis between offices in Toronto, Montreal and New York. Brands use the Contobox platform to reach shoppers with convenient, personalized recommendations and messaging that drives sales, across any format or device. Contobox delivers performance with engagement-based shopper intelligence, predictive product recommendations, and data driven enhanced creative capabilities.

Performance Marketing

Ubiquity Agency LLC ("Ubiquity"), formed under the laws of Delaware, is a wholly owned subsidiary of Ubiquity Agency Acquisition, Inc. ("Ubiquity AcqCo"), and its accounts, along with those of its directly and indirectly wholly owned subsidiaries (collectively, the "Ubiquity Subsidiaries") are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, Ubiquity and the Ubiquity Subsidiaries, employ 17 employees on a full-time basis between offices in Florida and Amsterdam. Ubiquity and its subsidiaries operate multiple businesses, including a digital agency and performance marketing network that develops performance driven campaigns, working with thousands of publishers worldwide as well as through Ubiquity's internal distribution network, a direct to consumer omni-channel marketing company, a full stack development and SaaS platform to support delivery, online engagement and analytics for SMS and email campaigns, and a data driven performance marketing company focused on user acquisition for membership sites.

SHIFT44 Inc. ("SHIFT44"), formed under the laws of Delaware, acquired substantially all of the assets of S44, Inc., and its accounts are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, SHIFT44 has a team of 18 full-time employees. SHIFT44 is a first party data acquisition, lead generation and performance marketing company that creates thoughtful digital engagement pathways that lead to conversions while creating precisely curated audiences and increased consumer intent and IQ.

NotifyAI, LLC ("Notify"), formed under the laws of the Wyoming, and Adwora LLC ("Adwora"), incorporated under the laws of Delaware, are wholly owned subsidiaries of Notify AcquisitionCo, Inc. ("Notify AcqCo"), and their accounts are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, Notify and Adwora collectively employ 3 employees on a full-time basis at its office in Denver, Colorado, and 16 contractors in Israel and the United Arab Emirates. Notify has developed a proprietary push messaging platform that serves (i) publishers and websites, (ii) advertisers, and (iii) other push notification providers. Notify generates revenue from consumer activity that occurs in response to the delivery of targeted advertisements to opted-in subscribers via Notify's proprietary platform. Notify offers its service to advertising channel partners as well as direct advertisers seeking to display

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their advertisements to relevant audiences in a way that causes consumers to visit the advertisers' websites and take some further action. Adwora has developed a cost-per-click ("CPC") bidding platform that allows media buyers to acquire traffic from external publishers as well as through Notify, Ubiquity and SHIFT44 on a CPC basis through an auction environment, thereby optimizing the CPC received by publishers for their traffic.

The Company announced a portion of Notify operations related to Adwora platform development ("Adwora Technology Platform Operations") were classified as held for sale and have accordingly been disclosed as discontinued operations in the Annual Financial Statements, refer to Note 22 of the Annual Financial Statements. At March 31, 2025, 3 people remained employed on a full-time basis and 5 contractors in Israel and the United Arab Emirates with the remaining Adwora business ("Residual Adwora").

Nimble5, LLC ("Nimble5"), formed under the laws of the California, is wholly owned subsidiary of Nimble5 AcquisitionCo, Inc., incorporated under the laws of Delaware ("Nimble5 AcqCo"), and its accounts are consolidated into the Company's Audited Financial Statements. As at March 31, 2025, Nimble5 has a team of 26 full-time employees. Nimble5 uses proprietary campaign management platform to execute programmatic buys at scale, create and manage ad placement, optimize return on ad spend ("ROAS"), and deliver high-quality, targeted traffic to its search platforms, while also relying on a dedicated team of experienced ad buyers to ensure optimal performance and precision targeting.

Rise4 Inc., incorporated as Ontario Corporation and 22K Investments, a Wyoming LLC, (collectively, "Rise4"), its accounts are consolidated into the Company's Annual Financial Statements. As at March 31, 2025, Rise4 has a team of 11 full-time employees. Rise4 is an omnichannel user acquisition, content creation and search monetization entity that uses its performance marketing platform to acquire high quality, high intent users, providing those users with the information and outcome they are searching for and connecting those users to the advertisers seeking to reach them, resulting in profitability to publishers and high quality conversions for advertisers.

Content

On April 29, 2024, Ionik announced the sale of substantially all of its mobile games portfolio including its subsidiary, PopReach Technologies Private Limited. The majority of the games related business activities of PopReach Incorporated, and its related subsidiaries ("PopReach Games") have accordingly been disclosed as discontinued operations in the Annual Financial Statements. At March 31, 2025, 1 individual remained employed on a full-time basis with the remaining PopReach Games Business ("Residual PopReach"), in addition to 21 people employed with corporate responsibilities.

Acquisitions and transactions in the fifteen months ended December 31, 2022

Acquisition of CIHI

The acquisition of 100% of the shares of CIHI and its subsidiaries (the "CIHI Acquisition") has been accounted for as a business combination, and the results of operations are included in the consolidated statements of loss and comprehensive loss from the date of acquisition, October 1, 2021.

CIHI enables businesses to personalize their messaging across video, mobile, social, and display advertising campaigns. CIHI's proprietary technology scores interest in products based on shopper engagement and purchase trends; uses predictive intelligence to recommend products to new and existing shoppers; and enhances experiences across multiple channels throughout the customer journey, providing marketers with deeper, more accurate insights, full transparency into performance and machine learning solutions. CIHI was acquired as part of the Company's growth strategy.

Federated completed the acquisition of CIHI on October 1, 2021 (the "CIHI Acquisition"), whereby Federated acquired all of the issued and outstanding securities of CIHI from the holders thereof (the "CIHI Vendors") for total consideration of \$7,048.

The consideration for the acquisition consisted of the CIHI Debenture with a fair value of \$3,299 (C\$4,204) and the assumption of certain indebtedness (the "CIHI Shareholder Debt") owed by CIHI to certain shareholders (the "Shareholder Lenders") as evidenced by the CIHI Shareholder Note issued by CIHI to the Shareholder Lenders on closing of the CIHI Acquisition in the principal amount of \$3,150 (C\$4,325). The CIHI Shareholder Note was originally recorded at a fair value of \$3,282 (C\$4,182) using a discount rate of 11.95%. On April 7, 2022, the CIHI Debenture was fully satisfied by way of conversion into 5,596,063 common shares of the Company at a price of \$0.668 (7,420,631 Federated Shares based on a conversion price per Federated Share of \$0.504).

The CIHI Shareholder Note, including outstanding principal and accrued interest, has been fully satisfied as follows: (i) \$569 (C\$725) was repaid in cash on closing of the CIHI Acquisition; (ii) \$701 (C\$833) was repaid in cash on December 6, 2021; (iii) \$1,322 (C\$1,692) was repaid in cash on May 12, 2022; and (iv) \$844 (C\$1,075) was fully satisfied by way of conversion into 1,286,794 common shares of the Company at a share price of \$0.653 (1,706,347 Federated Shares based on a conversion price per Federated Share of \$0.504).

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Prior to the CIHI Acquisition, shareholders and management of CIHI, controlling 51.8% of the shares of CIHI, owned 7.2% of Federated's shares prior to and after the CIHI Acquisition, making the transaction a related party transaction. Given such shareholders and management of CIHI did not have significant influence or voting control over Federated, the CIHI Acquisition was not considered a common control transaction.

On April 1, 2022, the outstanding balance of \$1,281 that was payable 6 months following the closing of the acquisition, was amended to extend the repayment date until July 1, 2022, and subsequently, the outstanding principal and accrued interest was paid in full.

PopReach Reverse Takeover Transaction

On April 28, 2022, the Company completed its previously announced business combination with Federated, to form a publicly-listed Canadian technology and media enterprise.

Pursuant to the Transaction, PopReach Parent acquired Federated for an indicative aggregate purchase price of C\$160,000, subject to adjustments for assumed debt, working capital and other customary terms and conditions set out in the definitive transaction agreement entered into by the parties for the Transaction. As a result, shareholders of Federated received approximately 0.7541 common shares in the capital of the Company (the "Common Shares") for each common share in Federated (the "Federated Shares") held by them, for a total issuance from treasury by the Company of 159,053,948 Common Shares (the "Consideration Shares"). Following completion of the Transaction, the Company had 232,520,102 Common Shares issued and outstanding, with the Consideration Shares issued to Federated's shareholders comprising approximately 68.40% of the issued capital (basic and excluding dilutive securities).

Federated, incorporated on January 25, 2021 under the laws of Ontario, is a wholly owned subsidiary of the Company, and its accounts are consolidated into the Annual Financial Statements. Three companies were acquired by Federated: Q1Media on July 9, 2021, Notify on August 6, 2021, and CIHI on October 1, 2021.

Acquisition of Ubiquity

On September 8, 2022, the Company indirectly acquired 100% of the membership interests of Ubiquity, through Ubiquity Agency Acquisition, Inc. ("Ubiquity AcqCo"), a Delaware corporation wholly owned by the Company and incorporated on August 12, 2022, for total consideration of \$44,300 (the "Ubiquity Acquisition"). Ubiquity was acquired as part of the Company's growth strategy.

On closing of the Ubiquity Acquisition, the consideration paid to the former Ubiquity members consisted of: (i) a convertible debenture with a face value of \$13,750 (the "Ubiquity Debenture"), (ii) 41,000,000 Common Shares issued at the market price on the date immediately preceding closing of the Ubiquity Acquisition, being C\$0.34, and (iii) \$15,540 in cash. The Ubiquity Debenture is secured by a security interest granted to the holders over the assets of Ubiquity, which security interest ranks subordinate to the Company's senior lender. An additional cash payment of \$250 was recorded as a holdback and was payable, subject to deduction in respect of indemnification claims, if any, pursuant to the terms of the transaction agreement. Post-acquisition, the Ubiquity Debenture was reduced by \$399 to account for a preliminary net working capital adjustment pursuant to the terms of the transaction agreement.

Further to the above, in the event that the Company did not elect, in the Company's own discretion, to prepay at least \$7,500 in principal of the Ubiquity Debenture on or before the date that is 120 days following completion of the Ubiquity Acquisition, an additional 3,000,000 Common Shares would be issued to the former members of Ubiquity. Waivers were signed subsequently in January 2023 to extend the timeline for the prepayment from January 6, 2023 to January 10, 2023. On January 9, 2023, \$7,500 of the convertible debenture was repaid to the former members, and no Common Shares were issued.

Acquisitions and transactions in the twelve months ended December 31, 2023

Acquisition of SCS

On April 18, 2023, the Company completed the acquisition of SCS, a brand transformation company headquartered in California. A new wholly owned subsidiary of the Company, SCS Acquisition Inc., was formed, where SCS Acquisition Inc. acquired all of the issued and outstanding shares of SCS. The total consideration paid consisted of \$2,000 in cash ("SCS Cash Consideration"), the issuance of 4,400 Class B non-voting shares of SCS Acquisition Inc. (the "SCS Exchangeable Shares"), the issuance of a vendor take-back note in the principal amount of \$5,500 (the "SCS VTB Note"), the issuance of a convertible debenture in the principal amount of \$750 (the "SCS Debenture"), and earn-out payments totaling up to \$3,000, which are payable in each of the first two years following the closing of the acquisition. SCS was acquired as part of the Company's growth strategy.

The SCS Exchangeable Shares are exchangeable at the option of the holders into common shares of the Company at any time following the closing of the acquisition on the basis of 5,000 common shares of the Company for every 1 SCS Exchangeable Share, entitling the holders to an aggregate of 22,000,000 common shares of the Company.

The SCS VTB Note is non-interest bearing and is repayable as follows: (i) \$4,000 on the earlier to occur of any future increase to, or refinancing of, the Company's senior debt facility and May 31, 2025 (the "SCS Maturity Date"); and (ii) \$1,500 on May 31, 2025.

The SCS Debenture is non-interest bearing, repayable on the SCS Maturity Date and convertible into common shares of the Company at the option of the holders exercisable at any time prior to the SCS Subsequent Maturity Date at US\$0.78 per share. The SCS Debenture and the SCS VTB Note are each secured by a security interest granted to the holders over the assets of SCS, which security interest ranks subordinate to the Company's senior lender.

Prior to the SCS Acquisition, the Company sourced bridge financing (the "SCS Bridge Financing") in the principal amount of \$2,000 from a third-party lender (the "SCS Bridge Lender") to fund the SCS Cash Consideration paid on closing of the acquisition. The SCS Bridge Financing, together with a loan fee in the amount of \$500, was repayable on the earlier to occur of (i) the Company's completion of its next senior debt or equity financing and (ii) June 30, 2025 pursuant to the terms of an unsecured promissory note issued by SCS Acquisition Inc. to the SCS Bridge Lender on April 18, 2023. The principal amount under the SCS Bridge Financing did not bear interest unless repayment was not made within six months following the completion of the acquisition (the "SCS Early Repayment Term"). If repayment was not made within the SCS Early Repayment Term, the principal amount outstanding would bear interest at the rate of 10% per annum until full and final repayment was made and the Company would be required, subject to approval of the TSX Venture Exchange, to grant a security interest over its assets to the SCS Bridge Lender, which security interest would rank subordinate to the Company's senior lender. The SCS Bridge Lender is arm's length to the Company and is also arm's length to SCS and its shareholders. The full amount of the SCS Bridge Financing was repaid through the completion of the New Syndicated Credit Facility discussed below. The purchase price allocation under IFRS 3 is disclosed in Note 21 of the Annual Financial Statements.

Acquisition of OpenMoves

On April 26, 2023, the Company completed the acquisition of OpenMoves, a business-to-business ("B2B") and business-to-consumer ("B2C") performance and growth marketing company headquartered in New York.. A new wholly owned subsidiary of the Company, OpenMoves Acquisition, Inc. was formed, where OpenMoves Acquisition, Inc. acquired all of the issued and outstanding membership interests of OpenMoves. The total consideration paid consisted of \$3,797 in cash (the "OpenMoves Cash Consideration"), the issuance of 9,000,000 common shares of the Company ("OpenMoves Consideration Shares"), and the issuance of a convertible debenture in the principal amount of \$2,000 (the "OpenMoves Debenture"). OpenMoves was acquired as part of the Company's growth strategy.

In the event the Company did not elect, in its own discretion, to prepay the OpenMoves Debenture by October 26, 2023, the principal amount of the Debenture would be increased by \$500 and an additional 1,000,000 Common Shares would be issued. On acquisition date, the Company estimated that the OpenMoves Debenture would not be paid before this date, and therefore the OpenMoves Debenture was increased by \$500 and an additional 1,000,000 Common Shares were issued.

The Company held back \$119 of the OpenMoves Cash Consideration and 2,142,000 of the OpenMoves Consideration Shares, which would be paid and issued one year after the completion of the acquisition, subject to reductions, if any, in connection with any net working capital adjustments or the satisfaction of any indemnity obligations. As such, 6,858,000 OpenMoves Consideration Shares were issued at the time of the acquisition and during the twelve months ended December 31, 2023, an additional amount in cash was paid due to finalization of net working capital adjustments. During the twelve months ended December 31, 2024, the Company issued the 2,142,000 held back shares upon completion of the one year anniversary of the acquisition.

The OpenMoves Debenture bears interest at a rate of 7% per annum, is repayable on May 31, 2025 (the "OpenMoves Maturity Date") and is convertible into common shares of the Company at the option of the holders, exercisable at any time prior to the OpenMoves Maturity Date at US\$0.78 per share and the holders have the option to convert accrued and unpaid interest into common shares of the Company at the greater of \$0.78 and the lesser of (i) the closing price for the common shares of the Company on the day immediately prior to the conversion and (ii) the lowest price permissible by the TSX Venture Exchange. The OpenMoves Debenture is secured by a security interest granted to the holders over the assets of OpenMoves, which security interest ranks subordinate to the Company's senior lender. On August 1, 2024, the amended Open Moves Debenture was amended to a loan (the "OpenMoves Amended Loan") bearing 11.25% without any conversion feature and a maturity date of November 30, 2026. The OpenMoves Amended Loan resulted in substantial modification of its existing terms and accordingly accounted for as a loan extinguishment. As a result of the loan amendment, the OpenMoves Debenture carrying value of \$3,107 was extinguished and a gain on extinguishment of convertible debenture of \$15 was recognized in the consolidated statements of loss and comprehensive loss for the twelve months ended December 31, 2024, refer to the Note 13 of the Annual Financial Statements.

Prior to the OpenMoves Acquisition, the Company sourced bridge financing (the "OpenMoves Bridge Financing") in the principal amount of \$4,000 from a third-party lender (the "OpenMoves Bridge Lender") to fund the Cash Consideration payable on Closing. The OpenMoves Bridge Financing, together with a loan fee in the amount of \$1,000, is repayable on the earlier to occur of (i) the Company's completion of its next senior debt or equity financing and (ii) June 30, 2025 pursuant to the terms of an unsecured promissory note issued by the Company to the OpenMoves Bridge Lender on April 25, 2023. The principal amount under the OpenMoves Bridge Financing did not bear interest unless repayment was not made within six months following the completion of the acquisition ("OpenMoves Early Repayment Term"). If repayment was not made within the OpenMoves Early Repayment Term, the principal amount outstanding would bear interest at the rate of 10% per annum until full and final repayment was made and the Company will be

required, subject to approval of the TSX Venture Exchange, to grant a security interest over its assets to the OpenMoves Bridge Lender, which security interest would rank subordinate to the Company's senior lender. The OpenMoves Bridge Lender was arm's length to the Company and was also arm's length to OpenMoves and its shareholders. The full amount of the OpenMoves Bridge Financing was repaid through the completion of the New Syndicated Credit Facility discussed below. The purchase price allocation under IFRS 3 is disclosed in Note 21 of the Annual Financial Statements.

New Syndicated Credit Facility

On May 25, 2023, the Company entered into Credit Agreement (the "Credit Agreement") and closed a new \$115,000 syndicated credit facility, further discussed in the Bank Indebtedness and Loans section below.

As a condition precedent to closing, the Company entered into the following amendments, each dated May 24, 2023: (i) an amendment to the Ubiquity Debenture (the "Ubiquity Debenture Amendment"); (ii) an amendment to the SCS Debenture (the "SCS Debenture Amendment"); (iii) an amendment to the SCS VTB Note (the "SCS VTB Amendment"); and iv) an amendment to the OpenMoves Debenture (the "OpenMoves Debenture Amendment").

The Ubiquity Debenture Amendment extends the maturity date of the Ubiquity Debenture to November 30, 2026 (the "New Maturity Date"), and increases the interest rate to 7.5% per annum, calculated from the original issuance date of the Ubiquity Debenture, being September 8, 2022, until full repayment is made. The Ubiquity Debenture Amendment further provides that if the Company does not voluntarily opt to prepay the Ubiquity Debenture in full prior to the previous maturity date of May 13, 2025 ("Original Ubiquity Maturity Date"), the principal amount of the Ubiquity Debenture will increase by \$750 (the "Ubiquity Contingent Amount") and the interest rate will be further increased to 15% per annum, calculated from the Original Ubiquity Maturity Date until full repayment is made. Pursuant to the Ubiquity Debenture Amendment, conversion of the Ubiquity Contingent Amount and any interest accrued thereon shall be subject to the prior approval of the TSX Venture Exchange.

The SCS Debenture Amendment and the SCS VTB Amendment each extend the respective maturity dates of the SCS Debenture and the SCS VTB Note to the New Maturity Date and further provide that if the Company does not voluntarily opt to (i) prepay the SCS Debenture in full prior to the SCS Maturity Date, the principal amount will increase by \$75; and (ii) prepay the SCS VTB Note in full prior to the SCS Maturity Date, the principal amount will increase by \$150, and in the case of (i) and (ii), interest will accrue and be calculated on the outstanding principal amount at the rate of 11% per annum commencing on the SCS Maturity Date until full repayment is made.

The OpenMoves Debenture Amendment extends the maturity date of the OpenMoves Debenture to the New Maturity Date, and further provides that if the Company does not voluntarily opt to prepay the OpenMoves Debenture in full (i) prior to October 23, 2023, the principal amount will increase by \$250; and (ii) prior to the OpenMoves Maturity Date, the principal amount will increase by an additional \$500, and the interest rate will increase to 11% per annum, calculated from the OpenMoves Maturity Date until full repayment is made. These amounts are in addition to the potential increase of \$500 related to the principal amount discussed in the initial acquisition of OpenMoves.

The OpenMoves Debenture was not repaid in full prior to October 23, 2023, and therefore the OpenMoves Debenture increased by \$250 and \$500 on October 23, 2023, and an additional 1,000,000 Common Shares were issued.

Funds received from the closing of the syndicated credit facility were used to pay in full the SCS Bridge Financing and OpenMoves Bridge Financing, as well as their respective loan fees.

Acquisition of SHIFT44

On November 20, 2023, the Company completed the acquisition of S44 LLC ("SHIFT44"), a first party data acquisition, lead generation and performance marketing platform headquartered in New York. A new wholly owned subsidiary of the Company, SHIFT44, Inc. ("Acquisition Subsidiary"), was formed, where Acquisition Subsidiary acquired substantially all of the assets of SHIFT44. The total consideration paid consisted of \$17,750 in cash ("SHIFT44 Cash Consideration"), the issuance of 4,790 Class B non-voting shares of the Acquisition Subsidiary (the "SHIFT44 Exchangeable Shares"), and the issuance of a convertible debenture in the principal amount of \$16,750 (the "SHIFT44 Debenture"), excluding any working capital adjustments. \$250 of the SHIFT44 Cash Consideration will be held back and released on the one year anniversary of the completion of the acquisition, subject to any net working capital adjustments. SHIFT44 was acquired as part of the Company's growth strategy. In November 2024, the Company paid the \$250 held back cash consideration.

The SHIFT44 Debenture is non-interest bearing, repayable on November 30, 2026 (the "SHIFT44 Maturity Date") and convertible into common shares of the Company at the option of the holders, exercisable at any time prior to the SHIFT44 Maturity Date at US\$0.78 per share. The SHIFT44 Debenture is secured by a security interest granted to the holders over the assets of SHIFT44, which security interest ranks subordinate to the Company's senior lender.

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(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)

The SHIFT44 Exchangeable Shares are exchangeable at the option of the holders into common shares of the Company at any time following the closing of the acquisition on the basis of 9,238 common shares of the Company for every 1 SHIFT44 Exchangeable Share, entitling the holders to an aggregate of 44,250,020 common shares of the Company. The purchase price allocation under IFRS 3 is disclosed in Note 21 of the Annual Financial Statements.

Acquisitions and transactions in the twelve months ended December 31, 2024 and three months March 31, 2025

Sale of PopReach Games Business

During the year ended December 31, 2023, the Company initiated plans for the disposal of all of the assets and liabilities from PopReach Incorporated, including the shares of PR Tech ("PopReach Games Business") as part of its strategic realignment. The associated assets and liabilities within the disposal group were presented as held for sale and the associated net loss is presented as discontinued operations in the consolidated financial statements for the twelve months ended December 31, 2023 and fifteen months ended December 31, 2022.

On April 29, 2024, the Company announced the sale of the PopReach Games Business to Phoenix Games Holdings UK Ltd. ("Phoenix") (the "Transaction"). The Transaction was completed pursuant to a share purchase agreement (the "Share Purchase Agreement") and an asset purchase agreement (the "Asset Purchase Agreement"), each entered into on April 26, 2024 between Phoenix and PopReach Incorporated. As a result, the associated financial information of the PopReach Games Business has been reclassified as discontinued operations on the Annual Financial Statements.

Pursuant to the Asset Purchase Agreement, PopReach Incorporated sold its intellectual property rights in substantially all of its owned and operated mobile games to Phoenix in exchange for aggregate consideration of up to \$8,236, being comprised of \$6,073 payable in cash on closing ("Closing") and the issuance of a promissory note in the principal amount of \$2,300 (the "Deferred Note"). The Deferred Note is non-interest bearing and repayable as to (i) \$1,500 on the 6-month anniversary of Closing, (ii) \$600 on the 12-month anniversary of Closing, (iii) \$100 on the 24-month anniversary of Closing, and (iv) \$100 on the 36-month anniversary of Closing (collectively, the "Deferred Payments"). The fair value of the Deferred Note recognized upon sale is \$2,163. For the twelve months ended December 31, 2024, the Company recognized accretion as other income related to the Deferred Note of \$64.

Pursuant to the Share Purchase Agreement, PopReach Incorporated sold all of the issued and outstanding shares of PR Tech to Phoenix in exchange for aggregate consideration of \$1,500 payable in cash on Closing subject to finalization of actual cash compared to target cash, and actual net working capital compared to target working capital net of withholding taxes. The fair value of the consideration for the Share Purchase Agreement is \$1,434.

The Deferred Payments are subject to reduction, if any, in connection with PopReach Incorporated's obligations pursuant to the indemnification provisions in the Asset Purchase Agreement and Share Purchase Agreement, PopReach Incorporated's satisfactory performance of certain transition services pursuant to a transition services agreement entered into between PopReach Incorporated and Phoenix on Closing. The sale of assets is disclosed in Note 22 of the Annual Financial Statements.

Acquisition of Nimble5

On September 3, 2024, the Company completed the acquisition of Nimble5, LLC ("Nimble5"), a performance marketing company specializing in omni-channel user acquisition and search engine marketing headquartered in San Diego, California. A new wholly owned subsidiary of the Company, Nimble Acquisition, Inc. (the "Acquisition Subsidiary") was formed, where the Acquisition Subsidiary acquired all of the assets of Nimble5.

The total consideration paid consisted of (i) \$20,000 in cash (the "Nimble Cash Consideration"), (ii) 30 million Common Shares of the Company to be held back until four months from the date of acquisition, (iii) the issuance of a convertible vendor take back loan in the principal amount of \$5,000 convertible at a fixed ratio of \$0.78 per share, (iv) the issuance of vendor take back loan in the principal amount of \$6,000, (v) earn-out installment payment up to 25% of EBITDA earned each year ending December 31, 2024 (prorated), December 31, 2025, December 31, 2026 and December 31, 2026, up to a maximum of \$10,000 and (vi) Earn-out Lump Sum payment of \$30,000 if Nimble5's EBITDA in the 3-year period following the acquisition date is greater than \$25,000, or \$25,000 if Nimble5's EBITDA in such period is greater than \$20,000, convertible to the Common Shares of the Company at fixed ratio of \$0.78 at the option of the holders. The undiscounted \$2,500 of the Nimble Cash Consideration will be held back and released on the one-year anniversary of the completion of the acquisition, subject to any net working capital adjustments. Nimble5 was acquired as part of the Company's growth strategy. The purchase price allocation under IFRS 3 is disclosed in Note 21 of the Annual Financial Statements.

Acquisition of Rise4

On November 19, 2024, the Company announced the acquisition of Rise4, a performance marketing company specializing in omni-channel user acquisition, content creation and search monetization headquartered in Guelph, Ontario.

The total consideration paid consisted of (i) \$8,500 in cash (the "Rise4 Cash Consideration"), (ii) \$3,307 of net working capital adjustment, (iii) 18 million Common Shares of the Company, (iv) the issuance of a convertible vendor take back loan in the principal

amount of \$9,500 convertible at a fixed ratio of \$0.78 per share, and (v) contingent consideration is calculated annually over a five-year period, starting on the first anniversary of the Rise4 Date of Acquisition and the consists of (i) earnout payments (collectively, the "Direct Earn-out Payments") equal to 25% of the aggregate of the Rise4 EBITDA and 30% of the gross profit generated by another subsidiary of the Company directly utilizing Rise4's platform access, for which Rise4 group has not charged any margin (collectively, the "Imputed EBITDA"); and (ii) earnout payments (collectively, the "Affiliate Earn-out Payments") equal to 25% of incremental earnings before interest, taxes, depreciation and amortization that Company would have generated in each Earn-out Period had the Company charged a non-affiliate margin to the transactions completed with its affiliates. The Direct Earn-out Payments and Affiliate Earn-out Payments (collectively, the "Rise4 Earn-out") shall not be greater than \$25,000.

If the Imputed EBITDA is less than \$3,000, the Direct Earn-out Payments will be paid 90 days following the fifth anniversary of the Rise4 Date of Acquisition. If the Imputed EBITDA is greater than \$3,000 but less than \$7,000, the Direct Earn-Out Payment calculated based on the portion of Imputed EBITDA greater than \$3,000 will be paid 90 days following the end of the corresponding Earn-Out Period and the Direct Earn-Out Payment calculated based on the portion of Imputed EBITDA less than \$3,000 will be paid on the Last Payment Date. If Imputed EBITDA for an Earn-Out Period is greater than \$7,000, the Direct Earn-Out Payment will be paid 90 days following the end of the corresponding Earn-out Period. The Affiliate Earn-out Payments are payable 90 days following the fifth anniversary of the Closing Date. The undiscounted \$250 of the Rise4 Cash Consideration will be held back and released on the one-year anniversary of the completion of the acquisition, subject to any net working capital adjustments. Rise4 was acquired as part of the Company's growth strategy. The purchase price allocation under IFRS 3 is disclosed in Note 21 of the Annual Financial Statements.

Adwora Technology Platform held for sale

For the year ended December 31, 2024, the Company initiated plans for the disposal of substantially all of the assets and liabilities related to the Adwora platform development ("Adwora Technology Platform Operations") as part of its strategic realignment. The associated assets and liabilities within the disposal group are presented as held for sale and the associated net loss is presented as discontinued operations in the consolidated financial statements. The assets and liabilities held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. The Company is in process of finalizing the disposal of the Adwora Technology Platform Operations. Final adjustments as a result of the disposal will be recorded in subsequent consolidated financial statements, refer to Note 22 of the Annual Financial Statements for more details.

BANK INDEBTEDNESS AND LOANS

Company Financing Activity

On completion of the Transaction, the Company assumed or entered into the following finance arrangements:

BMO Facility

On April 18, 2022, the Company entered into a credit agreement for \$33,000 in senior secured credit facilities (the "BMO Facilities") with the Bank of Montreal ("BMO" or the "Lender"), which were subsequently closed by the Company on May 12, 2022. The BMO Facilities consist of an \$8,000 revolving facility ("Revolver"), a \$25,000 non-revolving term facility ("BMO Term Loan"), and an "accordion" option for up to an additional \$15,000 acquisition facility subject to Lender and other typical approvals ("Acquisition Line") to support the Company's M&A growth strategy. The Company agreed to secure all of the Company's obligations under the BMO Facilities by granting the lender a first ranking security interest on all of its respective assets. The full \$25,000 available on the BMO Term Loan was drawn on May 12, 2022 on completion of the transaction (the "Initial BMO Draw").

On September 8, 2022, the Company amended the BMO Facilities, to increase the BMO Term Loan by \$15,000 through the "accordion" option, with the additional \$15,000 drawn in full in order to fund the acquisition of Ubiquity described in the Annual Financial Statements (the "Additional BMO Draw"). After the amendment, the BMO Facilities were comprised of a \$40,000 BMO Term Loan and an un-amended \$8,000 Revolver. All other material terms of the BMO Facilities remained unchanged.

The BMO Facilities bore interest at a rate of Lender's US Base Lending Rate, plus an applicable margin. The Initial BMO Draw was amortized monthly beginning the first full quarter post-closing, with repayments of 55% of the amount drawn over a three year period. The Additional BMO Draw was amortized monthly beginning the first full month post-closing, with equal repayments over a five year term. Interest on the BMO Facilities was payable monthly in arrears.

Prepayments of the Revolver were permitted without penalty at any time, in whole or in part; prepayments of the BMO Term Loan, in whole or in part, were permitted without penalty 24 months following close. If the BMO Term Loan was repaid prior to 24 months post-closing, such repayment was subject to a prepayment penalty. The BMO Facilities were guaranteed by the material subsidiaries of the Company and were secured by a first ranking security interest in favour of the Lender over all of the assets and properties of the Company and the guarantors, subject to customary permitted liens approved by the Lender.

Debt Repayments

On May 12, 2022, the Initial BMO Draw, along with \$2,343 of cash on hand, was used to repay the outstanding principal and accrued interest of the Company's previous debt facilities in full, as well as all debt assumed by the Company on completion of the transaction.

Acquisition Financing of SCS, OpenMoves and SHIFT44

Please refer to the "General Development of the Business" section for more details on the convertible debentures and other loans issued as consideration for the acquisition of SCS, OpenMoves and SHIFT44.

New Syndicated Credit Facility

On May 25, 2023, the Company entered into Credit Agreement (the "Credit Agreement") and closed a new \$115,000 syndicated credit facility (the "Syndicate Facility") with BMO as the administrative agent (the "Agent"), and including the National Bank of Canada, Export Development Canada and Toronto Dominion Bank as syndicate lenders (collectively the "Syndicate"). The Syndicate Facility replaced and represented an increase from the Company's previous BMO Facilities.

The Syndicate Facility consists of a \$10,000 revolving facility (the "Syndicate Revolver"), a \$45,000 non-revolving term facility (the "Syndicate Term Loan"), and \$60,000 in delayed draw term loans (the DDTL). The Syndicate Revolver will be used for general working capital and general corporate requirements. The Syndicate Term Loan is being used to replace the BMO Facilities and to refinance other existing indebtedness of the Company, and the DDTL will be used to finance previous and future acquisitions. On closing of the Syndicate Facility (the "Closing"), \$2,500 of the DDTL was used to repay the SCS Bridge Financing, \$4,000 was used to repay a portion of the SCS VTB Note, and \$5,000 was used to repay the OpenMoves Bridge Financing.

The Syndicate Facility carries a term of 3 years and bears interest at a rate, as determined at the Company's option, of either the Agent's US Base Lending Rate plus an applicable margin, or at a rate based on the Agent's US Secured Overnight Financing Rate plus an applicable margin. The Syndicate Revolver is repayable in full at maturity and the Syndicate Term Loan and DDTL will amortize monthly beginning the first full quarter after the closing of the facility, with principal amortization of 50% over the 3-year term with the remaining balance due at maturity.

On September 3, 2024, the Company increased the loan amount under the DDTL by \$21,500 for the acquisition of Nimble5 from available room. On November 18, 2024, the Company increased the loan amount under the DDTL by \$8,500 for the acquisition of Rise4 from available room, refer to Note 21 of the Annual Financial Statements.

The Credit Agreement and all subsequent amendments introduced a number of affirmative, financial, negative and reporting covenants. On May 29, 2025, the Company was notified by the Syndicate of a technical breach of one of its financial covenants as at March 31, 2025 (refer to Note 2). In accordance with the terms of the Credit Agreement, a breach of covenant provides the lender with the contractual right to accelerate repayment of the outstanding balance. No waiver has been obtained as of the reporting date, and accordingly, \$64,072 of the long term portion of the Syndicate Facility has been classified as a current liability in accordance with IAS 1.

On August 1, 2024, the Company amended the OpenMoves Debenture to a loan (the "OpenMoves Amended Loan") bearing 11.25% without any conversion feature and a maturity date of November 30, 2026. As a result of the loan amendment, the carrying value of the OpenMoves Amended Loan of \$3,075 was recognized as part of Loans on the conversion date, while the OpenMoves Debenture carrying value of \$3,107 was extinguished and a gain on extinguishment of convertible debenture of \$15 was recognized in the consolidated statements of loss and comprehensive loss for the twelve months ended December 31, 2024. The fair value of the OpenMoves Loan was estimated using the interest rate of 12.5%, refer to Note 10 of the Annual Financial Statements.

On September 13, 2024, the Company became party to a \$3,000 promissory note bearing 10% annual interest (the "Nimble5 Working Capital Note"). The maturity date of the Nimble5 Working Capital Note is November 30, 2026, refer to Note 13 of the Annual Financial Statements.

SEASONALITY

Online advertising, online commerce and internet usage are seasonally strongest in the fourth quarter and generally slower during the first quarter and summer months and as a result, operating results will fluctuate quarter by quarter. In addition, revenue and operating results may fluctuate quarter to quarter depending on sales cycles, network performance and customer demand. Costs are incurred more evenly throughout the year. In addition to the seasonal trends, revenue and operating profit can fluctuate from general economic conditions, and as a result, one quarter's revenue and operating results may not necessarily be indicative of a subsequent quarter's revenue and operating results. For these reasons, performance is not comparable quarter to consecutive quarter and is best considered on the basis of results for the whole year or by comparison of results in a quarter with results in the same quarter for the previous year.

IONIK CORPORATION (formerly "PopReach Corporation")**Management's Discussion and Analysis****For the three months ended March 31, 2025 and 2024****(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)****SELECTED FINANCIAL INFORMATION**

Selected financial information from the Company's Interim Financial Statements and Annual Financial Statements for each of the periods is indicated in the table below. The Company's functional and presentation currency is in USD. Except where indicated, the following financial data is reported in accordance with IFRS.

	March 31 2025	For the three months ended December 31, 2024	September 30, 2024	June 30, 2024
Revenue	\$41,839	\$48,354	\$43,960	\$44,677
Net (loss) gain from continuing operations	(3,581)	(16,869)	(2,941)	147
Comprehensive (loss) gain from continuing operations	(3,644)	(16,919)	(2,925)	167
Basic and diluted loss and comprehensive loss per common share	(0.01)	(0.05)	(0.01)	(0.00)
Total assets	197,190	206,237	205,081	126,087
Total liabilities	220,736	226,428	208,636	128,487
Non-GAAP:				
Adjusted EBITDA ¹	6,329	7,340	5,963	5,880
Adjusted Free Cash Flow ¹	6,096	4,806	5,481	3,934

¹ Refer to Non-GAAP Measures

	March 31 2024	For the three months ended December 31, 2023	September 30, 2023	June 30, 2023
Revenue	42,089	38,301	34,167	\$35,446
Net loss from continuing operations	(2,678)	(44,719)	(1,703)	(4,243)
Comprehensive loss from continuing operations	(2,667)	(44,687)	(1,740)	(4,280)
Basic and diluted loss and comprehensive loss per common share	(0.01)	(0.16)	(0.01)	(0.02)
Total assets	206,237	139,510	147,752	155,981
Total liabilities	226,428	138,601	101,613	107,600
Non-GAAP:				
Adjusted EBITDA ¹	3,903	5,553	4,368	4,229
Adjusted Free Cash Flow ¹	1,958	5,279	2,559	4,024

¹ Refer to Non-GAAP Measures

IONIK CORPORATION (formerly "PopReach Corporation")

Management's Discussion and Analysis
For the three months ended March 31, 2025 and 2024
(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)
DISCUSSION OF OPERATIONS

	For the three months ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Revenue	\$41,839	\$48,354	\$42,089
Cost of sales	24,459	29,195	27,732
Gross profit	\$17,380	\$19,159	\$14,357
<i>Gross profit %</i>	<i>42%</i>	<i>40%</i>	<i>34%</i>
Operating expenses:			
Selling and marketing	4,192	4,626	4,528
General and administrative	5,342	5,898	4,453
Technology and development	1,844	1,962	1,785
Depreciation and amortization	4,729	6,119	3,572
Impairment on intangibles and goodwill	—	14,052	—
	16,107	32,657	14,338
Other income (loss)			
Finance costs	(4,546)	(4,483)	(2,554)
Transaction costs	(162)	(358)	(61)
Foreign exchange gain (loss)	(134)	43	(157)
Fair value gain (loss) on financial liabilities	478	(1,651)	91
Gain on modification/extinguishment	—	16	—
Other income	33	50	72
Net loss before income taxes	(3,058)	(19,881)	(2,590)
Income tax recovery (expense)	(523)	3,012	(88)
Net loss after tax	\$(3,581)	\$(16,869)	\$(2,678)
Other comprehensive (loss) income	(63)	(50)	11
Comprehensive loss from continuing operations	\$(3,644)	\$(16,919)	\$(2,667)
Net loss and Comprehensive loss from Discontinued operations, after tax	\$—	\$(1,329)	\$(308)
Comprehensive loss	\$(3,644)	\$(18,248)	\$(2,975)
Adjusted EBITDA¹	\$6,329	\$7,340	\$3,903
Adjusted Free Cash Flow¹	\$6,096	\$4,806	\$1,958

¹ Refer to Non-GAAP Measures.

During the three months ended March 31, 2025, the Company's results include three months of revenue from each of Q1Media, Notify, CIHI, Residual PopReach, Ubiquity, SCS, OpenMoves, SHIFT44, Nimble5 and Rise4. Comparatively, during the three months ended March 31, 2024, the Company's results include three months of revenue from Q1Media, Notify, CIHI, Residual PopReach, Ubiquity, OpenMoves, SCS, SHIFT44 and no revenue from Nimble5 and Rise4 (acquired September 2024 and November 2024, respectively).

The following chart summarizes the number of months of operations for which each entity is included in the Company's results, for each of the reporting periods:

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Entity	For the three months ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Q1 Media	3.0	3.0	3.0
Notify	3.0	3.0	3.0
CIHI	3.0	3.0	3.0
Residual PopReach	3.0	3.0	3.0
Ubiquity	3.0	3.0	3.0
SCS	3.0	3.0	3.0
OpenMoves	3.0	3.0	3.0
Shift44	3.0	3.0	3.0
Nimble5	3.0	3.0	—
Rise4	3.0	1.4	—

These acquisitions represent a significant cause of the year-over-year financial variances described below. Where applicable, the impact of these acquisitions are referred to in the commentary below as the "2024 Acquisitions" in reference to the acquisition of Nimble5 (September 2024) and Rise4 (November 2024).

Revenue

Revenue by nature:	For the three months ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Managed services and self service	\$41,839	\$48,354	\$42,089
	\$41,839	\$48,354	\$42,089

For the three months ended March 31, 2025, the Company generated revenue of \$41,839, which represents a decrease of \$250 or 1%, compared to \$42,089 for the same period in the prior year. This year-over-year decrease is primarily attributed to the Company's strategic decision to prioritize higher-margin internal monetization sources over external partners, which was implemented as a hedge against macro-economic uncertainty. When compared to the prior quarter ended December 31, 2024, the revenue declined \$6,515, or 13% from \$48,354. This quarter-over-quarter decrease is primarily attributed to seasonality.

Cost of Sales and Gross Margin

Cost of sales are comprised of platform fees from partners the Company is using for a given campaign, data targeting costs related to campaigns, media costs for the actual placements of the advertisements themselves and acquiring digital traffic, amounts paid to publishers to secure rights to send push notification advertisements to the publisher's subscriber database, and resources directly involved in providing creative service offerings.

For the three months ended March 31, 2025, the Company's cost of sales totaled \$24,459, a decrease of \$3,273 (12% decrease) compared to \$27,732 for the same period in the prior year. This reduction is primarily attributed to the Company's strategic decision to prioritize higher-margin internal monetization sources over external partners. As a result, the gross margin percentage increased to 42% during the three months ended March 31, 2025, up from 34% in the prior year. The improvement in gross margin is a result of the prioritization of internal monetization sources, with the impact being that upon consolidation the revenue and cost of sales from internal monetization efforts is eliminated, leaving only the gross profit realized from such efforts.

In comparison to the prior quarter ended December 31, 2024, the Company's cost of sales decreased by \$4,736 (16% decrease), from \$29,195. This decrease is attributed primarily to seasonality and prioritizing internal monetization options as described above. The gross margin percentage increased to 42% in the three months ended March 31, 2025 compared to 40% during the three months ended December 31, 2024 in the prior quarter.

Selling and marketing

Selling and marketing expenses consist of all costs associated with selling and marketing the Company's services. The costs include all salary and benefit costs, personnel costs, commissions and variable compensation, travel, marketing, payroll taxes and employee health and related benefit expenses for the sales, marketing, and account management teams.

Compared to selling and marketing expenses of \$4,528 for the three months ended March 31, 2024, the expenses decreased by \$336 (7% decrease) to \$4,192 for the three months ended March 31, 2025. This decrease was mainly due to cost reduction efforts, although it was partially offset by incremental selling and marketing costs associated with the 2024 Acquisitions.

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When compared to \$4,626 of expenses for the three months ended December 31, 2024, selling and marketing expenses decreased by \$434 (9% decrease) primarily due to reduction in revenues. Selling and marketing expenses were 10% of revenue for the three months ended March 31, 2025, consistent with the previous quarter, and slightly improved from 11% in the prior year, as the Company focused on integration synergies.

General and administrative

General and administrative expenses include salaries and benefits, and share-based compensation of the administrative staff, occupancy costs, legal and professional fees, consulting fees, insurance, technology costs, bad debt expense and supplies.

Compared to general and administrative costs of \$4,453 in the three months ended March 31, 2024, the Company's costs increased by \$889 (20% increase) to \$5,342 for the three months ended March 31, 2025. The increase was primarily due to the general and administrative costs associated with the 2024 Acquisitions. When compared to the three months ended December 31, 2024, the general and administrative expenses were \$5,898, the expenses decreased by \$556 (9% decrease) primarily due to cost reduction efforts.

Technology and development

Technology and development expenses include web hosting and various hardware and software costs incurred by the Company, as well as salaries and benefits, and share-based compensation of technology and development staff.

Compared to the three months ended March 31, 2024, when the technology and development expenses were \$1,785, the expenses for the three months ended March 31, 2025 increased marginally by \$59 (3% increase) to \$1,844. When compared to the three months ended December 31, 2024, where technology and development expenses were \$1,962, the expenses decreased by \$118 (6% decrease), primarily due to cost reduction efforts. The technology and development expenses as percentage of total revenue were 4%, 4% and 4% for the three months ended March 31, 2025, three months ended December 31, 2024 and three months ended March 31, 2024, respectively.

Depreciation and amortization

The Company's depreciation and amortization expense consists of depreciation from property and equipment, right-of-use assets, and acquired intangibles.

The depreciation and amortization expenses decreased compared to the previous quarter due to expiration of certain leases and the related right of use assets. The increase in depreciation and amortization expenses on a quarter over quarter basis compared to the prior year, is driven by recognition of finite life intangibles assets as a result of the 2024 Acquisitions.

Finance costs

Finance costs relate to (i) interest expense and interest accretion on the Company's loans, and (ii) interest accretion on contingent consideration, convertible debentures, and lease liabilities.

During the three months ended March 31, 2025, finance costs were \$4,546, compared to \$4,483 in the three months ended December 31, 2024 primarily due to additional finance costs related to the increase in Company's loans and interest accretion on contingent consideration, convertible debenture and lease liability related to the 2024 Acquisitions. The finance costs in three months ended March 31, 2025 increased by \$1,992 (78%) compared to the finance costs of \$2,554 during the three months ended March 31, 2024 primarily due to an increase in finance costs in the current year for loans, convertible debentures and contingent consideration associated with the 2024 Acquisitions.

Transaction costs

Transaction costs are expenses associated with the Company's acquisition activities.

During the three months ended March 31, 2025, transaction costs were \$162, a decrease of \$196 compared to the \$358 incurred during the three months ended December 31, 2024, due to fees incurred related to the 2024 Acquisitions in the prior quarter. The transaction costs increased by \$101 when compared to the costs incurred for three months ended March 31, 2024 of \$61 due to the 2024 Acquisitions.

Foreign exchange gain (loss)

Foreign exchange gain (loss) consists of the realized and unrealized exchange differences due to fluctuations between the US dollar, the Canadian dollar ("CAD"), and the European Euro ("EUR"). The Company has not hedged foreign currency transactions but may elect to do so in the future if it is determined to be advantageous.

Fair value gain (loss) on financial liabilities

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Fair value gain (loss) on financial liabilities relate to the change in fair value of the contingent consideration that occurred during relevant periods as explained in the "General Development of the Business" section above. During the three months ended March 31, 2025, the fair value gain on financial liabilities related to a change in estimated payout for contingent consideration for SCS, Nimble5 and Rise4. During the three months ended December 31, 2024, the fair value loss on financial liabilities related to change in the estimated payout for contingent consideration related to Nimble5 and Rise4. During the three months ended March 31, 2024, the fair value gain on financial liabilities related to a change in estimated payout for contingent consideration related to SCS.

Fair value gain/(loss) on modification/extinguishment

Fair value gain/(loss) on modification/extinguishment of loans relate to the change in fair value of the loans and convertible debentures, due to loan modifications that occurred during relevant periods as explained in the "General Development of the Business" section above. During the three months ended March 31, 2025, there was no fair value gain on modification/extinguishment, while during the three months ended December 31, 2024, the gain on the modification of the related to a modification of a convertible debenture to an interest bearing loan. During the three months ended March 31, 2024, there was no fair value gain on modification/extinguishment.

CASH FLOWS BY ACTIVITY

The table below outlines a summary of cash inflows and outflows by activity for three months ended March 31, 2025 and 2024:

	For the three months ended	
	March 31, 2025	March 31, 2024
Operating activities	\$4,292	\$5,466
Financing activities	(6,221)	(4,760)
Investing activities	(89)	(86)
Cash flow from discontinued operations	35	522
Effect of foreign currency exchange rate changes on cash	83	(116)
Net change in cash	\$(1,900)	\$1,026
Cash - beginning of period	14,565	7,396
Cash - end of period	\$12,665	\$8,422

Cash generated from Operating Activities

Cash generated from operating activities for the three months ended March 31, 2025 was \$4,292 compared to cash from operating activities of \$5,466 for the three months ended March 31, 2024, as a result of improvement in the operating results for the current year, net of non-cash items offset by an unfavourable change in the working capital.

Cash generated from (used in) Financing Activities

Cash used in financing activities for the three months ended March 31, 2025 was \$(6,221) compared to cash used in financing activities of \$(4,760) for the three months ended March 31, 2024, as a result of higher repayments of loan principal and interest for the Syndicate Facility loan balance, which increased due to the 2024 Acquisitions.

Cash used in Investing Activities

Cash used in investing activities for the three months ended March 31, 2025 was \$(89), compared to cash used in investing activities of \$(86) for the three months ended March 31, 2024.

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Selected financial information from the consolidated statements of financial position as at March 31, 2025 and December 31, 2024 are as follows:

	As at	
	March 31, 2025	December 31, 2024
Cash	\$12,665	\$14,565
Working Capital ¹	(93,278)	(23,781)
Current assets	50,987	55,941
Total assets	197,190	206,237
Current liabilities	144,265	79,722
Other non-current liabilities	76,471	146,706
Shareholders' equity	(23,546)	(20,191)

¹ Working capital is defined as current assets less current liabilities.

Cash held by the Company decreased by \$1,900 to \$12,665 at March 31, 2025 from \$14,565 at December 31, 2024 as a result of cash used in financing activities, offset by the cash generated by the operating activities.

The Company's working capital deficit increased to \$93,278 at March 31, 2025 from \$23,781 at December 31, 2024 with current assets decreasing by \$4,954 while current liabilities increased by \$64,543. The increase in the current liabilities is due to reclassification of the long term portion of the Syndicate Facility to current liability as a result of technical breach of a financial covenant (refer to Note 2 and Note 13 of the Interim Financial Statements).

The current assets decreased by \$4,954 to \$50,987 at March 31, 2025 from \$55,941 at December 31, 2024 primarily due to the cashflow from operations used to service debt. The Company's accounts receivable balance also decreased as a result of the timing of collections, in the normal course of business.

The total assets decreased by \$9,047 to \$197,190 at March 31, 2025 from \$206,237 at December 31, 2024 as a result of the amortization and depreciation of goodwill and intangibles as well as the decrease in the current assets as described above, offset by increase in the deferred tax assets.

The current liabilities increased by \$64,543 to \$144,265 at March 31, 2025, from \$79,722 at December 31, 2024, primarily due to the reclassification of the long term portion of the Syndicate Facility to current liability as a result of technical breach of a financial covenant (refer to Note 2 and Note 13 of the Interim Financial Statements).

Other non-current liabilities decreased to \$76,471 at March 31, 2025 from \$146,706 at December 31, 2024, primarily due to the reclassification of the long term portion of the Syndicate Facility, as described above (refer to Note 2 and Note 13 of the Interim Financial Statements).

Shareholders' equity decreased by \$3,355 in the three months ended March 31, 2025 to \$(23,546) from \$(20,191) at December 31, 2024, primarily as a result of the net loss during the period, partially offset by shares issued in lieu for vested restricted share units.

Contractual obligations

The following is a summary of the Company's undiscounted contractual obligations at March 31, 2025:

	As at March 31, 2025		
	Within one year	Between one and five years	More than five years
Accounts payable, accrued liabilities and other	\$51,466	\$—	\$—
Convertible debenture ¹	—	39,450	—
Lease liabilities ¹	585	807	—
Loans payable ¹	94,408	8,951	—
Contingent consideration	5,895	44,078	2,967
Total	\$152,354	\$93,286	\$2,967

¹ Includes principal and interest.

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The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is as follows:

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than United States dollars, which represents the reporting currency of the Company.

The table below indicates the foreign currencies to which the Company has significant exposure at March 31, 2025 in their originating currencies:

	CAD	EUR
Cash	\$—	—
Accounts receivable, net	1,190	42
Accounts payable, accrued liabilities and other	1,721	51

The table below details the effect on earnings before tax of a 10% strengthening or weakening of the USD exchange rate at the consolidated statement of financial position date, for the items denominated in the currencies listed above:

Currency	10% Strengthening/ weakening
CAD	\$(53)
EUR	(1)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and accounts receivable. Cash is managed through the use of a major bank, which is a high credit quality financial institution as determined by rating agencies and accounts receivable are managed by management. The Company's secondary exposure to risk is on its other current assets. The carrying amount of financial assets represents the maximum credit exposure.

The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk related to the customers. In addition, credit reviews, where necessary, consider the counterparty's financial history and other factors.

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking considerations, where appropriate. The provision matrix below shows the expected credit loss rate for each aging category of trade receivables.

	As at March 31, 2025			
	Current	Over 30 days past due	Over 90 days past due	Total
Trade receivables gross balance	\$29,397	\$2,432	\$5,102	\$36,931
Expected credit loss rate	0.1%	3.2%	16.4%	2.5%
Expected credit loss allowance	17	78	835	930
Trade receivables, net of expected credit loss	\$29,380	\$2,354	\$4,267	\$36,001

	As at December 31, 2024			
	Current	Over 30 days past due	Over 90 days past due	Total
Trade receivables gross balance	\$35,168	\$1,792	\$2,793	\$39,753
Expected credit loss rate	0.0%	4.3%	29.9%	2.3%
Expected credit loss allowance	17	77	834	928
Trade receivables, net of expected credit loss	\$35,151	\$1,715	\$1,959	\$38,825

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As of March 31, 2025, the Company has two customers that make up more than 10% of the accounts receivable and collectively account for approximately 46.8% of the accounts receivable balance (December 31, 2024 - one such customer comprising approximately 31.8%).

Concentration risk

The Company had one customer that makes up more than 10% of the total revenue. This customer accounts for approximately 10.4% of accounts receivable as of March 31, 2025 (December 31, 2024 - 8.9%).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its cash balances.

Historically, the Company's sole source of funding has been from financing and third-party loans payable. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant debt or equity funding.

As at March 31, 2025, the Company had cash of \$12,665 (December 31, 2024 - \$14,565) and a net working deficit of \$93,278 (December 31, 2024 - \$23,781).

The Company has generated positive cash flow from operations for the three months ended March 31, 2025, which was used to fund working capital requirements. Funds from operating cash flow are used for bank credit facility debt repayments as well as to fund future investments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's Syndicate Facility bears interest at a rate, as determined at the Company's option, of either the Agent's US Base Lending Rate plus an applicable margin, or a rate based on the Agent's US Secured Overnight Financing rate plus an applicable margin. As a result, the Company is exposed to interest rate risk due to fluctuations in the US interest rate. Finance costs have been recorded in the consolidated statements of loss and comprehensive loss. A change of 1.00% in the US Base Rate would increase/decrease the interest expense by \$1,261 on an annual basis, based on the amount currently drawn.

Financial Instruments and Other Items

Please see Notes 5, 7, 8, 10, 11, 12, 13 and 16 in the Interim Financial Statements for full discussion of financial instruments and other items.

Capital management

The Company manages and adjusts its capital structure based on the funds available to the Company, to support the general operations of the Company and facilitate its liquidity needs. The Company's capital structure management practices are focused on ensuring investor and creditor confidence and safeguarding the Company's ability to support market expansion. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital, available line of credit, bank financing facility and share capital position. While the Company does not maintain formal leverage targets, management monitors liquidity ratios on a monthly basis and seeks to maintain sufficient liquidity to fund at least twelve months of operations. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended March 31, 2025.. The Company is not subject to externally imposed capital requirements, aside from the covenants related to its Syndicate Facility, refer to the Note 13 of the Interim Financial Statements.

As at March 31, 2025, the Company had a working capital deficit of \$93,278 (December 31, 2024 - \$23,781) and an accumulated deficit of \$116,072 (December 31, 2024 - \$112,491). The increase in the working capital deficit is primarily due to the reclassification of \$64,072 from non-current to current liabilities following a breach of a financial covenant related to one of the Company's loan facilities. On May 29, 2025, the Company was informed that it had breached a financial covenant under its Syndicate Facility, giving the lender the contractual right to accelerate repayment of the outstanding balance. As at the date of this MD&A, a waiver had not been obtained. The Company is in active discussions with the lender to implement remedial actions and obtain a formal waiver. Should a waiver not

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be obtained on acceptable terms or in a timely manner, the Company may need to delay discretionary spending, defer certain obligations, or pursue additional financing options that may be dilutive to existing shareholders. While management anticipates a favourable outcome, there can be no assurance that the resolution will be achieved without adverse impact. Management has prepared detailed cash flow forecasts covering a twelve-month horizon, incorporating assumptions related to operations, covenant outcomes, and availability of credit facilities. These forecasts include base and downside scenarios and support management's view that the Company has adequate resources to meet its obligations as they fall due. Accordingly, the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025, have been prepared on a going concern basis.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of special shares without nominal or par value and an unlimited number of common shares. The table below lists the securities outstanding:

	As at		
	May 30, 2025	March 31, 2025	December 31, 2024
Common shares ⁴	354,489,493	354,001,748	323,496,816
SCS Exchangeable shares ³	11,610,000	11,610,000	11,610,000
Shift44 Exchangeable shares ⁵	44,250,020	44,250,020	44,250,020
Nimble5 hold back shares ⁸	—	—	30,000,000
Nimble5 contingent consideration shares ⁹	38,461,538	38,461,538	38,461,538
Share options	6,667,500	6,417,500	6,570,000
Restricted share units	11,590,085	12,152,830	12,704,637
Convertible debenture ^{1, 2, 6, 7, 10}	50,677,259	50,577,099	50,426,859
Total Common Shares on a fully-diluted basis	517,745,895	517,470,735	517,519,870

¹A convertible debenture ("Ubiquity Debenture") was issued in connection with the acquisition of Ubiquity, which allows the holders the right to convert the Ubiquity Debenture into common shares of the Company, at any time prior to maturity at a price of US\$0.78. In addition, the holders have the option to convert accrued and unpaid interest into additional common shares at the greater of US\$0.78 and the then-market price of the common shares. Based on the outstanding principal and accrued interest, the outstanding balance, if converted into common shares, would convert into 9,551,459 common shares at March 31, 2025 and 9,651,619 shares at May 30, 2025. As of May 30, 2025, the holders have not elected to exercise the conversion feature on the Ubiquity Debenture.

²A convertible debenture ("SCS Debenture") was issued in connection with the acquisition of SCS, which allows the holders the right to convert the SCS Debenture into common shares of the Company, at any time prior to maturity at a price of US\$0.78. Based on the outstanding principal, the outstanding balance, if converted into common shares, would convert into 961,538 shares at March 31, 2025 and May 30, 2025. As of May 30, 2025, the holders have not elected to exercise the conversion feature on the SCS Debenture.

³Class B non-voting common shares of SCS Acquisition, Inc., a wholly owned subsidiary of the Company, were issued in connection with the acquisition of SCS, which allows the holder the right to convert each such share into 5,000 common shares of the Company, at any time following the completion of the acquisition. As of March 31, 2025, 2078 Class B non-voting common shares of SCS Acquisition, Inc. were converted to 10,390,000 common shares.

⁴Of the 10,000,000 common shares of the Company issuable in relation to the acquisition of OpenMoves, 2,142,000 of the OpenMoves Consideration Shares were held back on closing and were issued on April 23, 2024, one year after the completion of the acquisition. As at March 31, 2025, 10,000,000 common shares of the Company were issued in relation to the acquisition of OpenMoves.

⁵Class B non-voting common shares of SHIFT44, Inc., a wholly owned subsidiary of the Company, were issued in connection with the acquisition of SHIFT44, which allows the holders the right to convert each such share into 9,238 common shares of the Company, at any time following the completion of the acquisition. As at March 31, 2025, none of the Class B non-voting common shares of the Company were converted into common shares of the Company.

⁶A convertible debenture ("SHIFT44 Debenture") was issued in connection with the acquisition of SHIFT44, which allows the holders the right to convert the SHIFT44 Debenture into common shares of the Company, at any time prior to maturity at a price of US\$0.78. Based on the outstanding principal, the outstanding balance, if converted into common shares, would convert into 21,474,359 shares at March 31, 2025 and May 30, 2025. As of May 30, 2025, the holders have not elected to exercise the conversion feature on the SHIFT44 Debenture.

⁷A convertible debenture ("Nimble5 Debenture") was issued in connection with the acquisition of Nimble5, which allows the holders the right to convert the Nimble5 Debenture into common shares of the Company, at a price of US\$0.78. Based on the outstanding principal, the outstanding balance, if converted into common shares, would convert into 6,410,256 shares at March 31, 2025 and May 30, 2025. As of May 30, 2025, the holders have not elected to exercise the conversion feature on the Nimble5 Debenture.

⁸The 30,000,000 common shares of the Company issuable in relation to the acquisition of Nimble5, were held back on closing and are to be issued four months after the completion of the acquisition or January 3, 2025. As of March 31, 2025, the 30,000,000 common shares of the Company were issued in relation to the acquisition of Nimble5.

⁹The common shares of the Company issuable in relation to the contingent consideration earn-out lump sum payment ("Earn-out Lump Sum"), which allows the holders the right to convert the Earn-out Lump Sum, due to be paid 3 years after the completion of the acquisition or September 3, 2027, at a price of US\$0.78. Based on the

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estimated amount payable for the Earn-out Lump Sum, if converted into common shares, would convert into 38,461,538 common shares at March 31, 2025 and May 30, 2025. As of May 30, 2025 the holders have not elected to exercise the conversion feature on the Nimble5 Earn-out Lump Sum.

¹⁰A convertible debenture ("Rise4 Debenture") was issued in connection with the acquisition of Rise4, which allows the holders the right to convert the Rise4 Debenture into common shares of the Company, at a price of US\$0.78. Based on the outstanding principal, the outstanding balance, if converted into common shares, would convert into 12,179,487 shares at March 31, 2025 and May 30, 2025. As of May 30, 2025, the holders have not elected to exercise the conversion feature on the Rise4 Debenture.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2025, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY TRANSACTIONS

The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors.

The following table presents the compensation of the key management personnel recognized in the consolidated statements of net loss and comprehensive loss:

	For the Three months ended	
	March 31, 2025	March 31, 2024
Management salaries, bonuses and other benefits	\$320	\$356
Director fees	50	63
Share-based compensation - management	6	—
Total	\$376	\$419

Certain related parties are also significant shareholders who control certain companies who are also vendors of the Company. These vendors are therefore related to the Company.

The following table presents the related party balances as they appear on the consolidated statements of financial position:

	As at March 31, 2025	As at December 31, 2024
Balances included in accounts payable, accrued liabilities and other	(35)	(560)
Net related party balances owing	\$(35)	\$(560)

As at December 31, 2024, the accounts payable and accrued liabilities are related to the regular business activities between Notify and a company of which one of Notify's key management members is also a shareholder.

The following table presents the cumulative related party vendors transactions reported on various line items of the consolidated statements of loss and comprehensive loss:

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
General and administrative	156	287
Technology and development	40	67

During the three months ended March 31, 2025 and 2024, general and administrative, and technology and development costs are from regular business activities between Notify and a company of which one of Notify's key management members is also a shareholder. This related party company primarily provides development services to Notify and is based in Israel and Dubai.

SUBSEQUENT EVENTS

- a) On April 29, 2025, the Company made principal repayment of \$1,500 related to the Nimble5 VTB2 Note resulting in outstanding principal balance of \$1,000.
- b) During May 2025, the Company issued 487,745 Common Shares to settle 487,745 restricted share units. The fair value assigned to these restricted share units of \$89 was reclassified from contributed surplus to share capital.
- c) On May 2, 2025, the Company issued 250,000 share options that vest 25% on first anniversary of issuance and 6.25% each quarter thereafter.

MATERIAL ACCOUNTING POLICIES

The Company has utilized information from the Interim Financial Statements for the three months ended March 31, 2025 and 2024 and Annual Financial Statements prepared in accordance with IFRS[®] and expressed in thousands of USD, except share and per share amounts, to prepare this MD&A. The material accounting policies used are outlined in Note 3 of the Annual Financial Statements.

SIGNIFICANT JUDGMENTS AND ESTIMATES

Refer to the Note 4 in the Annual Financial Statements for full discussion of use of significant judgments and estimates.

CONTROLS CERTIFICATION

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited Annual Financial Statements and respective accompanying MD&A. The Venture Issuer Basic Certification does not include representations relating to establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

RISK FACTORS AND UNCERTAINTIES

The Company is exposed to a variety of business risks, financial and accounting risks and industry risks in the normal course of operations.

Risks Related to Our Business and Industry

The Company's industries are intensely competitive and subject to rapid changes. If the Company's clients prefer current or future competitors' products or services over the Company's, its operating results could suffer.

The market for internet advertising solutions is highly competitive and rapidly changing. New technologies and methods of buying advertising present a dynamic competitive challenge as market participants develop and offer multiple new products and services aimed at facilitating and/or capturing advertising spend. With the introduction of new technologies and the influx of new entrants to the market, including large established companies and companies that the Company does not yet know about or does not yet exist, the Company expects competition to persist and intensify in the future, which could harm its ability to increase sales and maintain its profitability.

The Company generally has flexible agreements in place with its customers. Such agreements allow its customers to change the amount of spend through its platform or terminate its services with limited notice. As a result, the introduction of new entrants or technology that are superior to or that achieve greater market acceptance than the Company's products and solutions could negatively impact our revenue. In such an event, the Company may experience a reduction in market share and may have to respond by reducing our prices, resulting in lower profit margins.

Large and established Internet and technology companies may have the power to significantly change the very nature of the digital advertising marketplaces in ways that could materially disadvantage the Company. These companies could leverage their positions to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other solutions or services that could be significantly harmful to the Company's business and results of operations. These companies also have significantly larger resources than the Company does, and in many cases have advantageous competitive positions in popular products and services like Gmail, YouTube, Chrome, Facebook and Instagram, which they can use to their advantage. Furthermore, competitors include large and established Internet and technology companies that have invested substantial resources in innovation, which could lead to technological advancements that change the competitive dynamics of the Company's business in ways that the Company may not be able to predict.

In addition to competing for advertising spend, the Company competes with many companies for advertising inventory, some of whom also operate their own advertising networks or exchanges from which the Company buys advertising inventory. Some of these companies that the Company competes with, either for advertising spend or for advertising inventory, may also be the Company's clients or affiliated with the Company's clients or important sources of advertising inventory. Competitive pressure may incentivize such companies to cease to be clients of the Company or cease to provide access to their advertising inventory. If this were to occur, the Company's ability to place advertisements would be significantly impaired and results of operations would be adversely affected. Competition could also hinder the success of new advertising solutions that the Company offers in the future.

If any of these risks were to materialize and the Company is unable to compete effectively or the Company is not as successful as its competitors in its target markets, its sales could decline, its margins could decline and it could lose market share, any of which would materially harm the Company's business, operating results and financial condition. Any of these developments would make it more difficult for the Company to sell their offerings and could result in increased pricing pressure, reduced gross margins, increased sales and marketing expense and/or the loss of market share.

The Company's revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, can make it difficult to predict its revenue and could adversely affect its business, results of operations, and financial condition.

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective publishers and buyers. Various macroeconomic factors could cause advertisers to reduce their advertising budgets, including adverse economic conditions and general uncertainty about economic recovery or growth; instability in political or market conditions generally; and any changes in the tax treatment of advertising expenses and the deductibility thereof. Reductions in overall advertising spending as a result of these factors could make it difficult to predict the Company's revenue and could adversely affect its business, results of operations, and financial condition.

Market pressure may reduce the Company's revenue per impression.

The Company's revenue may be affected by market changes, new demands by publishers and buyers, new solutions, and competitive pressure. Solutions may be priced too high or too low, either of which may carry adverse consequences. The Company may receive requests from publishers for discounts, fee revisions, rebates, and refunds, or from demand-side platforms, agencies and advertisers for volume discounts, fee revisions, and rebates. Any of these developments could adversely affect the Company's business, results of operations, or financial condition.

If the use of digital advertising is rejected by consumers, through opt-in, opt-out or ad-blocking technologies or other means, it could have an adverse effect on the Company's business, results of operations, and financial condition.

Consumers may download free or paid "ad blocking" software on their computers or mobile devices, not only for privacy reasons, but also to counteract the adverse effect advertisements can have on the consumer experience, including increased load times, data consumption, and screen overcrowding. Ad-blocking technologies and other global privacy controls may prevent some third-party cookies, or other tracking technologies, from being stored on a consumer's computer or mobile device. If more consumers adopt these measures, the Company's business, results of operations, and financial condition could be adversely affected. Ad-blocking technologies could have an adverse effect on the Company's business, results of operations, and financial condition if they reduce the volume or effectiveness and value of advertising. Even if ad blockers do not ultimately have an adverse effect on the Company's business, investor concerns about ad blockers could cause the Company's stock price to decline.

In addition, Internet-connected devices and operating systems controlled by third-parties increasingly contain features that allow device users to disable functionality that allows for the delivery of advertising on their devices. Device and browser manufacturers may include or expand these features as part of their standard device specifications. For example, when Apple announced that UDID, a standard device identifier used in some applications, was being superseded and would no longer be supported, application developers were required to update their apps to utilize alternative device identifiers such as universally unique identifier, or, more recently, identifier-for-advertising, which simplify the process for Apple users to opt out of behavioral targeting. If users elect to utilize the opt-out mechanisms in greater numbers, the Company's ability to deliver effective advertising campaigns on behalf of its advertisers would suffer, which could cause the Company's business, financial condition, or results of operations to suffer.

The Company's business depends on their ability to maintain the quality of content for clients and publishers.

Clients' satisfaction depends on the Company's ability to place advertisements with publisher content that is well-suited to the client's product or service. If the Company is unable to keep its clients' advertisements from being placed in unlawful or inappropriate content, its reputation and business may suffer. In particular, the Company could be treated as a spammer and blocked by Internet service providers or regulators. In addition, if the Company places advertisements on websites containing content that is not permitted under the terms of the applicable agreements with a client, it may be unable to charge the client for impressions or clicks generated on those

sites, the client may terminate their campaign, the client may require the Company to indemnify them for any resulting third-party claims, or the client may allege breach of contract. Further, publishers and exchange partners rely upon the Company not to place advertisements with inappropriate or unlawful content on their websites. As the Company grows its business to serve a larger number of smaller clients using self-service tools with less intervention, it could become more challenging to prevent inappropriate or unlawful advertisements from being shown. If the Company is unable to maintain the quality of its client and publisher content as the number of clients and publishers it works with continues to grow, the Company's reputation and business may suffer and it may not be able to retain or secure additional clients or publisher relationships.

The Company's success and revenue growth depends on its ability to add new customers and retain its existing customers.

The Company's success is dependent on regularly adding new customers and increasing its customers' usage of its platform. Many of the Company's contracts and relationships with customers do not include automatic renewal or exclusive obligations requiring them to use its platform or maintain or increase their use of its platform. The Company's customers typically have relationships with numerous providers and can use both the Company's platform and those of its competitors without incurring significant costs or disruption. The Company's customers may also choose to decrease their overall marketing spend for any reason, including if they do not believe they are generating a sufficient return on their marketing spend. Accordingly, the Company must continually work to win new customers and retain existing customers, increase their usage of the Company's platform and capture a larger share of their marketing spend. The Company may not be successful in educating and training its new and existing customers on how to use its platform in order for them to benefit from it and generate revenues.

If the Company's customers decide not to continue to use its platform or decrease their usage of our platform for any reason, or if the Company fails to attract new customers, its revenue could decline, which would materially and adversely harm its business, operating results and financial condition. The Company cannot assure investors that its customers will continue to use and increase their spend on its platform or that the Company will be able to attract a sufficient number of new customers to continue to grow its revenue. If customers representing a significant portion of the Company's business decide to materially reduce their use of its platform or cease using its platform altogether, the Company's revenue could be significantly reduced, which could have a material adverse effect on its business, operating results and financial condition. The Company may not be able to replace customers who decrease or cease their usage of our platform with new customers that will use its platform to the same extent.

Reliance on search advertising platforms and traffic quality compliance may impact revenue.

A portion of our business involves generating revenue through the acquisition of users from search, social, native and display advertising channels and monetizing them through search advertisements. This revenue is derived from a limited number of search advertising platforms. The quality of user traffic, including its relevance to the advertisements, compliance with platform policies and guidelines, and adherence to approved implementation practices, is an important factor in maintaining relationships with these search advertising platform providers. If our providers identify traffic they deem to be invalid or delivered through non-compliant implementations, they may withhold or adjust certain payments. Additionally, there is a possibility that our agreements with such providers could be modified or terminated, which could affect this portion of our business. We remain committed to working closely with our providers to ensure compliance and maintain a high standard of traffic quality.

If the Company fails to make the right investment decisions in its platform, or if they fail to innovate and develop new solutions that are adopted by its customers, they may not attract and retain customers, which could have an adverse effect on their business, results of operations, and financial condition.

The Company faces intense competition in the marketplace and is confronted by rapidly changing technology, evolving industry standards, and consumer preferences, regulatory changes, and the frequent introduction of new solutions by its competitors that it must adapt and respond to. The Company needs to continuously update its platform and the technology it invests in and develops (including machine learning and other proprietary algorithms) in order to attract publishers and buyers and keep ahead of changes in technology, evolving industry standards and regulatory requirements. The Company's platform is complex and new solutions can require a significant investment of time and resources to develop, test, introduce, and enhance. These activities can take longer than expected. Moreover, the Company may not make the right decisions regarding these investments. New formats and channels, such as mobile header bidding and connected television, present unique challenges that must be addressed in order to succeed. The Company's success in new formats and channels depends upon its ability to integrate its platform with these new formats and channels. If the Company's new formats are not widely adopted by publishers, they may not retain publishers. In addition, new demands from publishers and buyers, superior offerings by competitors, changes in technology, or new industry standards or regulatory requirements could render the Company's platform or existing solutions less effective and require unanticipated changes to be made to its platform or business model. Failure to adapt to a rapidly changing market, anticipate publisher and buyer demand, or attract and retain publishers would cause the Company's revenue or revenue growth rate to decline, and adversely affect its business, results of operations, and financial condition.

The Company relies on third-party hosting and cloud computing providers to operate certain aspects of its business. Any failure, disruption or significant interruption in its network or hosting and cloud services could adversely impact the Company's operations and harm its business.

The Company's technology infrastructure is critical to the performance of its platform, as well as its corporate functions. The Company's platform and Company systems run on a complex distributed system, or what is commonly known as cloud computing. Significant elements of this system are operated by third-parties that it does not control and which would require significant time and expense to replace. The Company expects this dependence on third-parties to continue. The Company may suffer interruptions in service, including when releasing new software versions or bug fixes, and if any such interruption were significant and/or prolonged it could adversely affect the Company's business, financial condition, results of operations or reputation.

Any failure, disruption or interference with the Company's use of hosted cloud computing services and systems provided by third-parties could adversely impact the Company's business, financial condition or results of operations. To the extent the Company does not effectively respond to any such interruptions, upgrade its systems as needed and continually develop its technology and network architecture to accommodate traffic, the Company's business, financial condition or results of operations could be adversely affected. Furthermore, the Company's disaster recovery systems and those of third-parties with which it does business may not function as intended or may fail to adequately protect its critical business information in the event of a significant business interruption, which may cause interruption in service of its platform, security breaches or the loss of data or functionality, leading to a negative effect on the Company's business, financial condition or results of operations. If customers are unable to access the Company's platform for any period of time, the Company may receive negative publicity, the Company may lose customers, the Company may be required to issue refunds, and the Company may become subject to regulatory investigation or class action litigation, any of which would negatively affect the Company's business. Any of these problems could require the Company to incur substantial repair costs, distract management from operating its business and result in a loss of revenue.

The Company's operating results may be volatile and difficult to predict, and the Company's stock price may decline if it fails to meet the expectations of securities analysts or investors.

The Company's operating results may fluctuate and could vary significantly from quarter to quarter and year to year, and may fail to match the expectations of securities analysts or investors because of a variety of factors, some of which are outside of the Company's control.

The Company's liquidity and revenue can fluctuate quarter to quarter as certain of its customers have seasonal marketing spend. The varying nature of the Company's sales mix between periods, customers and products may also make it more difficult for it to forecast its future operating results. Further, these factors may make it more difficult to make comparisons between prior, current and future periods. As a result, period-to-period comparisons of the Company's operating results should not be relied upon as an indication of its future performance.

In addition, the following factors may cause the Company's operating results to fluctuate:

- its ability to attract new customers and retain and increase sales to existing customers;
- changes in its pricing policies, the pricing policies of our competitors and the pricing or availability of data or other third-party services;
- the seasonal budgeting cycles and internal marketing budgeting and strategic purchasing priorities of its customers;
- its ability to continue to develop and offer products and solutions that are superior to those of its competitors;
- its ability to develop its existing platform and introduce new solutions on its platform;
- its ability to retain and attract top talent;
- its ability to anticipate or respond to changes in the competitive landscape, or improvements in the functionality of competing solutions that reduce or eliminate one or more of its competitive advantages;
- its ability to maintain and expand our relationships with data centers and strategic third-party technology vendors, who provide floor space, bandwidth, cooling and physical security services on which its platform operates;
- its ability to successfully expand its business internationally;
- the emergence of significant privacy, data protection, security or other threats, regulations or requirements applicable to its business and shifting views and behaviors of consumers concerning use of data and data privacy;
- extraordinary expenses, such as litigation or other dispute-related settlement payments; and

- future accounting pronouncements or changes in our accounting policies.

Any one of the factors referred to above or the cumulative effect of any combination of factors referred to above may result in the Company's operating results being below its expectations and the expectations of securities analysts and investors, or may result in significant fluctuations in our quarterly and annual operating results, including fluctuations in the Company's key performance indicators. This variability and unpredictability could result in failure to meet the Company's business plan or the expectations of securities analysts or investors for any period. In addition, a significant percentage of the Company's operating expenses are fixed in nature in the short term and based on forecasted revenue trends. Accordingly, in the event of revenue shortfalls, the Company is generally unable to mitigate the negative impact on its results of operations in the short term.

If the Company is unable to maintain effective internal control over financial reporting, the accuracy and timeliness of its financial reporting may be adversely affected.

Maintaining effective internal control over financial reporting is necessary for the Company to produce reliable financial statements. If the Company is unable to maintain such internal controls, or if its independent registered public accounting firm is unable to rely on the Company's internal controls, it could result in a material misstatement of the Company's financial statements that would require a restatement, and investor confidence in the accuracy and timeliness of its financial reports and the market price of its common stock could be negatively impacted.

Future acquisitions or strategic investments could be difficult to identify and integrate, divert the attention of management and could disrupt the Company's business, dilute stockholder value and adversely affect its business, results of operations and financial condition.

The Company intends to evaluate and pursue acquisitions and strategic investments. Each of these acquisitions requires unique approaches to integration due to, among other reasons, the structure of the acquisitions, their locations and cultural differences between their teams and the Company, and will require, attention from the Company's management team. If the Company is unable to obtain the anticipated benefits from these acquisitions and strategic investments, or the Company encounters difficulties in integrating their operations with the acquisitions, the Company's financial condition and results of operations could be materially harmed.

Challenges and risks from such investments and acquisitions include:

- negative effects on products and product pipeline from the changes and potential disruption that may follow the acquisition;
- diversion of the Company's management's attention;
- declining employee morale and retention issues resulting from changes in compensation, or changes in management, reporting relationships, or future prospects;
- the need to integrate the operations, systems, technologies, products and personnel of each acquired company or asset, the inefficiencies and lack of control that may result if such integration is delayed or not implemented, and unforeseen difficulties and expenditures that may arise in connection with integration;
- the difficulty in determining the appropriate purchase price of acquired companies or assets may lead to the overpayment for certain acquisitions and the potential impairment of intangible assets and goodwill acquired in the acquisitions;
- the difficulty in accurately estimating the amount of potential synergies that will be realized from the acquisitions;
- the difficulty in successfully evaluating and utilizing the acquired products, technology or personnel;
- the potential incurrence of debt, contingent liabilities, amortization expenses or restructuring charges in connection with any acquisition;
- the need to implement controls, procedures and policies appropriate for a larger public company at companies that prior to acquisition may not have as robust controls, procedures and policies;
- the difficulty in accurately forecasting and accounting for the financial impact of an acquisition transaction, including accounting charges and integrating and reporting results for acquired companies that follow different accounting methods;
- the fact that the Company may be required to pay contingent consideration in excess of the initial fair value, and contingent consideration may become payable at a time when the Company does not have sufficient cash available to pay such consideration;
- under purchase accounting, the Company may be required to write off deferred revenue which may impair its ability to recognize revenue that would have otherwise been recognizable which may impact its financial performance or that of the acquired company;

- risks associated with the Company's expansion into new international markets and doing business internationally;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries;
- the need to transition operations and customers onto the Company's existing or new platforms and the potential loss of, or harm to, its relationships with employees, customers and other suppliers as a result of integration of new technologies;
- the implications of the Company's management team balancing levels of oversight over acquired businesses which continue their operations under earnout provisions in acquisition agreements;
- the Company's dependence on the accuracy and completeness of statements and disclosures made or actions taken by the companies it acquires or their representatives, when conducting due diligence and evaluating the results of such due diligence; and
- liability for activities of an acquired company before an acquisition, including intellectual property and other litigation claims or disputes, information security vulnerabilities, violations of laws, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities.

The benefits of an acquisition or investment may also take considerable time to develop, and the Company cannot be certain that any particular acquisition or investment will produce the intended benefits, which could adversely affect the Company's business, financial condition or results of operations. The Company's ability to grow through future acquisitions will depend on the availability of suitable acquisition and investment candidates at an acceptable cost, its ability to compete effectively to attract these candidates and the availability of financing to complete larger acquisitions. Acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances or incurrence of debt (and increased interest expense), contingent liabilities or amortization expenses related to intangible assets or write-offs of goodwill and/or intangible assets, which could adversely affect the Company's results of operations and dilute the economic and voting rights of its stockholders.

If the Company does not manage its growth effectively, the quality of its platform and solutions may suffer, and its business, results of operations and financial condition may be adversely affected.

The continued growth in the Company's business may place demands on its infrastructure and our operational, managerial, administrative and financial resources. The Company's success will depend on the ability of its management to manage growth effectively. Among other things, this will require the Company at various times to:

- strategically invest in the development and enhancement of its platform and data center infrastructure;
- improve coordination among its engineering, product, operations and other support organizations;
- manage multiple relationships with various partners, customers and other third-parties;
- manage international operations;
- develop its operating, administrative, legal, financial and accounting systems and controls; and
- recruit, hire, train and retain personnel, especially those possessing extensive engineering skills and experience in complex technologies and data sciences, of which there is limited supply and increasing demand.

If the Company does not manage its growth well, the efficacy and performance of its platform may suffer, which could harm its reputation and reduce demand for its platform and solutions. Failure to manage future growth effectively could have an adverse effect on its business, results of operations and financial condition.

If the Company fails to detect or prevent fraud or malware intrusion on its platform, devices, or systems, or into the systems or devices of its customers and their consumers, publishers could lose confidence in the Company's platform, and the Company could face legal claims, any of which could adversely affect its business, results of operations and financial condition.

The Company may be the target of fraudulent or malicious activities undertaken by persons seeking to use its platform for improper purposes. For example, someone may attempt to divert or artificially inflate customer purchases through its platform, or to disrupt or divert the operation of the systems, and devices of its publishers, and their consumers in order to misappropriate information, generate fraudulent billings or stage cyberattacks, or for other unauthorized or illicit purposes. Those activities could also introduce malware through the Company's platform in order to commandeer or gain access to confidential information or personal information. The Company uses third-party tools and proprietary technology to identify non-human traffic and malware, and may reduce or terminate relationships with customers that it finds to be engaging in such activities. Perpetrators of fraudulent impressions and malware frequently change their tactics and may become more sophisticated over time, requiring both the Company and third-parties to improve processes

for assessing the quality of publisher inventory and controlling fraudulent activity. In the meantime, new or changing data privacy laws (in particular outside the US) could potentially interfere with the data collection required in order to detect fraud. If the Company fails to detect or prevent fraudulent or malicious activity of this sort, the Company's reputation could be damaged, customers may contest payment, demand refunds or fail to give the Company future business, or the Company could face legal claims from customers. Even if the Company is not directly involved in fraud or malicious activity, any sustained failures of others in the Company's industry to adequately detect and prevent fraud could generate the perception that digital marketing is unsafe and lead the Company's customers to avoid digital marketing products like those of the Company.

The Company is subject to payment-related risks if customers dispute or do not pay their invoices, and any decreases or significant delays in payments could have a material adverse effect on our business, results of operations and financial condition. These risks may be heightened as a result of any economic downturn.

The Company may become involved in disputes with its customers over the operation of its platform, the terms of its agreements or its billings for purchases made by them through the Company's platform. Customers may seek to slow their payments to the Company or be forced into filing for bankruptcy protection, resulting in delay or cancellation of their pending payments to the Company. These challenges may be exacerbated by economic downturns, to the degree that customers experience financial difficulties and liquidity constraints. Certain of the Company's contracts with marketing agencies state that if their customer does not pay the agency, the agency is not liable to the Company, and the Company must seek payment solely from their customer, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject the Company to greater credit risk than if the Company were to contract directly with the customer.

If the Company is unable to collect customers' fees on a timely basis or at all, the Company could incur bad debt write-offs, which could have a material adverse effect on its results of operations for the periods in which the write-offs occur. In the future, bad debts may exceed reserves for such contingencies, and the Company's bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on the Company's business, financial condition and operating results. Even if the Company is not paid by its customers on time or at all, it may still be obligated to pay for the inventory it has purchased for its customers' marketing campaigns, and consequently, the Company's results of operations and financial condition would be adversely impacted.

The Company is subject to laws and regulations concerning privacy, information security, data protection, consumer protection and protection of minors, and these laws and regulations are continually evolving. The Company's actual or perceived failure to comply with these laws and regulations could harm its business.

The Company receives, stores and processes personal information from and about consumers in addition to personal information and other data from and about its customers, employees and service providers. There are numerous federal, state, provincial and local laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. In addition, in some cases, the Company will be dependent on its platform providers to solicit, collect and provide information regarding consumers that is necessary for compliance with these various types of regulations.

Various government and consumer agencies have called for new regulation and changes in industry practices and are continuing to review the need for greater regulation for the collection of information concerning consumer behavior, including regulation aimed at restricting certain targeted advertising practices. New regulations have created enhanced individual privacy rights and have imposed worldwide obligations on companies processing personal data, which may create a greater compliance burden for the Company, and subjects violators to substantial monetary penalties. Compliance with new regulations may require the Company to devote significant operational resources and incur significant expenses.

The Company strives to comply with all applicable laws, policies, legal obligations and industry standards and codes of conduct relating to privacy and data protection, to the extent reasonably attainable. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the Company's practices. It is also possible that new laws, policies, legal obligations or industry codes of conduct may be passed, or existing laws, policies, legal obligations or industry codes of conduct may be interpreted in such a way that could prevent the Company from being able to offer services to citizens of a certain jurisdiction or may make it costlier or more difficult for it to do so. Any failure or perceived failure by the Company to comply with its privacy policy and terms of service, its privacy-related obligations to consumers or other third-parties, or its privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other consumer data, may result in governmental enforcement actions, litigation or public statements against the Company by consumer advocacy groups or others and could cause customers to lose trust in the Company, which could have an adverse effect on the business, financial condition or results of operations of the Company. Additionally, if third-parties it works with, such as advertisers, publishers, vendors or developers violate applicable laws or its policies, such violations may also put consumer information at risk and could, in turn, have an adverse effect on the business, financial condition or results of operations of the Company.

The Company's business depends on its ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on the Company's collection, use or disclosure of this data could significantly diminish the value of its solution and cause it to lose publishers, buyers, and revenue. Consumer tools, regulatory restrictions and technological limitations all threaten the Company's ability to use and disclose data.

As the Company processes transactions through its platform, it collects large amounts of data about advertisements and where they are placed, such as advertiser and publisher preferences for media and advertising content. The Company also collects data on ad specifications such as placement, size and format, ad pricing, and auction activity such as price floors, bid response behavior, and clearing prices. Further, the Company collects data on consumers that does not identify the individual, but includes browser, device location and characteristics, online browsing behavior, exposure to and interaction with advertisements, and inferential data about purchase intentions, and preferences. This data is collected through various means, including from the Company's own systems, pixels that publishers allow the Company to place on its websites to track consumer visits, software development kits installed in mobile applications, cookies, and other tracking technologies. The Company's publishers, buyers, and data providers may choose to provide the Company with their proprietary data about consumers.

This data is aggregated and analyzed in order to enhance the Company's services, including the pricing, placement, and scheduling of advertisements. The Company's ability to collect, use and share data about advertising transactions and consumer behavior is critical to the value of its services. Any limitations on this ability could impair the Company's ability to deliver effective solutions, which could adversely affect its business, results of operations, and financial condition.

The Federal Communications Commission's (the "FCC") revised Telephone Consumer Protection Act ("TCPA") regulations, introduce stringent one-to-one consent mandates, creating compliance, operational, and reputational risks for businesses reliant on automated marketing communications.

The FCC has recently amended the TCPA to introduce a "one-to-one" consent requirement, effective January 27, 2025. This new rule mandates that businesses obtain prior express written consent separately for each company intending to send automated marketing communications to consumers. The consent must be clear, conspicuous, and specific to a single identified seller, and the content of the communications must be logically and topically related to the context in which the consumer provided consent. This regulatory change has required us to implement changes to our lead generation and marketing workflows, which changes may impact our operational and financial results. Further, as with the introduction of any new laws, additional changes may be required based on the industry's interpretation and implementation of the new rule, potentially causing further disruption to our operations and resulting in additional costs. To mitigate these risks, we are proactively reviewing and updating our consent collection processes to ensure compliance with the new TCPA requirements.

Cyber security attacks, including breaches, computer viruses and computer hacking attacks, could harm the Company's business, financial condition, results of operations or reputation.

Cyber security attacks, including breaches, computer malware and computer hacking have become more prevalent in the Company's industry. Any cyber security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, or the inadvertent transmission of computer viruses could adversely affect the business, financial condition, results of operations or reputation of the Company. The Company believes that it is taken reasonable steps to protect the security, integrity and confidentiality of the information collected, used, stored and disclosed, but there is no guarantee that in the future inadvertent (e.g., software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized data access or use will not occur despite its efforts in the past and in the future. The Company may experience hacking attacks of varying degrees from time to time, including denial-of-service attacks. Techniques used to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, the Company relies on third-party data centers, systems and technologies to operate its business. The Company is dependent on these third-party providers to provide industry standard protection against potential risks such as cyber intrusions, natural disasters, criminal acts and technical maintenance. In the event of damage or interruption, it is unlikely that the Company would be appropriately compensated for the reputational harm that such an interruption would create regardless of any damages we may recover from such third-parties or any insurance policy in place. This would in turn reduce the Company's revenue, subject it to liability and may cause it to lose customers, any of which could materially adversely affect its business.

The Company is subject to a number of laws, rules and regulations requiring it to provide notification to consumers, investors, regulators and other affected parties in the event of a security breach of certain personal data, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to practically implement. The costs of compliance with these laws have increased and may increase in the future. The Company's corporate systems, third-party systems and security measures may be breached

due to the actions of outside parties, employee error, malfeasance, a combination of these, or otherwise, and as a result, an unauthorized party may obtain access to its data, its employees' data, its customers' data or any third-party data it may possess. Any such security breach could require the Company to comply with various breach notification laws and may expose the Company to litigation, remediation and investigation costs, increased costs for security measures, loss of revenue, damage to the Company's reputation and potential liability.

If an actual or perceived security breach occurs, the market perception of the Company's security measures could be harmed and it could lose sales and customers and/or suffer other negative consequences to its business. A security breach could adversely affect the operation of the Company's platform and cause the loss or corruption of data, which could harm the Company's business, financial condition and operating results. Any failure to maintain the security of the Company's infrastructure could result in loss of personal information and/or other confidential information, damage to its reputation and customer relationships, early termination of its contracts and other business losses, indemnification of its customers, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, the Company may incur losses in excess of its insurance coverage. Further, certain incidents that Company can experience may not be covered by the insurance coverage in place at the time.

Moreover, if a high profile security breach occurs with respect to the Company or another digital advertising company, the Company's customers and potential customers may lose trust in the security of its business model generally, which could adversely impact its ability to retain existing customers or attract new ones.

Catastrophic events may disrupt the Company's business.

The Company's systems and operations are vulnerable to damage or interruption from fires, floods, power losses, telecommunications failures, cyber-attacks, terrorist attacks, acts of war, human errors, break-ins and similar events. Additionally, the Company relies on data centers and third-party infrastructure and enterprise applications, internal technology systems and its website for development, marketing and operational support activities. In the event of a catastrophic event, the Company may be unable to continue its operations and may experience system interruptions, reputational harm, delays in application development, lengthy interruptions in services, breaches of data security and loss of critical data, all of which could have an adverse effect on the Company's future operating results.

If the Company does not successfully invest in, establish and maintain awareness of its brand and platform, if it incurs excessive expenses promoting and maintaining its brand, or its platform or if its platform contains defects or objectionable content, the business, financial condition, results of operations or reputation of the Company could be harmed.

The Company believes that establishing and maintaining its brand is critical to maintaining and creating favorable relationships with its customers, as well as competing for key talent. In addition, globalizing and extending its brand and recognition of its platform requires significant investment and extensive management time to execute successfully. Although the Company will make significant sales and marketing expenditures in connection with promoting its platform, these efforts may not succeed in increasing awareness of its brand or platform. Brand promotion activities may not generate customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses the Company will incur in building its brand. In addition, the Company's brand can be harmed if it experiences adverse publicity for its platform for any reason, including due to "bugs", outages, security breaches or violations of laws. If the Company fails to increase and maintain brand awareness and customer recognition of its platform, its potential revenues could be limited, its costs could increase and its business, financial condition, results of operations or reputation could suffer.

The Company's revenue, and operating margins may decline. The Company also may incur substantial net losses in the future and may not achieve or sustain profitability.

The industry in which the Company operates is highly competitive and rapidly changing, and relies heavily on successful new product launches and continually introducing compelling products and services. As such, if the Company fails to acquire, consolidate, operate, publish, enhance or otherwise deliver such products and services, does not execute its strategy successfully or if its new products and services are delayed, the Company's revenue may decline, and its operating results will suffer.

In addition, the Company's operating margin may experience downward pressure as a result of increasing competition and the other risks discussed in this MD&A. The Company expects to continue to expend substantial financial and other resources on industry acquisitions and consolidation as well as platform development and marketing. The Company's operating costs will increase and its operating margins may decline if it does not effectively manage costs, launch new products and features on schedule that enhance its platform so that it continues to monetize successfully. In addition, weak economic conditions or other factors could cause the Company's business to further contract, requiring it to implement significant additional cost cutting measures, including a decrease in software development and sales and marketing, which could harm the Company's long-term prospects.

In addition, as a public company, the Company incurs significant accounting, legal and other expenses that, as a private company, it did not incur. As a result of these increased expenditures, the Company's profitability may take longer than anticipated to achieve. While the Company's revenue is expected to grow, this growth may take longer than anticipated to realize and it may not be sustainable, and

the Company may not achieve sufficient revenue growth in future periods to achieve or maintain profitability. In future periods, the Company's revenue could decline or grow more slowly than expected. The Company may also incur significant losses in the future for a number of reasons, including due to the other risks described herein, and it may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors. Accordingly, the Company may not be able to maintain profitability, and it may incur losses in the future.

If the Company's revenues do not increase to offset any additional expenses, if it fails to manage or experience unexpected increases in operating expenses or if it is required to take additional charges related to impairments or restructurings, the Company's financial results and results of operations may suffer.

The Company relies on assumptions and estimates to calculate certain of its key metrics, and real or perceived inaccuracies in such metrics may harm the Company's reputation and negatively affect its business.

Certain of the Company's key metrics are calculated using internal Company data from multiple analytics systems that have not been independently verified. While these numbers are based on what the Company believes to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across its user base including recently acquired operations, and factors relating to user activity and systems may impact these numbers.

The Company relies on the accuracy and transparency of data provided by individuals and reported by third-parties to calculate its metrics and eliminate duplication of data. The Company's advertisers and investors rely on its key metrics as a representation of its performance. The Company regularly reviews and may adjust its processes for calculating its internal metrics to improve their accuracy, but these efforts may not prove successful and the Company may discover material inaccuracies. In addition, its methodology for calculating these metrics may differ from the methodology used by other companies to calculate similar metrics. If the Company determines that it can no longer calculate any of its key metrics with a sufficient degree of accuracy, and it cannot find an adequate replacement for the metric, the Company's business, financial condition or results of operations may be harmed. In addition, if advertisers, platform partners or investors do not perceive the Company's user metrics to be accurate representations of its user base or user engagement, or if the Company discovers material inaccuracies in its user metrics, the Company's reputation may be harmed and advertisers and platform partners may be less willing to allocate their budgets or resources to its products and services, which could negatively affect the Company's business, financial condition or results of operations.

Any restructuring actions and cost reduction initiatives that the Company undertakes may not deliver the expected results and these actions may adversely affect the Company's business.

The Company may implement a number of restructurings in which it undertakes certain restructuring actions and cost reduction initiatives to integrate acquisitions, streamline operations and improve cost efficiencies to better align its operating expenses with its revenue. The Company plans to continue to manage costs to better and more efficiently manage its business. Any restructuring plans and other such efforts could result in disruptions to the Company operations and adversely affect its business, financial condition or results of operations.

The Company actively monitors its costs, however, if it does not fully realize or maintain the anticipated benefits of any restructuring actions and cost reduction initiatives, the Company's business, financial condition or results of operations could be adversely affected, and additional restructuring initiatives may be necessary. In addition, the Company cannot be sure that any cost reduction initiatives will be as successful in reducing its overall expenses as expected or that additional costs will not offset any such reductions. If its operating costs are higher than it expects or if it does not maintain adequate control of its costs and expenses, the Company's operating results will be negatively impacted.

In addition, any cost cutting measures by the Company could negatively impact its business, financial condition or results of operations including but not limited to, delaying the introduction of new solutions, products, features or technology, impacting its ability to react nimbly to technology issues, or impacting employee retention and morale.

The Company's business and growth may suffer if it fails to attract, retain and motivate key personnel.

The Company's ability to compete and grow depends in large part on the efforts and talents of its employees and executives. Its success depends in a large part upon the continued service of its senior management team. The Company's management team is critical to the Company's vision, strategic direction, culture, products and technology, and the continued retention of its entire senior management team is important to the success of its operating plan. The loss of any member of its senior management team could cause disruption and harm the business, financial condition, results of operations or reputation of the Company.

In addition, the Company's ability to execute its strategy depends on its continued ability to identify, hire, develop, motivate and retain highly skilled employees. Employees in the digital advertising industry are in high demand and the cost of hiring and retaining such employees is rising. The Company devotes significant resources to identifying, recruiting, hiring, training, successfully integrating and

retaining such employees. Any significant turnover in the Company's headcount may place significant demands on its management and its operational, financial and technological infrastructure.

As the Company operates as a public company, volatility of its stock price, changes in its compensation structure for its executive officers that significantly relies on performance-linked stock awards, and any headcount reductions may make it more difficult for the Company to attract and retain top talent. In particular, should the Company's stock price decline it might be difficult for it to attract and retain qualified personnel, since individuals may elect to seek employment with other companies that they believe have better long-term prospects or that present better opportunities for earning equity-based compensation. If the Company is unable to identify, hire and retain its senior management team and its key employees, the Company's business, financial condition or results of operations could be harmed. Moreover, if the Company's team fails to work together effectively to execute its plans and strategies on a timely basis, the Company's business, financial condition or results of operations could be harmed.

The Company may hire a number of key personnel through acquisitions, and as competition for attractive target companies with a skilled employee base persists and intensifies, the Company may incur significant expenses and difficulty in maintaining this practice. In addition, volatility in the Company's operating results and the trading price of its common stock may negatively impact its perceived reputation and make it more difficult and more expensive to successfully retain employees post-acquisition. The loss of talented employees with experience in the assets it acquires could result in significant disruptions to the Company's business and the integration of acquired assets and businesses. If it does not succeed in recruiting, retaining, and motivating these key employees, the Company may not achieve the anticipated results of acquisitions.

The Company's core values of focusing on its customers and acting for the long-term may conflict with the short-term expectations of analysts.

The Company believes that exceeding its customers' expectations is essential to its success and serves the best, long-term interests of the Company and its shareholders. Therefore, the Company may make future significant investments or changes in strategy that it thinks will benefit the Company in the long-term, even if its decision has the potential to negatively impact its operating results in the short-term. In addition, the Company's decisions may not result in the long-term benefits that it expects, in which case the success of its business, financial condition or results of operations could be harmed.

The Company's ability to acquire and maintain licenses to intellectual property may affect its revenue and profitability. Competition for these licenses may make them more expensive and increase the Company's costs.

Competition for proprietary licenses is intense, and may result in increased advances, minimum payment guarantees and royalties that the Company must pay to the licensor. If the Company is unable to obtain and remain in compliance with the terms of these licenses or obtain additional licenses on reasonable economic terms, its revenue and profitability may be adversely impacted.

In addition, if the Company is unable to renew licenses to proprietary source code underlying its platform, or the terms and conditions of these licenses change at the time of renewal its business, financial condition or results of operations could be negatively impacted. If a third-party from whom the Company licenses source code discontinues support for one or more of these platforms, the Company's business, financial condition or results of operations could be negatively impacted.

Failure to protect or enforce the Company's intellectual property rights or the costs involved in such enforcement could harm the Company's business, financial condition or results of operations.

The Company regards the protection of its trade secrets, copyrights, trademarks, service marks, trade dress, domain names, patents, and other product rights as critical to its success. The Company strives to protect its intellectual property rights by relying on federal, provincial and common law rights, as well as contractual restrictions and business practices. The Company enters into confidentiality and invention assignment agreements with its employees and contractors and confidentiality agreements with parties with whom it conducts business in order to limit access to, and disclosure and use of its proprietary information. However, these contractual arrangements and business practices may not prevent the misappropriation of the Company's proprietary information or deter independent development of similar technologies by others. Further, in some instances the Company may be required to obtain licenses to intellectual property in lieu of ownership. Such licenses may be limited in scope and require the Company to renegotiate on a frequent basis for additional use rights.

The Company pursues the registration of its copyrights, trademarks, service marks, domain names, and patents in Canada, the United States and in certain locations outside of Canada and the United States. This process can be expensive and time-consuming, may not always be successful depending on local laws or other circumstances, and the Company also may choose not to pursue registrations in every location depending on the nature of the project to which the intellectual property rights pertain. The Company may, over time, increase its investments in protecting its creative works and innovations through patent filings that are expensive and time-consuming and may not result in issued patents that can be effectively enforced.

Despite such efforts to protect intellectual property rights, unauthorized parties may attempt to copy or otherwise to obtain and use technology used or offered by the Company. Monitoring unauthorized use of its technology is difficult and costly, and the Company cannot be certain that the steps it has taken in the past or the future will prevent piracy and other unauthorized distribution and use of the technology and applications used or offered by the Company. To the extent the Company expands its activities worldwide, exposure to unauthorized copying and use of its technology and proprietary information may increase. In the future, litigation may be necessary to enforce intellectual property rights, protect trade secrets to determine the validity and scope of proprietary rights claimed by others or to defend against claims of infringement or invalidity. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources, any of which could adversely affect the Company's business and operating results. If the Company fails to maintain, protect and enhance its intellectual property rights, its business and operating results may be harmed.

There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that its competitors will not independently develop similar technology. Furthermore, the Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. These steps may be inadequate to protect its intellectual property. The Company will not be able to protect its intellectual property if it is unable to enforce its rights or if it does not detect unauthorized use of its intellectual property.

The Company may be subject to intellectual property disputes, which are costly to defend and could require the Company to pay significant damages and could limit its ability to use certain technologies in the future.

From time to time, the Company may face allegations that it has infringed the trademarks, copyrights, patents and other intellectual property rights of third-parties, including from its competitors, non-practicing entities and former employers of its personnel. Intellectual property litigation may be protracted and expensive, and the results are difficult to predict. As the Company faces increasing competition and as litigation becomes a more common way to resolve disputes, the Company faces a higher risk of being the subject of intellectual property infringement claims. The Company cannot make any assurances that it will not become, in the future, subject to claims that it has misappropriated or misused other parties' intellectual property rights. If the Company is sued by a third-party that claims that the Company's technology infringes its rights, the litigation (with or without merit) could be expensive and could divert management resources.

As the result of any court judgment or settlement, the Company may be obligated to do one or more of the following:

- cease making, selling, offering for sale or using technologies that incorporate the challenged intellectual property;
- make substantial payments for legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign technology to avoid infringement.

If the Company is required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against the Company, such payments or costs could have a material adverse effect upon the Company's business and financial results.

In addition, the Company uses open source software in its business and expects to continue to use open source software in the future. From time to time, the Company may face claims from companies that incorporate open source software into their products, claiming ownership of, or demanding release of the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require the Company to purchase a costly license or require the Company to devote additional research and development resources to change its technology, any of which would have a negative effect on the Company's business, financial condition or results of operations.

The Company may be involved in legal proceedings that may result in adverse outcomes.

The Company may be involved in claims, suits, government investigations, and proceedings arising in the ordinary course of its business, including actions with respect to intellectual property claims, privacy, data protection or law enforcement matters, tax matters, labor and employment claims, commercial and acquisition-related claims, as well as shareholder derivative actions, class action lawsuits, and other matters. Such claims, suits, government investigations, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcomes, such legal proceedings can have an adverse impact on the Company because of legal costs, diversion of management and other personnel attention, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing the Company from offering certain features, functionalities, products, or services, or requiring a change in its business practices, products or technologies, which could in the future materially and adversely affect the Company's business, financial condition or results of operations.

The Company's business is subject to a variety of Canadian, United States and foreign laws, many of which are unsettled and still developing and which could subject the Company to claims or otherwise harm its business.

The Company is subject to a variety of laws in different jurisdictions that affect its business, including provincial, state and federal laws regarding consumer protection, electronic marketing, protection of minors, data protection, competition, taxation, intellectual property, export and national security, that are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to the Company are often uncertain and may be conflicting, particularly laws outside Canada and the United States. There is a risk that these laws may be interpreted in a manner that is not consistent with the Company's current practices, and could have an adverse effect on the Company's business. It is also likely that as the Company's business grows and evolves and its offerings are made available in a greater number of countries, it will become subject to laws and regulations in additional jurisdictions, and such jurisdictions may claim that it is required to comply with their laws and regulations. This may require the Company to expend substantial resources or to modify its products or services, which would harm its business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm the Company's reputation or otherwise impact the growth of its business. Any costs incurred as a result of this potential liability could harm the Company's business and operating results.

If the Company is not able to comply with new or existing laws or regulations or if it becomes liable under these laws or regulations, the Company could be directly harmed, and it may be forced to implement new measures to reduce its exposure to this liability. This may require the Company to expend substantial resources or to modify its products or services, which would harm its business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm the Company's reputation or otherwise impact the growth of its business. Any costs incurred as a result of this potential liability could harm the Company's business, financial condition or results of operations.

The Company's international operations are subject to increased challenges and risks.

The Company has entered into several international markets and expects to enter into additional markets in the future. The Company's ability to expand its business in additional international markets will require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, tax regimes, alternative dispute systems, regulatory systems and commercial infrastructures. Expanding its international focus may subject the Company to risks that it has not faced before or increase risks that it currently faces, including risks associated with:

- burdens of complying with a variety of foreign laws in multiple jurisdictions;
- potential damage to its brand and reputation due to compliance with local laws;
- recruiting and retaining talented and capable management and employees in foreign countries;
- recruiting and working through local partners;
- challenges caused by distance, language and cultural differences;
- acquiring, consolidating, operating, publishing, enhancing and customizing its platform and other offerings that appeal to the tastes and preferences of customers in international markets;
- new and different sources of competition;
- utilizing, protecting, defending and enforcing its intellectual property rights;
- negotiating agreements with local distribution platforms that are sufficiently economically beneficial to the Company and protective of its rights;
- the inability to extend proprietary rights in its brand, content or technology into new jurisdictions;
- compliance with applicable foreign laws and regulations, including privacy laws and laws relating to content and consumer protection (for example, the United Kingdom's Office of Fair Trading's 2014 principles relating to in-app purchases in FTP games that are directed toward children 16 and under);
- compliance with anti-bribery laws;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- exposure to local banking, currency control and other financial-related risks;

- protectionist laws and business practices that favor local businesses in some countries;
- double taxation of its international earnings and potentially adverse tax consequences due to changes in the tax laws of the jurisdictions in which the Company operates;
- political, economic and social instability;
- natural disasters, including earthquakes, tsunamis and floods;
- inadequate local infrastructure;
- higher costs associated with doing business internationally;
- export or import regulations; and
- trade and tariff restrictions.

If the Company is unable to manage the complexity of its global operations successfully, its business, financial condition and operating results could be adversely affected. Additionally, the Company's ability to successfully gain market acceptance in any particular market is uncertain, and the distraction of its senior management team could harm the Company's business, financial condition or results of operations.

Changes in foreign exchange rates and limitations on the convertibility of foreign currencies could adversely affect the Company's business and operating results.

The Company currently transacts business in several countries and in different currencies. Conducting business in different currencies subjects the Company to fluctuations in currency exchange rates that could have a negative impact on its reported operating results. To date, the Company has not engaged in exchange rate hedging activities, and it does not expect to do so in the foreseeable future.

The delivery of the Company's products and services and a portion of the Company's revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet.

No assurance can be given of the continued use and expansion of these networks as a medium of communications for the Company.

Effective delivery of the Company's products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access the Company's products and services. Changes in access fees to distributors, such as the Company or its service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or governing regulations could result in increased costs to the Company. All of these factors are out of the Company's control and the manifestation of any of them could ultimately have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Company's services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, loss of revenue because of the inability of customers use the Company's products or services, or the cancellation by customers of their service with the Company, any of which could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Changes in the tax treatment of companies engaged in Internet commerce may adversely affect the commercial use of the Company's services and its financial results.

Due to the global nature of the Internet, it is possible that various countries might attempt to regulate transmissions or levy sales, income, consumption, use or other taxes relating to its activities, or impose obligations on the Company to collect such taxes. Tax authorities in various jurisdictions are reviewing the appropriate treatment of companies engaged in Internet commerce such as the sale of virtual items and the provision of online services. The imposition of new or revised tax laws or regulations may subject the Company or its customers to additional sales, income, consumption, use or other taxes. The Company cannot predict the effect of current attempts to impose such taxes on commerce over the Internet. New or revised taxes and, in particular, sales, use or consumption taxes, the Value Added Tax and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling virtual items over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on the business and results of operations of the Company.

The Company may have exposure to greater than anticipated tax liabilities.

The Company's income tax obligations are based in part on its corporate operating structure and intercompany arrangements, including the manner in which the Company develops, values, manages and uses its intellectual property and the valuation of its intercompany transactions. The tax laws applicable to its business, including the laws of Canada and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax revenue. The Company's existing corporate structure and intercompany arrangements have been implemented in a manner that the Company believes is in compliance with current prevailing tax laws. However, the taxing authorities of the jurisdictions in which the Company operates may challenge its methodologies for valuing developed technology or intercompany arrangements, which could impact the Company's worldwide effective tax rate and harm its financial position and results of operations. In addition, changes to the Company's corporate structure and intercompany agreements, including through acquisitions, could impact its worldwide effective tax rate and harm its financial position and results of operation.

The Company must charge, collect and/or pay taxes other than income taxes, such as payroll, value-added, sales and use, net worth, property and goods and services taxes, in both Canadian and foreign jurisdictions. If tax authorities assert that the Company has a taxable nexus in a jurisdiction, they may seek to impose past as well as future tax liability and/or penalties. Any such impositions could also cause significant administrative burdens and decrease the Company's future sales.

The Company may require additional capital to meet its financial obligations and support business growth, and this capital might not be available on acceptable terms or at all.

The Company intends to make significant investments to support its business growth and may require additional funds to respond to business challenges. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through future issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of holders of its common shares. Any debt financing that the Company secures in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may not be able to obtain additional financing on terms favorable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to the Company when the Company requires it, the Company's ability to support its business growth and to respond to business challenges could be significantly impaired, and the Company's business, financial condition or results of operations may be harmed.

The Company's loan agreement with its senior lender(s) contains operating and financial covenants that may restrict our business and financing activities.

The operating and financial restrictions and covenants in the loan agreement with the Company's senior lender, as well as any future financing arrangements that the Company may enter into, may restrict its ability to finance operations, engage in, expand, or otherwise pursue our business activities and strategies. The Company's ability to comply with these or other covenants may be affected by events beyond the Company's control, and future breaches of these or other covenants could result in a default under such loan agreement. If not waived, future defaults could cause all of such outstanding senior indebtedness to become immediately due and payable and the Company's access to further credit may terminate. If the Company does not have or is unable to generate sufficient cash to repay its debt obligations when they become due and payable, either upon maturity or in the event of a default, the Company would be required to obtain additional debt or equity financing, which may not be available on favorable terms, or at all, which may negatively impact the Company's ability to operate and continue its business as a going concern.

The Company relies on third-party platforms to operate certain aspects of its business, in particular Google's platform in respect of the Company's search engine marketing services. Any change to the rules and policies of such third-party platform could adversely impact the Company's operations and harm its business.

The Company expects its dependence on certain third-party platforms to continue. In the event of any material change to such third-party platforms' policies and procedures, the Company may suffer interruptions in service in order to accommodate such changes or, if the Company does not have the resources to implement corresponding changes, the Company may be exposed to liability as a result of its non-compliance. In either case, this could adversely affect the Company's business, financial condition or results of operations.

In many cases the Company acts as an intermediary between a publisher and an advertiser in respect of advertising transactions. The Company relies on its publisher and the advertiser customers to comply with applicable laws and industry standards with respect to the conduct of their respective businesses.

While the Company does make regular efforts to audit its prospective and existing publisher and advertising customers to ensure compliance with applicable laws and industry standards, the Company does not control such parties and thus may be exposed to liability

in respect of any unlawful or non-compliant conduct. The Company may not be entitled to indemnification in respect of such liability or may not be capable of pursuing indemnification due to a lack of resources or a lack of information necessary to properly bring a claim for indemnification against such parties. An example of exposure could arise if the Company facilitates an advertising transaction between a publisher and an advertiser, and the publisher distributes the advertiser's content via SMS in violation of the TCPA. The Company may, as a result of such advertising transaction, be subject to a claim from the end-user(s) in receipt of the applicable advertisement in violation of such end-user(s)' rights pursuant to the TCPA. This potential exposure to liability may have an adverse impact on the business and results of operations of the Company.

Risk Associated with the Capital Markets

The price of the Company's common shares may be volatile and may decline regardless of operating performance.

The price of the Company's common shares has fluctuated in the past, and the Company expects the price of the Company's common shares to fluctuate in the future, and to potentially even decline. The trading prices of technology and media companies' securities are highly volatile. The market price of the Company's common shares may fluctuate significantly in response to numerous factors, many of which are beyond the Company's control, including, among others:

- actual or anticipated fluctuations in the Company's revenue and other results of operations, including changes resulting from the addition or loss of any number of customers;
- announcements by the Company or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- the financial projections the Company may provide to the public, any changes in these projections, or the Company's failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of the Company, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company, or the Company's failure to meet these estimates or the expectations of investors;
- changes in operating performance and stock market valuations of other technology companies in general, or those in the Company's industry in particular;
- the size of the Company's public float;
- price and volume fluctuations in the trading of the Company's common shares and in the overall stock market, including as a result of trends in the economy as a whole;
- new laws or regulations or new interpretations of existing laws or regulations applicable to the Company's business or industry, including data privacy, data protection, and information security;
- lawsuits threatened or filed against the Company for claims relating to intellectual property, employment issues, or otherwise;
- changes in the Company's Board of Directors or management;
- short sales, hedging, and other derivative transactions involving the Company's common shares;
- sales of large blocks of the Company's common shares including sales by the Company's executive officers, directors, and significant shareholders; and
- other events or factors, including changes in general economic, industry, and market conditions, geo-political conflict and trends, as well as pandemics and any natural disasters, which may affect the Company's operations.

Share price volatility and limited market for securities.

The Company's common shares are listed on the TSX Venture Exchange. However, in recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for Company's common shares will be subject to market trends generally, notwithstanding the Company's potential success in creating revenues, cash flows or earnings. The value of the Company's common shares will be affected by such volatility. An active public market for the Company's common shares might not develop, in which case, the liquidity of a shareholder's investment may be limited and the share price may decline.

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In addition, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology and media companies. Share prices of many of these companies have fluctuated in a manner unrelated or disproportionate to their operating performance. If the Company were to become involved in securities litigation as a result of this volatility, it could subject the Company to substantial costs, divert resources and the attention of management, and harm the Company's business.

Future sales of the Company's common shares by existing shareholders could cause the price of its common shares to decline.

Sales of a substantial number of Company's common shares by existing shareholders in the public market could occur at any time. If such shareholders sell, or the market perceives that such shareholders intend to sell substantial amounts of Company's common shares in the public market, the market price of Company's common shares could decline. The magnitude of this risk will be inversely proportional to the size of the public float.

If securities or industry analysts do not publish research or reports about the Company's business, or if they downgrade Company's common shares, the price of Company's common shares could decline.

The trading market for Company's common shares depends, in part, on the research and reports that securities or industry analysts publish about the Company's business. The Company does not have any control over these analysts. If one or more of the analysts who cover the Company downgrade the Company's stock or publish inaccurate or unfavorable research about the Company's business, the price of Company's common shares would likely decline. In addition, if the Company's results of operations fail to meet the forecast of analysts, the price of Company's common shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on the Company regularly, demand for the Company's common shares could decrease, which might cause the price and trading volume of Company's common shares to decline.

Company issuance of additional common shares in connection with financings, acquisitions, investments, the Company's equity incentive plans, or otherwise will dilute all other shareholders.

The Company expects to issue additional common shares in the future that will result in dilution to all other shareholders. The Company expects to grant equity awards to employees, directors, and consultants under its equity incentive plans. As part of its business strategy, the Company may acquire or make investments in complementary companies, products, or technologies, and issue equity securities to pay for any such acquisitions or investments. Any such issuances of additional common shares may cause shareholders to experience significant dilution of their ownership interests and the per share value of Company's common shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity may dilute existing shareholders' percentage ownership of Company's common shares and shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of holders of Company's common shares.

Capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the conduct of the Company's business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could prevent the Company from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

The Company does not currently intend to pay dividends for the foreseeable future.

The Company generally does not intend to pay dividends to the holders of Company's common shares for the foreseeable future. The Company's ability to pay dividends on the Company's common shares is limited by its existing indebtedness, and may be further restricted by the terms of any future debt financing or preferred securities issued by it or its Subsidiaries, or by law. Payments of future dividends, if any, will be at the discretion of its Board after taking into account various factors, including the Company's business, financial condition, and results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on its ability to pay dividends. As a result, any capital appreciation in the price of Company's common shares may be an investor's only source of gain on investment in Company's common shares. Any dividends paid by the Company would be subject to tax and, potentially, withholdings.

Shareholders of the Company will have limited control over the Company's operations.

Shareholders of the Company will have limited control over changes in the Company's policies and operations, which increases the uncertainty and risks of an investment in the Company. The Board of Directors of the Company will determine major policies, including policies regarding debt and equity financing, growth, and any future dividends to shareholders. Generally, the Board will be able to amend or revise these and other policies without a vote of the shareholders. Shareholders of the Company will only have a right to vote in limited circumstances. The Board of Directors of the Company will have discretion in setting policies and the limited ability of shareholders to exert control over those policies increases the uncertainty and risks of an investment in the Company.

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ADDITIONAL INFORMATION

Additional information relating to the Company is posted on SEDAR+ at www.sedarplus.ca. The Company's common shares are listed on the TSX Venture Exchange as a Tier I issuer under the symbol "INIK", with shares also trading on OTCQX® Best Market under the symbol "INIKF".