Ionik Delivers Record Revenue & Adjusted EBITDA in Second Quarter 2025

Record Quarterly Revenue of $53.5 million - an increase of 20% over Q2 2024 and 28% over prior quarter

Record Quarterly Adjusted EBITDA[1] of $9.3 million - an increase of 58% over Q2 2024 and 47% over prior quarter

Generated Adjusted Free Cash Flow[1] of $7.3 million and reduced Senior Debt by $4.3 million

(All figures in US dollars, unless otherwise indicated)

Toronto, Ontario--(Newsfile Corp. - August 28, 2025) - Ionik Corporation (TSXV: INIK) (OTCQB: INIKF) (the **"Company"**), a data and technology-driven marketing and advertising solutions company, announced its financial results for the second quarter ended June 30, 2025.

Financial Highlights for the Second Quarter 2025

- Revenue of $53.5 million, an increase of 20% compared to $41.8 million in the same period of the prior year ("**Q2 2024**"), and 28% over the prior quarter ("**Q1 2025**"). The change versus the prior year was mainly attributable to the acquisitions of Nimble5, LLC in September 2024 and Rise4 Inc. in November 2024 (the "**2024 Acquisitions**")
- Gross profit increased 28% to $21.4 million (40% gross profit margin), compared to $16.7 million (37% gross profit margin) in Q2 2024. The increase was predominantly attributable to growth driven by the 2024 acquisitions.
- Adjusted EBITDA[1] of $9.3 million increased 58% over Q2 2024 and 47% over Q1 2025, with growth derived mainly from the 2024 Acquisitions.
- Adjusted Free Cash Flow[1] of $7.3 million (79% Adjusted Free Cash Flow conversion rate[1]), compared to $3.9 million (67% Adjusted Free Cash Flow conversion rate[1]) for Q2 2024. Adjusted Free Cash Flow[1] reported in Q2 2024 was affected by income taxes paid totalling $1.9 million.
- Net loss after tax from continuing operations of $2.8 million versus a net income of $0.1 million for Q2 2024.
- Cash as at June 30, 2025 was $5.1 million, compared to $12.7 million at March 31, 2025 and $6.8 million at June 30, 2024. As at June 30, 2025, the Company had not drawn on its revolving facility of $10.0 million. Management believes that its current capital position is sufficient to execute its current business and operational strategies.
- Total undiscounted debt decreased by $5 million as at June 30, 2025. The total undiscounted balance was $117.5 million, including $79.7 million of senior lender debt, $29.6 million of convertible debt, and $5.3 million in a vendor take-back loan and $3.0 million in working capital note compared to $122.5 million in total debt as at March 31, 2025 and $126.5 million in total debt as at December 31, 2024. The decrease compared to the undiscounted debt balance at March 31, 2025 resulted primarily from principal payments of $4.3 million on the senior debt term facility in the quarter. Senior debt net of cash was $74.6 million at June 30, 2025, compared to $71.4 million at March 31, 2025 and $73.4 million at December 31, 2024.

[1] **Please refer to "Non-IFRS Measures" section of this press release**

Ted Hastings, Ionik's CEO commented, "During highly dynamic market conditions our platform and team have responded well as evidenced by our strong EBITDA and Revenues in Q2. We have focused this year on integration across our two platforms - Marketing Optimization and Media Activation - and that streamlined focus is allowing us to service our growing customers better while improving our gross profit margins. We remain confident in the platform and team we've assembled and our ability to achieve our objectives in the second half."

Non-IFRS Measures

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**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","Adjusted Free Cash Flow" and "Adjusted Free Cash Flow conversion rate".

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. 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 expenses, such as transaction costs and other severance and restructuring costs. See reconciliation of Adjusted EBITDA in the table 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. Similarly, Company management defines "**Adjusted Free Cash Flow conversion rate**" as Adjusted Free Cash Flow divided by Adjusted EBITDA. See reconciliation of Adjusted Free Cash Flow in the table below.

The presentation of these non-IFRS financial measures are 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.

Management believes Adjusted EBITDA and Adjusted Free Cash Flow are useful financial metrics to assess its operating performance on a cash basis before the impact of non-cash and extraordinary one-time items.

The following tables presents the Company's calculation of Adjusted EBITDA and Adjusted Free Cash Flow for each period:

	For the three months ended			
	June 30 2025	March 31, 2025	December 31, 2024	September 30, 2024
Net loss (income)	$ (2,787)	$ (3,581)	$ (16,869)	$ (2,941)
Add:				
Finance costs	4,948	4,546	4,483	3,092
Income tax (recovery) expense	1,790	523	(3,012)	1,112
Depreciation and amortization	4,711	4,729	6,119	3,936
Impairment loss on intangibles and goodwill	-	-	14,052	-
Gain on disposal of games	-	-	-	(110)
Fair value loss (gain) on financial liabilities	594	(478)	1,651	(33)

Gain on modification/extinguishment of loan	-	-	(16)	-
Share-based compensation expense	130	163	30	202
Extraordinary one-time expenses (recovery)	(146)	326	995	615
Foreign exchange (gain) loss	101	134	(43)	135
Non-recurring income	(53)	(33)	(50)	(45)
Adjusted EBITDA	**$ 9,288**	**$ 6,329**	**$ 7,340**	**$ 5,963**
Less:				
Acquisition of property and equipment	(16)	(13)	(12)	(6)
Additions to intangible assets	(75)	(76)	(75)	(70)
Taxes paid	(1,889)	(144)	(2,447)	(406)
Adjusted Free Cash Flow	**$ 7,308**	**$ 6,096**	**$ 4,806**	**$ 5,481**

	For the three months ended			
	June 30, 2024	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**
Net loss (income)	$ 147	$ (2,678)	$ (44,719)	$ (1,703)
Add:				
Finance costs	2,651	2,554	2,332	2,024
Income tax (recovery) expense	1,440	88	(10)	105
Depreciation and amortization	3,565	3,572	3,589	3,328
Impairment loss on intangibles and goodwill	-	-	41,270	-
Gain on disposal of games	(2,772)	-	-	-
Gain (loss) on disposal of assets	-	-	8	(8)
Loss on modification/extinguishment of loan	-	-	1,691	-
Share-based compensation expense	186	221	494	242
Extraordinary one-time expenses	576	61	823	280
Foreign exchange loss	99	157	75	100
Non-recurring income	(12)	(72)	-	-
Adjusted EBITDA	**$ 5,880**	**$ 3,903**	**$ 5,553**	**$ 4,368**
Less:				
Acquisition of property and equipment	(12)	(17)	(2)	(19)
Additions to intangible assets	(69)	(70)	(251)	(456)
Taxes paid	(1,865)	(1,858)	(21)	(1,334)
Adjusted Free Cash Flow	**$ 3,934**	**$ 1,958**	**$ 5,279**	**$ 2,559**

	For the Six Months Ended June 30,	
	2025	**2024**
Net loss	$ (6,368)	$ (2,531)
Add:		
Finance costs	9,494	5,205
Income tax (recovery) expense	2,313	1,528
Depreciation and amortization	9,440	7,137
Gain on disposal of games	-	(2,772)
Fair value loss on financial liabilities	116	-
Share-based compensation expense	293	407
Extraordinary one-time expenses	180	637
Foreign exchange loss	235	256
Non-recurring income	(86)	(84)
Adjusted EBITDA	**$ 15,617**	**$ 9,783**
Less:		
Acquisition of property and equipment	(29)	(29)
Additions to intangible assets	(151)	(139)
Taxes paid	(2,033)	(3,723)
Adjusted Free Cash Flow	**$ 13,404**	**$ 5,892**

Financial Statements and MD&A

Ionik's Financial Statements for the three months ended June 30, 2025, and Management's Discussion and Analysis for the same period, are posted on its corporate website at www.ir.ionikgroup.com and available on the Company's profile on SEDAR+ at www.sedarplus.ca.

About Ionik

Ionik, a Tier 1 Issuer on the TSX Venture Exchange, with shares also trading on the OTCQB Venture Market, is a technology-driven marketing and advertising solutions company that helps brands, advertisers, and publishers connect with their audiences through data-driven insights and advanced automation. By leveraging its extensive suite of technology, creative expertise, and proprietary first-party data, Ionik optimizes the entire customer acquisition and retention journey.

Ionik's platform unifies marketing automation, media activation, and data management to create a seamless advertising ecosystem, helping businesses efficiently source, retain, and monetize their customers

Additional information about the Company is available at www.sedarplus.ca.

Ionik Corporation
Sean Peasgood
Investor Relations
(647) 777-7564
Sean@SophicCapital.com

Jeff Collins
CFO/COO
(416) 583-5918
invest@popreach.com

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