

**Form 51-102F3**  
**Material Change Report**

**Item 1. Name and Address of Company**

PopReach Corporation (dba Ionik) (“**Ionik**” or the “**Company**”)  
1 University Avenue, 3rd Floor  
Toronto, Ontario  
M5J 2P1

**Item 2. Date of Material Change**

November 20, 2023

**Item 3. News Release**

News Release dated November 20, 2023 was disseminated via Cision and filed to SEDAR+ on November 20, 2023.

**Item 4. Summary of Material Change**

The Company acquired substantially all of the assets of S44 LLC ("**SHIFT44**" or the "**Seller**"), a first party data acquisition, lead generation and performance marketing platform headquartered in Holbrook, New York (the "**Transaction**") for a total aggregate purchase price of approximately US\$40.0 million, with the total consideration consisting of a combination of cash, debt and stock.

**Item 5.1 Full Description of Material Change**

Pursuant to the definitive transaction agreement (the "**Transaction Agreement**") entered into on November 20, 2023 among Ionik, Shift44, Inc. ("**Acquisition Subsidiary**"), a wholly owned subsidiary of Ionik, the Seller and certain principals of the Seller, Acquisition Subsidiary acquired substantially all of the assets of SHIFT44 for aggregate consideration of approximately US\$40.0 million, being comprised of US\$17.75 million in cash (the "**Cash Consideration**"), the issuance of 4,790 Class B non-voting shares of Acquisition Subsidiary (the "**Class B Shares**"), and the issuance of a convertible debenture in the aggregate principal amount of US\$16.75 million (the "**Debenture**"). The Acquisition Subsidiary is also assuming up to US\$1.0 million in current liabilities on SHIFT44's balance sheet.

The Class B Shares are exchangeable at the option of the Seller into common shares of the Company (the "**Ionik Shares**") at any time following Closing on the basis of 9,238 Ionik Shares for every 1 Class B Share, entitling the Seller to an aggregate of 44,250,020 Ionik Shares, with an approximate value of US\$5.5 million based on the November 20, 2023 closing price per Ionik Share of C\$0.17 (the "**Closing Price**") and a C\$:US\$ exchange rate of 1.3722. The Class B Shares do not entitle the Seller to vote on any matters in respect of Acquisition Subsidiary, other than as

required pursuant to applicable law, nor do the Class B Shares entitle the Seller to any rights in respect of Ionik, voting or otherwise, until such time as the Class B Shares have been exchanged for Ionik Shares.

The Debenture is non-interest bearing, repayable on November 30, 2026 and convertible into Ionik Shares at the option of the Seller exercisable at any time prior to November 30, 2026 at US\$0.78 per Ionik Share, representing a premium to the Closing Price of approximately 630%. The Debenture is secured by a security interest granted to the Seller over the assets of Acquisition Subsidiary, being comprised of the acquired assets, and such security interest ranks subordinate to Ionik's senior lenders.

US\$0.25 million of the Cash Consideration will be held back on Closing and released on the one year anniversary of Closing, subject to reductions, if any, in connection with the Seller's obligations pursuant to the indemnification and net working capital adjustment provisions set forth in the Transaction Agreement. It is expected that SHIFT44 will have an excess in working capital of approximately US\$1.8 million, which excess will be paid out to the Seller in cash within 6 months following Closing.

The Seller and certain principals of the Seller have, pursuant to the Transaction Agreement, agreed to customary standstill provisions for a period of at least two years following Closing. Furthermore, the Seller and certain principals of the Seller have agreed to certain restrictions against the transfer of the Class B Shares and any Ionik Shares issued in connection with the exchange of such Class B Shares or pursuant to the Debenture (collectively, the "**Locked-Up Shares**"), over a three year period, with 1/3rd of such Locked-Up Shares being released from restrictions every 12 months commencing on the one year anniversary of Closing.

The Bank of Montreal, as the sole arranger, sole bookrunner and administrative agent, and National Bank of Canada, Export Development Canada and Toronto Dominion Bank, as syndicate lenders, under Ionik's US\$115 million syndicated credit facility previously announced on May 25, 2023 (the "**Syndicate Credit Facility**"), approved an advance under the Syndicate Credit Facility's Delayed Draw Term Loans to fund the full amount of the Cash Consideration payable in connection with the Transaction.

**Item 5.2**      **Disclosure for Restructuring Transactions**

Not applicable.

**Item 6.**      **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Ted Hastings  
Telephone: (416) 583-5918

**Item 9. Date of Report**

November 30, 2023