

# Ionik Reports Q3 2025 Results

*Revenue of \$48.9 million - an increase of 18% over prior year*

*Adjusted EBITDA<sup>1</sup> of \$9.2 million - an increase of 56% over prior year*

*Generated Adjusted Free Cash Flow<sup>1</sup> of \$9.1 million and reduced Senior Debt by \$5.2 million*

*(All figures in US dollars, unless otherwise indicated)*

Toronto, Ontario--(Newsfile Corp. - November 26, 2025) - Ionik Corporation (TSXV: INIK) (OTCQB: INIKF) (the "**Company**" or "**Ionik**"), a data and technology-driven marketing and advertising solutions company, announced its financial results for the third quarter ended September 30, 2025 ("**Q3 2025**").

## Financial Highlights for Third Quarter of 2025

- Revenue of \$48.9 million, an increase of 18% compared to \$41.4 million in the same period of the prior year ("**Q3 2024**"). 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 26% to \$20.8 million (42% gross profit margin), compared to \$16.4 million (40% gross profit margin) in Q3 2024. The increase was predominantly attributable to growth driven by the 2024 acquisitions.
- Adjusted EBITDA<sup>1</sup> of \$9.2 million increased 56% over Q3 2024 and a decrease of 3% over Q2 2025, with year-over-year growth derived mainly from the 2024 Acquisitions.
- Adjusted Free Cash Flow<sup>1</sup> of \$9.1 million (98% Adjusted Free Cash Flow conversion rate<sup>1</sup>), compared to \$5.4 million (92% Adjusted Free Cash Flow conversion rate<sup>1</sup>) for Q3 2024. Adjusted Free Cash Flow<sup>1</sup> reported in Q3 2024 was affected by income taxes paid totalling \$1.9 million.
- Net loss after tax from continuing operations of \$1.0 million versus a net loss of \$2.6 million for Q3 2024.
- Cash as at September 30, 2025 was \$6.0 million, compared to \$5.1 million at June 30, 2025 and \$15.3 million at September 30, 2024. As at September 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 \$5.2 million as at September 30, 2025. The total undiscounted balance was \$112.4 million, including \$74.5 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 \$117.5 million in total debt as at June 30, 2025 and \$126.5 million in total debt as at December 31, 2024. The decrease compared to the undiscounted debt balance at June 30, 2025 resulted primarily from principal payments of \$5.2 million on the senior debt term facility in the quarter. Senior debt net of cash was \$68.5 million at September 30, 2025, compared to \$74.6 million at June 30, 2025 and \$73.4 million at December 31, 2024.

<sup>1</sup>Please refer to "**Non-IFRS Measures**" section of this press release

Ted Hastings, Ionik's CEO commented, "We delivered another financially strong quarter with EBITDA over \$9 million, reducing our senior debt by \$5.2 million and increasing our cash balance at the end of the current quarter as compared to prior quarter. We also achieved meaningful progress in streamlining our operations and platform across Marketing Optimization and Media Activation as detailed in our

updated website ([www.ionikgroup.com](http://www.ionikgroup.com)). We have entered our typically seasonally strongest quarter and are positioned well to finish a successful year."

## **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			
	September 30 2025	June 30 2025	March 31, 2025	December 31, 2024
Net loss (income)	\$ (1,039)	\$ (2,437)	\$ (3,542)	\$ (8,014)
Add:				
Finance costs	4,623	4,949	4,546	4,483
Income tax (recovery) expense	312	1,785	521	(3,380)
Depreciation and amortization	4,684	4,685	4,703	5,864
Impairment loss on intangibles and goodwill	-	-	-	5,847
Fair value loss (gain) on financial liabilities	207	594	(478)	1,734
Gain on modification/extinguishment of loan	-	-	-	(16)
Share-based compensation expense	106	130	163	30
Extraordinary one-time expenses (recovery)	360	(206)	240	894
Foreign exchange (gain) loss	(23)	96	133	(57)
Non-recurring income	(3)	(53)	(33)	(50)
<b>Adjusted EBITDA</b>	<b>\$ 9,227</b>	<b>\$ 9,543</b>	<b>\$ 6,253</b>	<b>\$ 7,335</b>
Less:				

Acquisition of property and equipment	(4)	(16)	(13)	(12)
Additions to intangible assets	(70)	(75)	(76)	(75)
Taxes paid	(87)	(1,889)	(144)	(2,447)
<b>Adjusted Free Cash Flow</b>	<b>\$ 9,066</b>	<b>\$ 7,563</b>	<b>\$ 6,020</b>	<b>\$ 4,801</b>

	For the three months ended			
	September 30 2024	June 30, 2024	March 31, 2024	December 31, 2023
Net loss (income)	\$ (2,574)	\$ 342	\$ (2,018)	\$ (40,067)
Add:				
Finance costs	3,094	2,651	2,555	2,390
Income tax (recovery) expense	1,072	1,635	89	1,377
Depreciation and amortization	3,675	3,285	3,297	3,356
Impairment loss on intangibles and goodwill	-	-	-	34,860
Gain on disposal of games	(110)	(2,772)	-	-
Gain (loss) on disposal of assets	(33)	-	-	8
Loss on modification/extinguishment of loan	-	-	-	1,691
Share-based compensation expense	202	186	221	494
Extraordinary one-time expenses	497	344	19	762
Foreign exchange loss	134	98	133	75
Non-recurring income	(44)	(17)	-	-
<b>Adjusted EBITDA</b>	<b>\$ 5,913</b>	<b>\$ 5,752</b>	<b>\$ 4,296</b>	<b>\$ 4,946</b>
Less:				
Acquisition of property and equipment	(6)	(12)	(17)	(2)
Additions to intangible assets	(70)	(69)	(70)	(251)
Taxes paid	(406)	(1,865)	(1,858)	(21)
<b>Adjusted Free Cash Flow</b>	<b>\$ 5,431</b>	<b>\$ 3,806</b>	<b>\$ 2,351</b>	<b>\$ 4,672</b>

	For the Nine Months Ended	
	September 30, 2025	September 30, 2024
Net loss	\$ (7,018)	\$ (4,250)
Add:		
Finance costs	14,118	8,300
Income tax (recovery) expense	2,618	2,796
Depreciation and amortization	14,072	10,257
Gain on disposal of games	-	(2,882)
Fair value loss on financial liabilities	323	(33)
Share-based compensation expense	399	609
Extraordinary one-time expenses	394	860
Foreign exchange loss	206	365
Non-recurring income	(89)	(61)
<b>Adjusted EBITDA</b>	<b>\$ 25,023</b>	<b>\$ 15,961</b>
Less:		
Acquisition of property and equipment	(33)	(35)
Additions to intangible assets	(221)	(209)
Taxes paid	(2,120)	(4,129)
<b>Adjusted Free Cash Flow</b>	<b>\$ 22,649</b>	<b>\$ 11,588</b>

## **Financial Statements and MD&A**

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

The Company also announced that it has granted an aggregate of 5,305,000 restricted share units ("**RSUs**") to officers of the Company, pursuant to the Company's Omnibus Equity Incentive Plan adopted on April 28, 2022, as amended and restated on April 24, 2023, and further amended and restated on June 26, 2025. Twenty five percent of the RSUs vest on the one-year anniversary of grant and 6.25% quarterly thereafter.

## **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 automation, first-party data and integrated marketing technology to break down silos and turn incremental efficiencies into exponential gains.

Ionik unites Media Activation and Marketing Optimization through its AI-Powered Data Engine to create a seamless advertising ecosystem that energizes new possibilities across customer acquisition, engagement, retention and monetization.

Additional information about the Company is available at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Ionik Corporation**

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### **Cautionary Statement Regarding Forward-Looking Information**

*Certain information in this news release constitutes forward-looking statements and forward-looking information under applicable Canadian securities legislation (collectively, "forward-looking information"). Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions. Forward-looking information includes, but is not limited to, statements with respect to the business, financials and operations of the Company, statements with respect to the Company's sufficiency of its capital position to execute on business and operational strategies, successful integration of acquisitions, operational and financial growth strategy, ability to make debt repayments, expected Adjusted Free Cash Flow and anticipated success in customer adoption of the Company's products and services. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events. Forward looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this news release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements and future events to be materially different from those expressed or implied by such forward-looking information, including but not limited to assumptions relating to continued customer support for the Company's products and services, competition, the ability of the Company to innovate and advance its product and service offerings, general market conditions, exchange rate, global financial conditions, the ability of the Company to meet its liabilities as they become due, the ability of the Company to integrate and successfully capitalize on acquisitions, and the factors described in greater detail in the public documents of the Company available at [www.sedarplus.ca](http://www.sedarplus.ca). Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Investors are cautioned that undue reliance should not be placed on any such information, as unknown or unpredictable factors could*

*have material adverse effects on future results, performance or achievements of the Company. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*



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