



IONIK CORPORATION

(formerly "PopReach Corporation")

Consolidated Financial Statements
For the three and nine months ended September 30, 2025 and September 30, 2024
(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Ionik Corporation Management team.

IONIK CORPORATION (formerly “PopReach Corporation”)
Condensed Interim Consolidated Statements of Financial Position
(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)

	Note	As at September 30, 2025	As at December 31, 2024
ASSETS			
Current assets			
Cash		\$6,034	\$14,565
Accounts receivable, net	5	36,313	38,825
Prepaid expenses and deposits		724	1,145
Assets held for sale	21	1,340	215
Other assets		1,167	1,191
Total current assets		45,578	55,941
Non-current assets			
Right-of-use assets		370	394
Property and equipment		62	346
Other assets		643	979
Goodwill and Intangible assets	6	129,285	142,928
Deferred tax asset		6,783	5,649
Total non-current assets		137,143	150,296
Total assets		\$182,721	\$206,237
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable, accrued liabilities and other	7	\$42,508	\$55,950
Taxes payable		2,923	427
Current portion of lease liabilities		572	223
Deferred revenue	9	243	388
Contingent consideration	11	3,923	827
Loans	13	75,792	21,347
Liabilities held for sale	21	4,160	560
Total current liabilities		130,121	79,722
Long-term liabilities			
Lease liabilities		437	1,011
Convertible debenture	10	36,122	32,839
Loans	13	8,194	76,957
Contingent consideration	11	32,383	31,708
Derivative liability	12	627	795
Deferred tax liability		2,318	3,396
Total long-term liabilities		80,081	146,706
Total liabilities		\$210,202	\$226,428
Shareholders' equity (deficiency)			
Share capital	14	88,512	86,153
Shares to be issued		—	1,912
Contributed surplus		4,185	4,233
Deficit		(120,415)	(112,491)
Accumulated other comprehensive income		237	2
Total shareholders' equity (deficiency)		(27,481)	(20,191)
Total liabilities and shareholders' equity (deficiency)		\$182,721	\$206,237

Basis of preparation (Note 2)

Approved on behalf of the Board:

/s/ Ted Hastings
Ted Hastings, Director

/s/ Ben Colabrese
Ben Colabrese, Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

IONIK CORPORATION (formerly “PopReach Corporation”)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

	Note	For the Three months ended		For the Nine Months Ended	
		September 30,		September 30,	
		2025	2024	2025	2024
Revenue	18	\$48,915	\$41,449	\$140,564	\$122,185
Cost of sales		28,161	25,020	82,077	76,494
Gross profit		20,754	16,429	58,487	45,691
Expenses					
Selling and marketing	19	4,874	4,205	13,737	12,615
General and administrative	19	5,308	4,701	15,249	12,914
Technology and development	19	1,785	2,063	5,435	5,375
Depreciation and amortization	6	4,684	3,675	14,072	10,257
		16,651	14,644	48,493	41,161
Finance costs	8, 10, 11, 13	(4,623)	(3,094)	(14,118)	(8,300)
Transaction costs (recovery)		(26)	(155)	164	(295)
Foreign exchange gain (loss)		23	(134)	(206)	(365)
Fair value gain (loss) on financial liabilities	11, 12	(207)	(58)	(323)	33
Gain on disposal of games		—	110	—	2,882
Other income		3	44	89	61
Net loss before income taxes		(727)	(1,502)	(4,400)	(1,454)
Income tax expense		(312)	(1,072)	(2,618)	(2,796)
Net loss after tax		(1,039)	(2,574)	(7,018)	(4,250)
Other comprehensive income (loss)		(52)	16	235	47
Comprehensive loss from Continuing Operations		\$(1,091)	\$(2,558)	\$(6,783)	\$(4,203)
Net loss and Comprehensive loss from Discontinued operations, after tax	21	(484)	(919)	(906)	(2,990)
Comprehensive loss		\$(1,575)	\$(3,477)	\$(7,689)	\$(7,193)
Net loss per share - basic and diluted					
Continuing operations		\$(0.00)	\$(0.01)	\$(0.02)	\$(0.01)
Discontinued operations		\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)
Weighted average number of shares outstanding - basic and diluted		353,831,661	289,942,894	354,457,087	287,469,877

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

IONIK CORPORATION (formerly “PopReach Corporation”)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(expressed in thousands of United States Dollars, except share and per share amounts - unaudited)

	Share Capital				Shares to be issued	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	Common shares Number	SCS Exchangeable shares	SHIFT44 Exchangeable shares	Amount					
Balance – December 31, 2024	323,496,816	2,322	4,790	\$86,153	\$1,912	\$4,233	\$2	\$(112,491)	\$(20,191)
Issued Nimble5 Acquisition holdback shares (Note 14)	30,000,000	—	—	\$1,912	\$(1,912)	\$—	\$—	\$—	—
Share-based compensation (Note 15)	—	—	—	—	—	399	—	—	399
Issued for vested restricted share units (Note 15)	3,056,983	—	—	447	—	(447)	—	—	—
Other comprehensive income	—	—	—	—	—	—	235	—	235
Net loss from continuing operations	—	—	—	—	—	—	—	(7,018)	(7,018)
Net loss from discontinued operations	—	—	—	—	—	—	—	(906)	(906)
Balance – September 30, 2025	356,553,799	2,322	4,790	\$88,512	\$—	\$4,185	\$237	\$(120,415)	\$(27,481)

	Share Capital				Shares to be issued	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity (deficiency)
	Common shares Number	SCS Exchangeable shares	SHIFT44 Exchangeable shares	Amount					
Balance – December 31, 2023	284,726,328	4,400	4,790	\$83,831	\$318	\$3,804	\$5	\$(87,049)	\$909
Issued OpenMoves LLC anniversary holdback shares	2,142,000	—	—	318	(318)	—	—	—	—
Issued in lieu of SCS Exchangeable shares	4,390,000	(878)	—	—	—	—	—	—	—
Issued as consideration for Nimble5, LLC (Note 24)	—	—	—	—	1,912	212	—	—	2,124
Share-based compensation (Note 15)	—	—	—	—	—	609	—	—	609
Issued for vested restricted share units	2,730,431	—	—	330	—	(330)	—	—	—
Other comprehensive income	—	—	—	—	—	—	47	—	47
Net loss from continuing operations	—	—	—	—	—	—	—	(4,250)	(4,250)
Net loss from discontinued operations	—	—	—	—	—	—	—	(2,990)	(2,990)
Balance – September 30, 2024	293,988,759	3,522	4,790	\$84,479	\$1,912	\$4,295	\$52	\$(94,289)	\$(3,551)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

IONIK CORPORATION (formerly “PopReach Corporation”)

Condensed Interim Consolidated Statements of Cash Flows

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

	Note	For the Nine Months Ended	
		September 30, 2025	September 30, 2024
Cash flows from operating activities			
Net loss after tax		\$(7,018)	\$(4,250)
Changes in non-cash operating items:			
Depreciation and amortization	6	14,072	10,257
Share-based compensation	15	399	609
Fair value loss (gain) on financial liabilities	11, 12	323	(33)
Deferred tax recovery		(2,208)	(775)
	8, 10, 11,		
Finance costs	13	14,118	8,300
Unrealized foreign exchange		53	131
Change in trade receivables allowed for		(134)	(381)
Other income		89	61
Gain on disposal of games		—	(2,882)
Changes in working capital			
Accounts receivable		(481)	3,815
Prepaid expenses and deposits		310	76
Other assets		287	1,695
Accounts payable, accrued liabilities and other		(3,424)	(9,599)
Taxes payable		2,361	(1,148)
Deferred revenue		39	(2,188)
Net cash generated from operating activities		18,786	3,688
Cash flows generated from financing activities			
Lease payments		(448)	(604)
Proceeds from loans		—	24,500
Repayment of loans	13	(14,966)	(8,353)
Proceeds from bank indebtedness	13	25,000	11,500
Repayment of bank indebtedness	13	(25,000)	(11,500)
Payment of interest	13	(5,869)	(5,503)
Net cash generated from financing activities		(21,283)	10,040
Cash flows used in investing activities			
Additions to property and equipment		(33)	(35)
Additions to intangible assets	6	(221)	(209)
Acquisition of subsidiaries, net cash acquired		—	(13,101)
Proceeds from sale of subsidiary and assets		—	7,507
Cash disposed with sale of subsidiary		—	(1,906)
Net cash used in investing activities		(254)	(7,744)
Cash flow from discontinued operations		(6,069)	1,819
Effect of foreign currency exchange rate changes on cash		289	127
Change in cash during the period		(8,531)	7,930
Cash – beginning of the period		14,565	7,396
Cash – end of the period		\$6,034	\$15,326
Taxes paid		2,120	4,129

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Notes to the Condensed Interim Consolidated Financial Statements
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1. NATURE OF OPERATIONS

Ionik Corporation (formerly "PopReach Corporation", doing business as "Ionik" or the "Company"), was incorporated September 25, 2018 pursuant to the provisions of the Business Corporations Act (Ontario). On April 28, 2022, the Company and Federated Foundry Limited ("Federated", formerly 2810735 Ontario Inc.) entered into a merger agreement (the "Transaction") which constituted a reverse takeover transaction of the Company by Federated with Federated deemed to be the accounting acquirer and having obtained control of the Company. 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 multi-platform technology company focused on assembling the most effective and complete suite of advertising, marketing and monetization solutions for brands, advertisers and publishers by acquiring, optimizing and scaling market-leading digital technology businesses providing cross-platform, performance-driven advertising and data solutions to attract, engage and monetize high-value consumers. The Company's portfolio includes: Q1Media, Inc. ("Q1Media"), NotifyAI, LLC ("Notify"), Crucial Interactive Holdings Inc. ("CIHI") (doing business as "Contobox"), Ubiquity Agency LLC ("Ubiquity"), OpenMoves LLC ("OpenMoves"), SHIFT44, Inc. ("SHIFT44"), effective September 3, 2024 Nimble5, LLC ("Nimble5") and effective November 18, 2024 Rise4 Inc. ("Rise4"). The majority of PopReach Incorporated operations ("PopReach Games Business") was sold as disclosed in Note 21. A portion of Notify operations related to Adwora platform ("Adwora Technology Platform Operations") were classified as held for sale, refer to Note 21. Substantially all of the assets of Schiefer Media, Inc. ("SCS") were sold subsequent to September 30, 2025, as disclosed in Note 22, and included in Note 21 as discontinued operations.

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

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation of the annual audited consolidated financial statements for the twelve months ended December 31, 2024 and 2023. Accordingly, these unaudited condensed interim consolidated statements for the three and nine months ended September 30, 2025 and 2024 should be read together with the annual audited consolidated financial statements for the twelve months ended December 31, 2024 and 2023.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 26, 2025.

Basis of presentation and going concern

The condensed interim consolidated financial statements are presented on a historical cost basis except for certain financial instruments that have been measured at fair value.

At September 30, 2025, the Company had a working capital deficit of \$85,453 (December 31, 2024 – \$23,781) and an accumulated deficit of \$120,415 (December 31, 2024 – \$112,491). While the Company's Syndicate loan facilities are not contractually due until May 23, 2026, these have been classified as current liabilities in accordance with IAS 1 because no refinancing agreement has been executed at the reporting date. The Company will be required to refinance these obligations or secure alternative financing in the coming months to support its ongoing operations and meet its obligations as they become due.

Management is currently evaluating its financing options, however no formal refinancing agreements have been entered into or committed to as of the reporting date. The ability to obtain additional financing will depend on a number of factors, including prevailing market conditions and the Company's financial performance at the time such funding is pursued. There can be no assurance that financing will be available on acceptable terms, or at all. Management continues to monitor the situation and will take appropriate actions to preserve liquidity and financial flexibility.

These conditions represent a material uncertainty that may cast substantial doubt on the Company's use of the going concern assumption in preparation of these condensed consolidated interim financial statements. These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was

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not appropriate for these condensed interim consolidated financial statements, adjustments may be necessary to the carrying value of assets and liabilities or reported expenses, and these adjustments could be material.

Functional and presentation currency

The Company’s consolidated financial statements are presented in thousands of United States Dollars (“USD”), except share and per share amounts.

Based on an analysis of the primary and secondary indicators, the functional currency of each of the Company and its subsidiaries have been determined to be as follows:

	Functional currency
Federated Foundry Limited	USD
PopReach Corporation ("dba Ionik")	USD
PopReach Incorporated	USD
Q1Media Inc.	USD
Notify AcquisitionCo Inc.	USD
NotifyAI, LLC	USD
Adwora, LLC	USD
Crucial Interactive Inc.	CAD
Okra Media Inc.	CAD
Media Xeo Inc.	CAD
Contobox US Inc.	USD
Ubiquity Agency Acquisition, Inc.	USD
Sedulen LLC	USD
Verias LLC	USD
BW Ventures LLC	USD
Jet Marketing Agency LLC	USD
Hippo Investments LLC	USD
Mosten Media BV	USD
SCS Acquisition, Inc.	USD
Schiefer Media Inc.	USD
Schiefer Chopshop Inc.	USD
OpenMoves Acquisition Inc.	USD
OpenMoves LLC	USD
SHIFT44, Inc.	USD
Nimble AcquisitionCo Inc.	USD
Nimble5, LLC	USD
Rise4 Inc.	USD
22K Investments	USD

Basis of consolidation

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 comprise of the financial results of the Company and its subsidiaries, which are the entities over which the Company has control. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are fully consolidated from the date that control commences and de-consolidated from the date control ceases. All intercompany balances and transactions are eliminated upon consolidation. All subsidiaries detailed above are fully owned by the Company as at September 30, 2025 and 2024, except those which were acquired in 2024 and those which were sold in 2025 and 2024. On April 26, 2024, PopReach Technologies Private Ltd and certain assets of PopReach Incorporation were sold as part of the PopReach Games Business sale (Note 21). Subsequent to September 30, 2025, assets of SCS were sold (Note 21, 22).

On December 23, 2024, Ionik US Inc. was dissolved. On January 1, 2025, Ubiquity Agency LLC was dissolved. On January 1, 2025, Schiefer ChopShop Canada, Inc. was amalgamated with Schiefer ChopShop Inc. On January 1, 2025, Crucial Interactive Holdings Inc. was amalgamated with Crucial Interactive Inc. On April 22, 2025, PopReach UK Limited was dissolved.

3. MATERIAL ACCOUNTING POLICIES

There have been no changes to the significant accounting policies since the annual audited financial statements for the twelve months ended December 31, 2024 and 2023.

4. SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Company’s consolidated financial statements requires management to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are the estimates and assumptions that have been made in applying the Company’s accounting policies that have the most significant effect on the amounts in the consolidated financial statements.

Goodwill impairment testing and recoverability of long-lived assets

The determination of a CGU is based on management’s significant judgment and is an assessment of the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amounts of the CGUs were estimated based on an assessment of the higher of value in use using a discounted cash flow approach and fair value less costs of disposal. The approach uses cash flow projections based upon a financial forecast approved by management, covering a four to five year period. Cash flows projections until the end of an asset or CGUs useful life are extrapolated using the estimated terminal growth rate for value in use impairment analysis. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Further, significant judgments are necessary in assessing the taxable status of the business combinations, which has a direct correlation to the recognition of a deferred tax liability, for any difference in basis between tax and accounting, and corresponding amount in goodwill. An assessment by a tax authority that concluded differently could materially change the deferred tax amounts. The Company bases their judgments on their assessment of the facts of the underlying contractual agreements.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

Revenues and deferred revenues

The Company is required to make estimates that affect the amount of revenue from contracts with customers under IFRS 15. The Company uses significant judgment to determine: (i) whether it is the principal or the agent. In this instance, the Company determines whether it controls the promised specified service itself (as principal) or arranges for the specified service to be provided by another party (as an agent). This determination depends on the facts and circumstances of each arrangement and, in some instances, involves significant judgment. The most significant factors to consider include whether the Company controls the good or service immediately before it is transferred to the customer, is primarily responsible for fulfilling the promise to provide the specified good or service, has

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inventory risk before transferring the specified good or service, and has discretion in establishing prices for the specified good or service, and (ii) the timing of the transfer of control, at a point in time or over time. The Company uses significant judgment and estimates to determine the amount of revenue to defer for each reporting period.

Provision and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures, obligations or contingent consideration are the best estimate of the consideration required to settle the related liability, including any related interest charges, considering the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Expected credit losses

The Company monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual trade receivable balances will be paid. The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company also reviews current economic conditions from time to time and assesses whether there would be any impact on the expected credit losses.

Estimated useful lives of long-lived assets

Management reviews useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to acquired technology.

Fair value of financial instruments

The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses significant judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of significant judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share-based compensation

The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation which require the use of several input variables. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information of comparable companies), weighted average expected life of the instruments, expected dividends, and the risk-free interest rate (based on government bonds). The inputs to the model are subject to estimate and changes in these inputs can materially impact the estimated fair value of share-based compensation.

Going concern

At the end of each reporting period, management exercises significant judgment in assessing the Company's ability to continue as a going concern and operate in the normal course by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's assessment are derived from actual operating results along with industry and market trends.

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Non-current Assets Held for Sale and Discontinued Operations

Management exercises significant judgment in assessing whether a component qualifies for classification as discontinued operations. This determination involves evaluating the probability of the sale and the active pursuit of a plan to sell. The fair value less costs to sell is a key estimate used in measuring the assets and liabilities of discontinued operations. Any impairment losses recognized in connection with discontinued operations also involve significant judgment.

The classification of non-current assets as held for sale is based on management's significant judgment regarding the criteria outlined in IFRS 5. The determination of fair value less costs to sell for assets held for sale involves estimation and may be influenced by various factors, including market conditions and negotiations with potential buyers.

Retroactive changes to the consolidated statements of loss and comprehensive loss may occur due to revisions in the classification of discontinued operations and assets held for sale. Changes in plans to sell or in the satisfaction of criteria may lead to restatements of prior periods. Such restatements are made in accordance with IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”.

Accounting Pronouncements effective on January 1, 2025:

IAS 21 - Lack of exchangeability (amendments to IAS 21, the effects of changes in foreign exchange rates)

In August 2023, the IASB issued Lack of Exchangeability, amendments to IAS 21, to clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In addition, the amendments require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, although early adoption is permitted. The Company intends to adopt the amendments for the annual reporting period beginning January 1, 2025. This amendment is not expected to have a material impact on the Company’s consolidated financial statements.

Accounting Pronouncements Issued but not yet effective:

IFRS 18 – Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18, which sets out requirements and guidance on presentation and disclosure in financial statements, including:

- presentation in income statement of income and expenses within five defined categories: operating, investing, financing, income taxes, and discontinued operations;
- presentation in the income statements of new defined subtotals for operating profit and profit before financing and income taxes;
- enhanced guidance on aggregation and disaggregation of information and whether to provide information in the financial statements or in the notes;
- disclosure of specified expenses by nature; and
- disclosure of explanations of management-defined performance measures.

IFRS 18 will replace IAS 1 Presentation of Financial Statements (“IAS 1”) but carries forward many requirements from IAS 1 without any change. The standard is effective for the annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

5. ACCOUNTS RECEIVABLE

	As at September 30, 2025			Total
	Current	Over 30 days past due	Over 90 days past due	
Trade receivables gross balance	\$32,248	\$2,209	\$2,399	\$36,856
Expected credit loss rate	0.0%	2.0%	20.3%	1.5%
Expected credit loss allowance	10	45	488	543
Trade receivables, net of expected credit loss	\$32,238	\$2,164	\$1,911	\$36,313

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	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

Below is a continuity schedule of the expected credit loss allowance for the nine months ended September 30, 2025 and 2024:

	Total
Balance as at December 31, 2023	\$1,210
Change in trade receivables allowed for	819
Amounts written off	(1,101)
Balance as at December 31, 2024	\$928
Change in trade receivables allowed for	134
Amounts written off	(519)
Balance as at September 30, 2025	\$543

6. GOODWILL AND INTANGIBLES

COST	Customer Relationships	Software	Technology	Brand/ License	Goodwill	Intangibles in development	Total
As at December 31, 2023	\$53,732	\$650	\$27,880	\$7,078	\$75,638	\$—	\$164,978
Additions - continuing operations	—	—	—	—	—	284	284
Acquired on acquisition	40,520	—	16,450	380	28,886	—	86,236
As at December 31, 2024	\$94,252	\$650	\$44,330	\$7,458	\$104,524	\$284	\$251,498
Additions - continuing operations	\$—	\$—	\$—	\$—	\$—	\$221	221
As at September 30, 2025	\$94,252	\$650	\$44,330	\$7,458	\$104,524	\$505	\$251,719
ACCUMULATED AMORTIZATION							
As at December 31, 2023	\$14,565	\$271	\$11,845	\$1,338	\$50,053	\$—	\$78,072
Amortization - continuing operations	10,074	108	5,186	1,078	—	—	16,446
Impairment loss - continuing operations	6,333	—	3,148	1,368	3,203	—	14,052
As at December 31, 2024	\$30,972	\$379	\$20,179	\$3,784	\$53,256	\$—	\$108,570
Amortization - continuing operations	8,653	81	4,471	659	—	—	13,864
As at September 30, 2025	\$39,625	\$460	\$24,650	\$4,443	\$53,256	\$—	\$122,434
NET BOOK VALUE							
As at December 31, 2024	\$63,280	\$271	\$24,151	\$3,674	\$51,268	\$284	\$142,928
As at September 30, 2025	\$54,627	\$190	\$19,680	\$3,015	\$51,268	\$505	\$129,285

The additions to goodwill and intangibles during the three and nine months ended September 30, 2025 and twelve months ended December 31, 2024 relate to the acquisition of Nimble5 and Rise4 as well as certain salaries and benefits being capitalized as part of the development phase of the development of a software platform. The development costs capitalized have met the criteria for capitalization in accordance with IAS 38, and amortization will commence when the intangibles are available for use, which is upon the completion and commercialization of the software platform.

On April 29, 2024, the Company announced the sale of the PopReach Games Business, resulting in disposal of goodwill and intangible assets of \$6,925, refer to Note 21. On December 31, 2024, the Adwora Platform Technology Operations, as defined in Note 21, were classified as held for sale, and therefore the associated goodwill and intangibles have been reclassified as held for sale.

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The geographic location of goodwill and intangibles are broken down as follows:

	<u>As at September 30,</u> <u>2025</u>	<u>As At December 31,</u> <u>2024</u>
United States	\$103,055	\$140,850
Canada	26,230	2,078
Total	\$129,285	\$142,928

There were no indicators of impairment for goodwill and intangible assets for the period ended September 30, 2025. There were indicators of impairment at December 31, 2024, based on which management recorded impairment loss of \$14,052 at December 31, 2024. Refer to the Consolidated Audited Financial Statements for the twelve months ended December 31, 2024 and 2023.

7. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND OTHER

	<u>As at September 30,</u> <u>2025</u>	<u>As at December 31,</u> <u>2024</u>
Trade accounts payable	\$35,060	\$43,494
Accrued liabilities and other	7,096	11,456
Warrant put liability	352	1,000
Accounts payable, accrued liabilities and other	\$42,508	\$55,950

As part of the Q1Media acquisition, the Company acquired a warrant put liability. On February 14, 2014 and April 9, 2015, Q1Media entered into loan and security agreements. These loan agreements were accompanied by share purchase warrants as well as a warrant put option. The warrant put option had a maturity of seven years, terminating on February 20, 2021, and April 9, 2022, respectively. The warrant agreements contain a clause extending the maturity date of the warrant agreement until payment of the contractual put price if the holder of the warrant put gives notice of intent to exercise. Per the terms of the put option, in the event of (i) any acquisition or other change in control of Q1Media, (ii) any initial public offering or other listing of Q1Media’s securities, (iii) any winding up, liquidation or deemed liquidation under Q1Media’s Certificate of Incorporation, and (iv) upon expiry of this warrant, the holders have the right to exchange this warrant for the cash sum of \$500 for each of the February 2014 and April 2015 warrants, totaling an undiscounted liability of \$1,000. On January 31, 2025, the Company settled the \$648 of the \$1,000 warrant put liability for a collective sum of \$500, resulting in gain on settlement of liability of \$148. The warrant put liability is recorded at fair value through profit or loss.

Included in the accrued liabilities is \$2,500 of the cash consideration held back associated with the Nimble5 acquisition. The held back cash is expected to be released on the one-year anniversary of the completion of the acquisition, subject to any net working capital adjustments.

Included in the accrued liabilities is \$224 of the cash consideration held back associated with the Rise4 acquisition. The held back cash is expected to be released on the one-year anniversary of the completion of the acquisition, subject to any net working capital adjustments.

Included in the accrued liabilities is \$2,407 of the net working capital adjustment associated with the Rise4 acquisition, which is expected to be released on the one-year anniversary of the completion of the acquisition.

8. BANK INDEBTEDNESS

	<u>Total</u>
Balance as at December 31, 2023	\$—
Proceeds	16,000
Finance costs	80
Repayments of principal and interest	(16,080)
Balance as at December 31, 2024	\$—
Proceeds	25,000
Finance costs	321
Repayments of principal and interest	(25,321)
Balance as at September 30, 2025	\$—

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The Company has a \$10,000 Revolving Facility available under its Syndicate Facility (Note 13), of which \$nil was drawn on September 30, 2025 (December 31, 2024 - \$nil). During the three months ended September 30, 2025, the Company borrowed and repaid \$22,400 (December 31, 2024 - \$16,000) of the revolver facility.

Total finance costs for the three and nine months ended September 30, 2025 were \$139 and \$321, respectively (three and nine months ended September 30, 2024 - \$38 and \$66 respectively). Total repayments of interest for the three and nine months ended September 30, 2025 were \$139 and \$321 respectively (three and nine months ended September 30, 2024 - \$38 and \$66 respectively).

9. DEFERRED REVENUE

Below is a continuity schedule of deferred revenues for the three and nine months ended September 30, 2025 and twelve months ended December 31, 2024:

	Total
Balance as at December 31, 2023	\$3,079
Net change in deferred revenues from managed services, self-service and other	(2,691)
Balance as at December 31, 2024	\$388
Net change in deferred revenues from managed services, self-service and other	(145)
Balance as at September 30, 2025	\$243
Current	243
Long-term	—
Total	\$243

10. CONVERTIBLE DEBENTURES

	Convertible debenture - debt host value	Convertible debenture - conversion value (equity)	Total
Balance as at December 31, 2023	\$21,742	\$1,664	\$23,406
Issued as consideration for business combinations	11,044	512	11,556
Accrued finance costs	3,144	—	3,144
Extinguishment of convertible debenture	(3,107)	—	(3,107)
Gain on extinguishment of debenture	16	—	16
Balance as at December 31, 2024	\$32,839	\$2,176	\$35,015
Accrued finance costs	3,283	—	3,283
Balance as at September 30, 2025	\$36,122	\$2,176	\$38,298

Acquisition of Ubiquity

On May 24, 2023, in conjunction with the new credit facility (the "Syndicate Facility") described in Note 13, an amendment was made to the Ubiquity Debenture (the “Ubiquity Debenture Amendment”), which is further described in Note 13. Total finance costs related to the Ubiquity Debenture post amendment for the three and nine months ended September 30, 2025 were \$254 and \$753 (three and nine months ended September 30, 2024 - \$238 and \$703).

Acquisition of SCS

In connection with the purchase consideration related to SCS acquisition dated April 18, 2023 (the “SCS Acquisition”), the Company entered into a convertible debenture in the principal amount of \$750 (the “SCS Debenture”). The SCS Debenture is convertible at the election of the holders at any time prior to the SCS Maturity Date into common shares of the Company at \$0.78 per share. The SCS Debenture is non-interest bearing, repayable and matures on May 31, 2025 (the “SCS Maturity Date”). The SCS Debenture is 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. The conversion feature met the fixed-for-fixed criteria, and therefore was recorded as equity.

On May 24, 2023, in conjunction with the closing of the new credit facility described in Note 13, an amendment was made to the SCS Debenture (the “SCS Debenture Amendment”), which is further described in Note 13. The SCS Debenture Amendment did not result

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in a substantial modification of the existing terms of the SCS Debenture and accordingly was accounted for as a modification. The modification resulted in a loss of \$52 which was recorded in the consolidated statement of loss and comprehensive loss.

Total finance costs for the three and nine months ended September 30, 2025 were \$21 and \$135 (three and nine months ended September 30, 2024 - \$18 and \$52).

Acquisition of OpenMoves

In connection with the purchase consideration in accordance with the OpenMoves acquisition dated April 26, 2023 (the “OpenMoves Acquisition”), the Company entered into a convertible debenture in the principal amount of \$2,000 (the “OpenMoves Debenture”). In conjunction with the closing of the new credit facility described in Note 13, the principal amount of the OpenMoves Debenture was increased subsequently by \$500.

On May 24, 2023, in conjunction with the Syndicate Facility described in Note 13, an amendment was made to the OpenMoves Debenture (the “OpenMoves Debenture Amendment”), which is further described in Note 13. The OpenMoves Debenture Amendment resulted in a substantial modification of the existing terms of the OpenMoves Debenture and accordingly was accounted for as an extinguishment. The fair value of the amended OpenMoves Debenture was estimated using the interest rate of 14.6% and resulted in a gain on extinguishment of \$310, which was recorded in the consolidated statement of loss and comprehensive loss.

On August 1, 2024, the amended Open Moves Debenture was further amended into a loan (the "OpenMoves Amended Loan") bearing 11.25% without any conversion feature and a maturity date of November 30, 2026, which is further described in Note 13. 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 \$16 was recognized in the consolidated statements of loss and comprehensive loss for the twelve months ended December 31, 2024.

Total finance costs for the three and nine months ended September 30, 2025 were \$nil and \$nil (three and nine months ended September 30, 2024 - \$109 and \$321).

Acquisition of SHIFT44

In connection with the purchase consideration in accordance with the SHIFT44 acquisition dated November 20, 2023 (the “SHIFT44 Acquisition”), the Company entered into a convertible debenture in the principal amount of \$16,750 (the “SHIFT44 Debenture”).

The SHIFT44 Debenture is non-interest bearing, is 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 \$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.

The conversion feature met the fixed-for-fixed criteria, and therefore was recorded as equity.

Total finance costs for the three and nine months ended September 30, 2025 were \$478 and \$1,387 (three and nine months ended September 30, 2024 - \$417 and \$1210).

Acquisition of Nimble5

In connection with the purchase consideration in accordance with the Nimble5 acquisition dated September 3, 2024 (the “Nimble5 Acquisition”), the Company entered into a convertible debenture in the principal amount of \$5,000 (the “Nimble5 Debenture”).

The Nimble5 Debenture is non-interest bearing, is repayable on September 3, 2027 (the “Nimble5 Maturity Date”) and convertible into common shares of the Company at the option of the holders, exercisable at the Nimble5 Maturity Date at \$0.78 per share. The Nimble5 Debenture is secured by a security interest granted to the holders over the assets of Nimble5, which security interest ranks subordinate to the Company's senior lender.

The conversion feature met the fixed-for-fixed criteria, and therefore was recorded as equity.

Total finance costs for the three and nine months ended September 30, 2025 were \$122 and \$353 (three and nine months ended September 30, 2024 - \$33 and \$33).

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Acquisition of Rise4

In connection with the purchase consideration in accordance with the Rise4 acquisition dated November 18, 2024 (the “Rise4 Acquisition”), the Company entered into a convertible debenture in the principal amount of \$9,500 (the “Rise4 Debenture”), refer to Note 21.

The Rise4 Debenture is non-interest bearing, is repayable on November 30, 2026 (the “Rise4 Maturity Date”) and convertible into common shares of the Company at the option of the holders, exercisable at the Rise4 Maturity Date at \$0.78 per share. The Rise4 Debenture is secured by a security interest granted to the holders over the assets of Rise4, which security interest ranks subordinate to the Company's senior lender.

The conversion feature met the fixed-for-fixed criteria, and therefore was recorded as equity.

Total finance costs for the three and nine months ended September 30, 2025 were \$224 and \$656 (three and nine months ended September 30, 2024 - \$nil and \$nil).

11. CONTINGENT CONSIDERATION

Balance as at December 31, 2023	\$91
Issued as consideration for Nimble Acquisition	22,516
Issued as consideration for Rise4 Acquisition	6,930
Finance costs	1,307
Fair value loss on financial liabilities	1,691
Balance as at December 31, 2024	\$32,535
Finance costs	3,130
Fair value gain on financial liabilities	641
Balance as at September 30, 2025	\$36,306
Current	3,923
Long term	32,383
Total	\$36,306

a) SCS contingent consideration

The contingent consideration as at December 31, 2023 is associated with the acquisition of SCS. The fair value of the contingent consideration at December 31, 2024 was estimated at \$nil and the fair value gain of \$91 was recorded in the consolidated statements of loss and comprehensive loss during the twelve months ended December 31, 2024.

b) Nimble5 Earn-out Installment Cash and Lump Sum

On September 3, 2024, the Company recognized contingent consideration associated with the acquisition of Nimble5 on September 3, 2024 ("Date of Acquisition"). The contingent consideration consists of (i) an earn-out equal to the lesser of (A) \$10,000; and (B) 25% of the earnings before interest, taxes, depreciation and amortization (“EBITDA”) generated by Nimble5, calculated as set by the purchase agreement, for the fiscal years ending December 31, 2024, December 31, 2025, December 31, 2026 and December 31, 2027 ("Earn-out Period") with the first period prorated from the Date of Acquisition ("Earn-out Installment Cash"); and (ii) an earn-out of: (A) \$30,000, subject to conditions, if the aggregate EBITDA generated by Nimble5 at the end of 36 months from the Date of Acquisition equals to or is greater than \$25,000; or (B) \$24,000, subject to conditions, if the aggregate EBITDA generated by Nimble5 at the end of 36 months from the Date of Acquisition equals to or is greater than \$20,000 but less than \$25,000, payable 39 months from the date of acquisition ("Earn-out Lump Sum").

The fair value of the Earn-out Installment Cash is estimated based on various assumptions including estimate of earnings, discount rates and volatility of the earnings. The fair value of the Earn-out Lump Sum is estimated based on various assumptions and discounted at an effective rate of interest over the life of the contingent consideration. Pursuant to the purchase agreement, the Earn-out Lump Sum Cash is convertible into common shares at a fixed conversion price per common share equal to \$0.78 at the option of the holder ("Conversion Option"). The Conversion Option fails to meet the criteria for equity (fixed-to-fixed) due to the variability in the estimated Earn-out Lump Sum. Upon initial recognition, the Conversion Option is classified as derivative financial liability, (the "Earn-out Lump Sum Derivative") separate from the underlying contingent consideration, and revalued at each reporting period, refer to Note 12.

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On September 3, 2024, the fair of Earn-out Installment Cash was determined to be \$6,593 based on the assumptions including EBITDA for the Earn-out Period, subject to volatility of 50%, mid-period discount varying from 0.16 years to 2.83 years, effective interest rate ranging from 6.5% to 17.2% by Earn-out period.

At September 30, 2025, the fair value of the Earn-out Installment Cash was estimated to be \$8,235 (December 31, 2024 - \$7,067) based on the assumptions including EBITDA for the Earn-out Period, subject to volatility range of 45% - 55%, mid-period discount varying from 0.50 years to 2.0 years, risk free rate and required metric risk premium ranging from 4.2% to 4.3% by Earn-out period. A fair value loss of \$427 and \$513 was recorded in the consolidated statements of loss and comprehensive loss during the three and nine months ended September 30, 2025 (three and nine months ended September 30, 2024 - \$nil and \$nil). The total amount included in finance costs for the three and nine months ended September 30, 2025 was \$222 and \$654 (three and nine months ended September 30, 2024 - \$84 and \$84).

On September 3, 2024, the fair of Earn-out Lump Sum was determined to be \$15,923 based on various including estimate of earnings for the period 36 months from the date of acquisition, subject to volatility of 55%, earn-out payment period of 2.9 years, discount rate of 18.95% and effective interest rate of 18.84%.

At September 30, 2025, the fair of Earn-out Lump Sum was estimated to be \$20,779 (December 31, 2024 - \$18,303). The total amount included in finance costs for the three and nine months ended September 30, 2025 of \$870 and \$2,477 (three and nine months ended September 30, 2024 - \$nil and \$nil).

c) Rise4 Earn-out

On November 18, 2024, the Company recognized contingent consideration associated with the acquisition of Rise4 on November 18, 2024 ("Rise4 Date of Acquisition"). The contingent consideration is calculated annually over a five-year period, starting on the first anniversary of the Rise4 Date of Acquisition (each, an "Rise Earn-out Period") and the consists of (i) earn-out payments (collectively, the "Direct Earn-out Payments") equal to 25% of the aggregate of the Rise4 earnings before interest, taxes, depreciation and amortization 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) earn-out 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 Rise 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 Rise 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 a Rise Earn-Out Period is greater than \$7,000, the Direct Earn-Out Payment will be paid 90 days following the end of the corresponding Rise Earn-out Period. The Affiliate Earn-out Payments are payable 90 days following the fifth anniversary of the Closing Date.

On November 18, 2024, the fair of Rise4 Earn-out was determined to be \$6,930 based on the assumptions including expected earnings for the earn-out period, mid-period discount varying from 0.50 years to 4.50 years and effective interest rate ranging from 11.32% to 11.35% by Earn-out period.

On September 30, 2025, the fair of Rise4 Earn-out was determined to be \$7,292 (December 31, 2024 - \$7,165) based on the assumptions including expected earnings for the earn-out period, mid-period discount varying from 1 years to 3.38 years and effective interest rate ranging from 11.29% to 11.38% by Earn-out period. A fair value loss of \$42 and \$126 was recorded in the consolidated statements of loss and comprehensive loss during the three and nine months ended September 30, 2025 (three and nine months ended September 30, 2024 - \$nil and \$nil).

Below is a summary of the contingent considerations balances at September 30, 2025:

	<u>As at September 30,</u> <u>2025</u>	<u>As at December 31,</u> <u>2024</u>
Nimble5 Earn-out Installment Cash	\$8,235	\$7,067
Nimble5 Earn-out Lump Sum	20,779	18,303
Rise4 Earn-out	7,292	7,165
Closing Balance	\$36,306	\$32,535

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12. DERIVATIVE LIABILITY

On September 3, 2024, the Company recognized a derivative liability related to the Earn-out Lump Sum Derivative due on August 31, 2027 associated with the acquisition of Nimble5, refer to Note 11. On September 30, 2025, the derivative liability was revalued at \$627 (December 31, 2024 - \$795). During the three and nine months ended September 30, 2025, the Company recognized fair value (gain) and fair value loss on derivative liabilities of \$(168) and \$263, respectively (three and nine months ended September 30, 2024 - \$57 and \$57).

The following table reflects the movement of the Earn-out Lump Sum Derivative during the nine months ended September 30, 2025:

Balance as at December 31, 2023	\$—
Issued as consideration for business combinations	1,035
Fair value gain on lump sum conversion derivative	(240)
Balance as at December 31, 2024	\$795
Fair value gain on lump sum conversion derivative	(168)
Balance as at September 30, 2025	\$627

13. LOANS

	Total
Balance as at December 31, 2023	\$71,332
Proceeds	30,000
Working capital advance	3,000
Issued as consideration for business combinations	5,949
Loan amendment	3,075
Finance costs	7,970
Repayments of principal	(15,550)
Interest paid	(7,472)
Balance as at December 31, 2024	\$98,304
Finance costs	6,517
Repayments of principal	(14,966)
Interest paid	(5,869)
Balance as at September 30, 2025	\$83,986
Current	75,792
Long term	8,194
Total	\$83,986

The Company’s loan balance is comprised of multiple loans, described as follows:

a) Syndicate Facility

On May 25, 2023, the Company entered into a Credit Agreement (the “Credit Agreement”) and closed a \$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 prior credit facilities described in the consolidated financial statements for the twelve months ended December 31, 2024 and fifteen months ended December 31, 2023.

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 working capital and general corporate requirements. The Syndicate Term Loan is being used to replace the prior credit 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.

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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 ending May 25, 2026 with the remaining balance due at maturity.

As a condition precedent to Closing, the Company entered into the following amendments, each dated May 24, 2023: (i) the Ubiquity Debenture Amendment; (ii) the SCS Debenture Amendment; (iii) the SCS VTB Amendment; and (iv) 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 extends the respective maturity dates of the SCS Debenture and the SCS VTB Note to the New Maturity Date and further provides 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 increase of \$500 to the principal amount related to the acquisition of OpenMoves. The OpenMoves Debenture was not prepaid prior to October 23, 2023, and therefore the principal amount increased by a total of \$750, and an additional 1,000,000 common shares of the Company were issued.

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. As of September 30, 2025, the Company had fully utilized its DDTL facility.

Total finance costs related to Syndicate Facility for the three and nine months ended September 30, 2025 were \$1,883 and \$5,925 (three and nine months ended September 30, 2024 - \$1,889 and \$5,347).

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. In accordance with the terms of the Credit Agreement, a breach of covenant provides the lender with the right to demand immediate repayment of the loan balance. On June 20, 2025, the Company obtained a formal waiver from the Syndicate, waiving the right to accelerate the payment of the outstanding Syndicate Facility. While the Company’s Syndicate loan facilities are not contractually due until May 23, 2026, these have been classified as current liabilities in accordance with IAS 1 because no refinancing agreement has been executed at the reporting date (Note 2).

b) SCS VTB Note

In connection with the purchase consideration in accordance with the SCS Acquisition, the Company entered into a vendor take-back note in the principal amount of \$5,500 (the “SCS VTB Note”). The fair value of the SCS VTB Note on the SCS Acquisition date was estimated at \$5,068.

The SCS VTB Note is non-interest bearing and is repayable as follows: (i) \$4,000 on the earlier to occur of the next senior debt financing and May 31, 2025 (the “SCS Maturity Date”); and (ii) \$1,500 on the SCS Maturity Date.

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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”) in order to complete the SCS acquisition. The SCS Bridge Financing, together with a loan fee in the amount of \$500, 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 SCS to the SCS Bridge Lender on April 18, 2023. The principal amount under the SCS Bridge Financing does not bear interest unless repayment is not made within six months following the completion of the acquisition (the “SCS Early Repayment Term”). If repayment is not made within the SCS Early Repayment Term, the principal amount outstanding will bear interest at the rate of 10% per annum until full and final repayment is 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 SCS Bridge Lender, which security interest will 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.

On May 24, 2023, in conjunction with the closing of the new credit facility described below, the amount of \$4,000 was repaid in accordance with the terms of the SCS VTB Note as detailed above and an amendment was made to the remaining amount of the SCS VTB Note (the “SCS VTB Amendment”), which is further described below. The SCS VTB Amendment did not result in a substantial modification of the existing terms of the SCS VTB Note and accordingly was accounted for as a modification. The modification resulted in a loss of \$103 which was recorded in the consolidated statement of loss and comprehensive loss.

On May 24, 2023, in conjunction with the closing of the new credit facility described below, the funds from the new credit facility were used to repay the SCS Bridge Financing and associated loan fee of \$500 in full. The loan fee of \$500 was recorded as finance costs in the consolidated statements of loss and comprehensive loss.

Total finance costs related to SCS VTB for the three and nine months ended September 30, 2025 were \$42 and \$268 (three and nine months ended September 30, 2024 - \$35 and \$103).

c) Nimble5 VTB2 Loan

In connection with the purchase consideration in accordance with the Nimble5 Acquisition, the Company entered into a vendor take-back note in the principal amount of \$6,000 bearing coupon rate of 10% due earlier of (i) an increase to Ionik's senior credit facility; (ii) December 15, 2024, subject to certain payments expected to be received by Nimble5 during the initial three-month period; and (iii) November 30, 2026, (the “Nimble5 VTB2 Note”). The Nimble5 VTB2 Note was estimated to be paid on December 15, 2024. The fair value of the Nimble5 VTB Note on the Acquisition date was estimated at \$5,949 with effective interest rate of 11%. The Company made principal repayments of \$3,500 during the twelve months ended December 31, 2024.

The Company made principal repayments of \$1,500 during the nine months ended September 30, 2025 (nine months ended September 30, 2024 - \$nil). Total finance costs for the three and nine months ended September 30, 2025 were \$26 and \$126 (three and nine months ended September 30, 2024 - \$49 and \$49).

d) OpenMoves Amended Loan

Prior to the OpenMoves Acquisition in April 2023, 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”) in order to complete the OpenMoves acquisition. 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 does not bear interest unless repayment is not made within six months following the completion of the acquisition (“OpenMoves Early Repayment Term”). If repayment is not made within the OpenMoves Early Repayment Term, the principal amount outstanding will bear interest at the rate of 10% per annum until full and final repayment is 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 will rank subordinate to the Company's senior lender. The OpenMoves Bridge Lender is arm's length to the Company and is also arm's length to OpenMoves and its shareholders.

On May 24, 2023, in conjunction with the closing of the new credit facility described below, the funds from the Syndicate Facility were used to repay the OpenMoves Bridge Financing and associated loan fee of \$1,000 in full. The loan fee of \$1,000 was recorded as finance costs in the consolidated statements of loss and comprehensive loss.

On August 1, 2024, the Company amended the OpenMoves Debenture (Note 10) into 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

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the consolidated statements of loss and comprehensive loss. The fair value of the OpenMoves Loan was estimated using the interest rate of 12.5%.

Total finance costs related to the OpenMoves Amended Loan for the three and nine months ended September 30, 2025 were \$84 and \$252 (three and nine months ended September 30, 2024 - \$nil).

d) Nimble5 Working Capital Note

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.

Total finance costs for the three and nine months ended September 30, 2025 were \$116 and \$265 (three and nine months ended September 30, 2024 - \$nil and \$nil).

Below is a summary of the balances of the outstanding loans at September 30, 2025:

	<u>As at September 30,</u> <u>2025</u>	<u>As at December 31,</u> <u>2024</u>
Syndicate Facility	\$74,497	\$87,976
SCS VTB Note	1,727	1,459
Nimble5 VTB2 Note	1,295	2,669
OpenMoves Amended Loan	3,467	3,200
Nimble5 Working Capital Note	3,000	3,000
Closing Balance	\$83,986	\$98,304

14. SHARE CAPITAL

The Company has an unlimited number of common shares authorized for issuance, with no par value. The Company has authorized 4,400 Class B non-voting shares in SCS Acquisition, Inc. (“SCS Exchangeable Shares”) and 4,790 Class B non-voting shares in SHIFT44 (“SHIFT44 Exchangeable Shares”), which are exchangeable for common shares of the Company.

For the nine months ended September 30, 2025:

- On January 3, 2025, the Company issued the held back 30,000,000 Common Shares in association with the acquisition of Nimble5 announced on September 3, 2024.
- During February and March 2025, the Company issued 504,932 Common Shares to settle 504,932 restricted share units (Note 15). The fair value assigned to these restricted share units of \$93 was reclassified from contributed surplus to share capital.
- In May and June 2025, the Company issued 1,501,807 Common Shares to settle 1,501,807 restricted share units (Note 15). The fair value assigned to these restricted share units of \$207 was reclassified from contributed surplus to share capital.
- In August and September, the Company issued 1,050,244 Common Shares to settle 1,050,244 restricted share units (Note 15). The fair value assigned to these restricted share units of \$147 was reclassified from contributed surplus to share capital.

For the nine months ended September 30, 2024:

- In February 2024, the Company issued 1,637,747 Common Shares to settle 1,637,747 restricted share units (Note 15). The fair value assigned to these restricted share units of \$227 was reclassified from contributed surplus to share capital.
- On April 26, 2024, the Company issued 2,142,000 Common Shares designated as anniversary holdback shares related to the acquisition of the OpenMoves LLC on April 26, 2023.
- In May and June 2024, the Company issued 575,252 Common Shares to settle 575,272 restricted share units (Note 15). The fair value assigned to these restricted share units of \$57 was reclassified from contributed surplus to share capital.
- On August 19, 2024, the Company issued 4,390,000 Common Shares in lieu of 878 SCS Exchangeable Shares.
- During August and September 2024, the Company issued 517,432 Common Shares to settle 517,432 restricted share units (Note 15). The fair value assigned to these restricted share units of \$46 was reclassified from contributed surplus to share capital.

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Below is a continuity of share capital during the nine months ended September 30, 2025 and for the year ended December 31, 2024:

	Common shares Number	SCS Exchangeable shares	SHIFT44 Exchangeable shares
Balance – December 31, 2023	284,726,328	4,400	4,790
Issued OpenMoves LLC anniversary holdback shares	2,142,000	—	—
Issued in lieu of SCS Exchangeable shares	10,390,000	(2,078)	—
Issued as consideration for Rise4 Inc.	23,000,000	—	—
Issued for vested restricted share units	3,238,488	—	—
Balance – December 31, 2024	323,496,816	2,322	4,790
Issued Nimble5 Acquisition holdback shares	30,000,000	—	—
Issued for vested restricted share units	3,056,983	—	—
Balance – September 30, 2025	356,553,799	2,322	4,790

For the three and nine months ended September 30, 2025 and 2024, the Company is in a net loss position. As a result, the Company’s convertible debentures (Note 10), contingent consideration conversion (Note 11), share options and restricted share units (Note 15) are considered anti-dilutive.

15. SHARE-BASED COMPENSATION

Description of the share-based payment arrangements with employees and directors

The Company has a share option plan with the objective of attracting, retaining, and motivating key employees, officers and directors in the long-term success of the Company. In accordance with this plan, options are exercisable at the exercise price of each option as determined on the grant date, and vest over 4 years or such earlier date as may be set out in the participant's award agreement. Each share option expires on the date that is the earlier of 5 years from the date of grant or such earlier date as may be set out in the participant’s award agreement.

The following is a summary of the share options for the nine months ended September 30, 2025 and for the year ended December 31, 2024:

	For the Nine months Ended September 30,		For the Year Ended December 31,	
	2025		2024	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Balance, beginning of the year	C\$0.69	6,570,000	C\$0.71	7,069,500
Granted during the period	C\$0.19	650,000	C\$0.25	1,500,000
Forfeited during the period	—	—	C\$0.25 - C\$0.80	(1,111,875)
Expired during the period	C\$0.98	(152,500)	C\$0.31 - C\$0.80	(887,625)
Balance, end of the period	C\$0.63	7,067,500	C\$0.69	6,570,000
Vested and exercisable, end of the period	C\$0.69	5,101,563	C\$0.69	4,193,594

Grant Date	Expiry Date	Exercise price	Share options	
			September 30, 2025	December 31, 2024
Nov 2020	Nov 2022 - Nov 2025	C\$1.25	—	46,875
Apr 2021	Apr 2026	C\$0.85	45,000	45,000
Sep 2021 - Dec 2021	Apr 2023 - Dec 2026	C\$0.80	130,000	220,625
May 2022	May 2027	C\$0.80	3,415,000	3,415,000
Aug 2022	Aug 2027	C\$0.80	1,327,500	1,342,500
December 2023	December 2028	C\$0.30	1,000,000	1,000,000
June 2024	June 2029	C\$0.25	500,000	500,000
May 2025	May 2030	C\$0.25	250,000	—
September 2025	September 2030	C\$0.15	400,000	—
Total			7,067,500	6,570,000
Weighted average remaining contractual life of options outstanding at end of period			2.33	2.80

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Inputs for measurement of grant date fair values

The grant date fair value of share options was estimated using the Black-Scholes option pricing model and the assumptions at grant dates.

The Company evaluated similar public companies in order to estimate volatility over the estimated life of the option. Changes in these variables can materially impact the estimated fair value of share-based compensation and consequently, the related amount recognized to general and administrative, selling and marketing, and technology and development expenses in the consolidated statements of loss and comprehensive loss. Below is the summary of the assumptions used to calculate the fair value of share-based compensation on grant dates during the period:

Grant dates - for the nine months ended September 30, 2025

Expected volatility	100.0%
Expected life	5 years
Risk-free interest rate	2.73% - 2.77%
Dividend yield	0%
Exercise price	C\$0.15 - C\$0.25
Share price	C\$0.11 - C\$0.12
Forfeiture rate	0%

Description of the restricted share unit arrangements with employees and directors

The Company has a restricted share unit plan with the objective of attracting, retaining and motivating key employees, officers and directors in the long-term success of the Company. In accordance with this plan, restricted share units are awarded at the grant date of each unit, and vest over 4 years, or such earlier date as may be set out in the participant’s award agreement.

The following is a summary of the restricted share units for the nine months ended September 30, 2025 and for the year ended December 31, 2024:

	<u>For the Nine months Ended September 30,</u>		<u>For the Year Ended December 31,</u>	
	<u>2025</u>		<u>2024</u>	
	<u>Share price on grant date</u>	<u>Number of units</u>	<u>Share price on grant date</u>	<u>Number of units</u>
Balance, beginning of the year	<u>C\$0.24</u>	<u>12,704,637</u>	<u>C\$0.27</u>	<u>11,752,500</u>
Granted during the period	—	—	C\$0.13 - C\$0.16	5,350,000
Forfeited during the period	C\$0.21	(96,875)	C\$0.34	(1,159,375)
Expired during the period	C\$1.27	(3,056,983)	C\$0.17 - C\$0.25	(3,238,488)
Balance, end of the period	<u>C\$0.24</u>	<u>9,550,779</u>	<u>C\$0.24</u>	<u>12,704,637</u>
Vested and exercisable, end of the period	<u>C\$0.34</u>	<u>3,000,000</u>	<u>C\$0.34</u>	<u>3,000,000</u>

<u>Grant Date</u>	<u>Share price</u>	<u>Restricted share units September 30, 2025</u>	<u>Restricted share units December 31, 2024</u>
May 2022 - Dec 2022	C\$0.26 - C\$0.30	3,450,771	3,839,012
May 2023 - June 2023	C\$0.23-C\$0.24	2,348,445	3,515,625
June 2024	C\$0.16	2,750,000	4,000,000
September 2024	C\$0.13	701,563	1,050,000
December 2024	C\$0.11	300,000	300,000
Total		<u>9,550,779</u>	<u>12,704,637</u>

The fair value of the restricted share units equals the value of the shares on the grant date. The total share-based compensation expense for the three and nine months ended September 30, 2025 is \$105 and \$398 (three and nine months ended September 30, 2024 - \$202 and \$609).

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16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following financial instruments are measured at fair value using Level 3 inputs. The sensitivity of these instruments to the Level 3 inputs noted are as follows:

- SCS Contingent consideration – The contingent consideration issued as consideration for the acquisition of SCS is based on the Black-Scholes model. An increase or decrease of 5% in the volatility would not have a material impact (Note 11).
- Nimble5 Earn-out Installment – The Earn-out Installment issued as consideration for the acquisition of Nimble5 is based on the Black-Scholes model. An increase or decrease of 5% in the volatility would not have a material impact (Note 11).
- Nimble5 Earn-out Lump Sum – The Earn-out Lump Sum issued as consideration for the acquisition of Nimble5 is based on the Black-Scholes model. An increase or decrease of 5% in the volatility would not have a material impact (Note 11).
- Nimble5 Earn-out Lump Sum Conversion Option - The derivative liability related to the Earn-out Lump Sum issued as consideration for the acquisition of Nimble5 is based on the Black-Scholes model. An increase or decrease of 5% in the volatility would not have a material impact (Note 12).
- Rise4 Earn-out - The Rise4 Earn-out issued as consideration for the acquisition of Rise4 is based on the Black-Scholes model. An increase or decrease of 5% in the volatility would not have a material impact (Note 11).

There was no movement between Level 2 and Level 3 during the three and nine months ended September 30, 2025 and 2024, and no changes in fair value models used.

Risk factors

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 September 30, 2025, in their originating currencies:

	CAD	EUR
Cash	\$117	—
Accounts receivable, net	285	31
Accounts payable, accrued liabilities and other	937	(2)

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	\$(54)
EUR	3

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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.

The following is an analysis of the contractual maturities of the Company’s undiscounted financial liabilities and leases as at September 30, 2025:

	As at September 30, 2025		
	Within one year	Between one and five years	More than five years
Accounts payable, accrued liabilities and other	\$42,508	\$—	\$—
Convertible debenture ¹	—	40,638	—
Lease liabilities ¹	563	538	—
Loans payable ¹	79,638	9,237	—
Contingent consideration	6,562	44,085	2,967
Total	\$129,271	\$94,498	\$2,967

¹ Includes principal and interest

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. 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 or decrease the interest expense by \$745 on an annual basis based on the amount currently drawn.

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 account receivables. 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.

As of September 30, 2025, the Company has two customers that make up more than 10% of the accounts receivable and collectively account for approximately 48.5% 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 13% of accounts receivable as of September 30, 2025 (December 31, 2024 - 8.9%).

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17. 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. 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 and nine months ended September 30, 2025. The Company is not subject to externally imposed capital requirements other than those disclosed in the Loans (Note 13).

18. REVENUE

The following table presents revenue disaggregated based on the geographic location of our customers:

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
United States	\$36,928	\$35,185	\$107,714	\$106,081
Other	11,987	6,264	32,850	16,104
Total revenue	\$48,915	\$41,449	\$140,564	\$122,185

The following table presents revenue disaggregated based on nature of revenue:

	For the Three months ended		For the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Managed services and self-service	\$48,915	\$41,449	\$140,564	\$122,185
Total revenue	\$48,915	\$41,449	\$140,564	\$122,185

19. EXPENSES CLASSIFIED BY NATURE

Expenses are classified by function on the consolidated statements of loss and comprehensive loss. Below is a breakdown of expenses by nature:

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Media costs	\$27,260	\$24,746	\$79,518	\$76,092
Employee compensation	9,576	7,499	27,712	21,849
Office and administrative	611	485	1,727	1,520
Technology	535	699	1,605	2,119
Legal and professional fees	523	640	1,422	1,567
Travel, meals, and entertainment	266	168	628	441
Advertising and promotion	130	111	364	447
Consulting fees	669	734	2,309	1,911
Insurance	110	51	324	126
Bad debt expense	342	653	490	716
Share-based compensation	106	203	399	610
Transaction costs	26	155	(164)	295
Total	\$40,154	\$36,144	\$116,334	\$107,693

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The above expenses are presented in the consolidated statements of loss and comprehensive loss as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Cost of sales	\$28,161	\$25,020	\$82,077	\$76,494
Selling and marketing	4,874	4,205	13,737	12,615
General and administrative	5,308	4,701	15,249	12,914
Technology and development	1,785	2,063	5,435	5,375
Transaction costs	26	155	(164)	295
Total	\$40,154	\$36,144	\$116,334	\$107,693

20. 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		For the Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Management salaries, bonuses and other benefits	\$320	\$468	\$960	\$1,456
Director fees	61	37	\$164	129
Share-based compensation - management	2	6	\$14	12
Share-based compensation - Directors	1	—	\$1	—
Total	\$384	\$511	\$1,139	\$1,597

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 September 30,	As at December 31,
	2025	2024
Balances included in accounts payable, accrued liabilities and other	—	(560)
Net related party balances owing	\$—	\$(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		For the Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
General and administrative	161	348	455	875
Technology and development	5	52	56	170

During the three and nine months ended September 30, 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.

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21. DISCONTINUED OPERATIONS

a) 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. The assets and liabilities held for sale were measured at the lower of their carrying amounts and fair value less costs to sell. The PopReach Games Business does not represent a separate operating segment under IFRS 8, as the CODM considers the entire business of the Company from a single operating segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities.

On April 29, 2024, the Company announced the sale of the PopReach Games Business to Phoenix Games Holdings UK Ltd. (“Phoenix”) (the “Sale Transaction”). The Sale 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 consolidated statement of net loss and comprehensive loss for the three and nine months ended September 30, 2025 and 2024.

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 three and nine months ended September 30, 2024, the Company recognized accretion as other income related to the Deferred Note of \$nil and \$73 (three and nine months ended September 30, 2024 - \$24 and \$41).

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 following table outlines the assets and liabilities disposed of, the consideration received and the gain on sale of PopReach Games for the disposal group that is presented at fair value, before the costs of disposal:

	<u>April 26,</u> <u>2024</u>
Fair value of consideration received	
Cash	\$7,507
Deferred receivable from the sale of discontinued operations	2,163
Total fair value of consideration received	\$9,670
Fair value of net assets sold	\$6,788
Gain on sale, before transaction costs	\$2,882

The Company incurred transaction fees of \$315 related to the sale of the PopReach Games Business.

b) During the year, the Company initiated plans for the disposal of substantially all of the assets and liabilities related to the Adwora platform (“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 Adwora Technology Platform Operations does not represent a separate operating segment under IFRS 8, as discussed in Note 2, as the CODM considers the entire business of the Company from a single operating segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities. The Company is in process of finalizing

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the disposal of the Adwora Technology Platform Operations. Final adjustments as a result of the disposal will be recorded in subsequent consolidated financial statements in accordance with IFRS®.

Below is the breakdown of the Adwora Technology Platform Operations related assets and liabilities held for sale:

Adwora Technology Platform Operations

	<u>As at September 30,</u> <u>2025</u>	<u>As at December 31,</u> <u>2024</u>
Prepaid expenses and deposits	—	16
Deferred tax asset	199	199
Total Assets	\$199	\$215
Accounts payable, accrued liabilities and other	\$—	\$560
Total Liabilities	\$—	\$560

Below is the statement of loss and comprehensive loss for the Adwora Technology Platform Operations:

	<u>For the Three months ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
Revenue	\$—	\$73	\$—	\$395
Cost of sales	—	55	—	321
Gross profit	—	18	—	74
Expenses				
Selling and marketing	—	42	—	93
General and administrative	46	358	46	1,266
Depreciation and amortization	—	64	—	192
	46	464	46	1,551
Net loss before income taxes	(46)	(446)	(46)	(1,477)
Net loss and comprehensive loss after tax	\$(46)	\$(446)	\$(46)	\$(1,477)

c) During the year, the Company initiated plans for the disposal of substantially all of the assets and liabilities related to the SCS ("SCS 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 SCS Operations does not represent a separate operating segment under IFRS 8, as discussed in Note 2, as the CODM considers the entire business of the Company from a single operating segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities. Subsequent to September 30, 2025, the Company finalized the disposal of the SCS Operations (Note 22). Final adjustments as a result of the disposal will be recorded in subsequent consolidated financial statements in accordance with IFRS®.

Below is the breakdown of the Adwora Technology Platform Operations related assets and liabilities held for sale:

	<u>As at September 30,</u> <u>2025</u>
Accounts receivable, net	864
Prepaid expenses and deposits	73
Property and equipment	204
Total Assets	\$1,141
Accounts payable, accrued liabilities and other	4,090
Taxes payable	(132)
Deferred revenue - Current	202
Total Liabilities	\$4,160

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Below is the statement of loss and comprehensive loss for the SCS Operations:

	For the Three months ended		For the Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue	\$1,259	\$2,511	\$4,968	\$8,541
Cost of sales	1,058	1,841	3,760	6,114
Gross profit	201	670	1,208	2,427
Expenses				
Selling and marketing	107	165	348	768
General and administrative	501	382	1,345	1,740
Technology and development	46	103	163	388
Depreciation and amortization	24	261	76	816
	678	911	1,932	3,712
Other income (loss)				
Finance costs	1	2	2	3
Transaction costs	—	(84)	(130)	(134)
Foreign exchange gain (loss)	2	(1)	(4)	(26)
Other income	—	1	—	68
Net loss before income taxes	(474)	(324)	(856)	(1,374)
Income tax recovery (expense)	3	(40)	(4)	156
Net loss and comprehensive loss after tax	\$(471)	\$(364)	\$(860)	\$(1,218)

Below is the statement of cash flows for the disposal group:

	For the Nine Months Ended	
	As at September 30, 2025	As at September 30, 2024
Cash flows from operating activities		
Net loss after tax	\$(860)	\$(1,218)
Changes in non-cash operating items:		
Depreciation and amortization	76	816
Deferred tax recovery	(4)	(151)
Other income	—	68
Finance costs	(2)	(3)
Unrealized foreign exchange	—	9
Changes in non-cash working capital		
Accounts receivable, net	2,247	4,145
Prepaid expenses and deposits	54	64
Other Assets	—	860
Accounts payable, accrued liabilities and other	(7,551)	(2,776)
Taxes payable	3	(21)
Deferred revenue - Current	18	(501)
Net cash provided by operating activities	(6,019)	1,292
Cash flows used in financing activities	—	—
Additions to Property and equipment	(4)	—
Cash flows used in investing activities	(4)	—
Effect of foreign currency exchange rate changes on cash	—	—
Change in cash during the year	(6,023)	1,292
Cash – beginning of year	—	—
Cash – end of year	(6,023)	1,292

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22. SUBSEQUENT EVENTS

a) During October and November 2025, the Company issued 581,245 Common Shares to settle 581,245 restricted share units. The fair value assigned to these restricted share units of \$88 was reclassified from contributed surplus to share capital.

b) On October 31, 2025, the Company announced the sale of SCS Operations to Push Media USA Inc. ("Push") for net proceeds of \$750 payable in cash on closing after taking into account customary working capital adjustments.

The sale was completed pursuant to the Asset Purchase Agreement with Push, where the Company sold substantially all of the assets of SCS, including client contracts, intellectual property, and certain related liabilities.

The associated financial information of the SCS Operations has been reclassified as assets and liabilities held for sale on the consolidated statement of financial position as at September 30, 2025, and as discontinued operations on the condensed interim consolidated statements of loss and comprehensive loss for the three and nine months ended September 30, 2025 and 2024 (Note 21).

c) On November 12, 2025, the Company issued 480,000 Common Shares in lieu of 96 SCS Exchangeable Shares.