POPREACH

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PopReach Reports Fourth Quarter and Year End 2021 Financial Results

Q4 year-over-year revenue growth of 6%, and mobile platform revenue growth of 32%; sequential quarterly improvement in Adjusted EBITDA[1] and Net Loss

TORONTO, ONTARIO – April 27, 2022 – PopReach Corporation ("**PopReach**" or the "**Company**") (TSXV: POPR, OTCQX: POPRF) today announced financial results for the three months and twelve months ended December 31, 2021.

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

(All figures in US dollars, unless otherwise indicated)

Q4 2021 Financial Highlights

- Revenue from mobile platforms (Apple, Google and Amazon) was $3.4 million (79.6% of total revenue), compared to $3.4 million in Q3 2021 (80.1%), and an increase from $2.6 million in Q4 2020 (63.7%)
- Revenue from Facebook Canvas platform games was $0.9 million (20.4% of total revenue), an increase from $0.8 million in Q3 2021 (19.9%), and a decrease from $1.5 million in Q4 2020 (36.3%)
- Total revenue of $4.3 million, compared to $4.2 million in Q3 2021, and $4.1 million in Q4 2020; overall revenue was impacted by an industry wide decline in Facebook Canvas platform game activity
- Gross profit margin decreased to 61.7%, from 64.6% in Q3 2021, and improved from 61.3% in Q4 2020
- Operating expenses of $3.5 million, compared to $3.5 million in Q3 2021, and $2.9 million in Q4 2020; the increase is due to increased user acquisition spend and investments in mobile growth franchises, and professional fees associated with the proposed business combination (the "**Transaction**") with 2810735 Ontario Inc. d/b/a Federated Foundry ("**Federated**")
- Adjusted EBITDA[1] of $0.5 million (12.0% of revenue), compared to $0.4 million (9.9% of revenue) in Q3 2021, and $0.7 million (18.1%) in Q4 2020
- Net loss of $0.6 million (($0.01) per basic and diluted share), compared to a net loss of $1.1 million (($0.01) per basic and diluted share) in Q3 2021, and a net loss of $3.3 million (($0.06) per basic and diluted share) in Q4 2020
- Cash at December 31, 2021 was $11.0 million, compared to $18.1 million at the end of 2020, and debt outstanding on the bank credit facility was $5.0 million, compared to $6.0 million at the end of 2020; the decrease in cash is due to payments relating to the Company's 2021 M&A activities, including professional fees associated with the Transaction

Q4 2021 and Subsequent Highlights

- Investments in mobile growth franchises, notably Smurfs Magic Match and PAYDAY Crime War, increased in the second half of 2021 and continue into 2022; Smurfs Magic Match and PAYDAY Crime War are expected to launch worldwide in the first and second halves of 2022, respectively
- On October 18, 2021, the Company entered into a definitive agreement in relation to its proposed business combination with Federated
- On February 14, 2022, the Company obtained conditional TSXV approval of the Transaction; on March 23, 2022, the company obtained shareholder approval at a special meeting of its shareholders, with over 98% of shares voted in favour of the Transaction
- On April 18, 2022, the Company entered into a credit agreement with Bank of Montreal for $33 million in credit facilities in order to consolidate debt, including debt to be assumed on closing of the Transaction, under a single lender; once closed, these new facilities are expected to significantly lower the Company's cost of capital, and support it's M&A growth strategy via up to an additional $15 million acquisition line

Management Commentary

"Our core mobile revenue platforms generated strong year-over-year quarterly growth of 32% while revenue from Facebook Canvas games showed signs of stabilization when compared to the third quarter of 2022. This sets the games business up for solid organic growth in 2022 as we launch Smurfs Magic Match and PAYDAY Crime war later this year," said Jon Walsh, CEO of PopReach. "When combined with the double-digit organic growth that we expect to see from Federated's three businesses, the new PopReach is well positioned with a multi-pronged approach to generating growth across the digital media value chain."

Added Christopher Locke, President of PopReach "With the Transaction expected to close shortly, we are combining businesses that have solid double-digit Adjusted EBITDA margins and positive cash flow generation. This increased financial scale, alongside the credit facilities and acquisition line we've recently secured from the Bank of Montreal, has us excited for the broader pipeline of M&A opportunities we have been developing."

Selected Quarterly Information

Below is selected quarterly information from the Company's consolidated financial statements for each of the quarterly periods indicated. The Company's functional and presentation currency is US Dollars. Except where indicated, the following financial data is reported in accordance with IFRS.

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	Three months ended December 31 2021	Three months ended September 30 2021	Three months ended December 31 2020
In-app purchases	$ 4,089,195	$ 3,978,677	$ 3,957,439
Advertising	235,316	235,764	137,370
Other	9,392	6,453	377
Total revenue	$ 4,333,903	$ 4,220,894	$ 4,095,186
Net Income (Loss)	(577,337)	(1,069,782)	(3,282,834)
Comprehensive Income (Loss)	(582,246)	(1,060,310)	(3,354,148)
Earnings (loss) per share (basic and diluted)	(0.01)	(0.01)	(0.06)
Non-IFRS[1]*:*			
Bookings	4,405,570	4,414,894	4,026,525
EBITDA	(2,967)	(79,102)	761,775
Adjusted EBITDA	519,978	416,440	742,536

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

	December 31 2021	December 31 2020
Cash and cash equivalents	$ 11,028,381	$ 18,097,649
Current assets	13,183,030	20,079,201
Total assets	26,932,959	25,934,531
Current liabilities	6,737,954	7,879,809
Non-current liabilities	5,738,364	5,534,564

	Three months ended December 31 2021	Three months ended September 30 2021	Three months ended December 31 2020
Apple	$ 2,353,027	$ 2,168,829	$ 1,639,606
Facebook	886,155	841,434	1,485,551
Google	748,686	870,704	781,622
Amazon	49,219	54,135	50,660
Other mobile	52,108	43,575	--
Total in-app purchases	4,089,195	3,978,677	3,957,439

Financial Statements and MD&A

PopReach's Financial Statements for the three and twelve months ended December 31, 2021, and Management's Discussion and Analysis (the "MD&A") for the three and twelve months ended December 31, 2021, are posted on the corporate website at www.popreach.com and available on the company's profile on SEDAR at www.sedar.com.

Non-IFRS Measures

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

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and consolidated adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") are non-IFRS measures of financial performance. The presentation of these non-IFRS financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS, and may be different from non-IFRS financial measures used by other companies. Company management defines EBITDA as follows: IFRS Net income (loss) adding back accretion and interest expenses (including amortization of deferred financing fees), income taxes, amortization, gain/loss on disposal of assets, and fair value gain/loss on financial liabilities. Adjusted EBITDA is calculated as EBITDA and excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings, such as restructuring costs and impairments where the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments, changes in deferred revenues, and other extraordinary one-time expenses.

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

The following table presents the Company's calculation of EBITDA and Adjusted EBITDA for each period:

	Three months ended December 31 2021	Three months ended September 30 2021	Three months ended December 31 2020
Net loss	$ (577,337)	$ (1,069,782)	$ (3,282,834)
Add:			

Interest and accretion expenses	285,709	213,749	477,959
Loss (gain) on disposal of assets	-	-	-
Current taxes (recovery)	35,715	24,000	81,951
Deferred tax recovery	(8,703)	(7,687)	(21,638)
Amortization	540,856	474,220	682,556
Fair value loss (gain) on financial liabilities	(279,207)	286,398	2,823,781
EBITDA	(2,967)	(79,102)	761,775
Add:			
Share-based compensation expense	(7,135)	60,144	49,422
Change in deferred revenue	71,667	194,000	(68,661)
Change in deferred cost of sales	(16,736)	(81,075)	-
Extraordinary one-time expenses	475,149	322,473	-
Adjusted EBITDA	**519,978**	**416,440**	**742,536**
Adjusted EBITDA/Revenue %	**12%**	**10%**	**18%**

Adjusted EBITDA was $519,978 for the three months ended December 31, 2021 compared to $742,536 for the three months ended December 31, 2020, which represents a decrease of $222,558 or 30%.

Bookings

Bookings is a non-IFRS financial measure that is equal to revenue recognized plus or minus the change in deferred revenue during the period. The following table is the reconciliation from revenue to bookings for each period:

	Three months ended December 31 2021	Three months ended September 30 2021	Three months ended December 31 2020
Revenue	$ 4,333,903	$ 4,220,894	$ 4,095,186
Add: Increase (decrease) in deferred revenue	71,667	194,000	(68,661)
Total bookings	4,405,570	4,414,894	4,026,525

About PopReach Corporation

PopReach, a Tier 1 Issuer on the TSX Venture Exchange, with shares also trading on OTCQX® Best Market, is a free-to-play game publisher focused on acquiring and optimizing proven franchises. The Company has to date acquired successful game franchises enjoyed by millions of players, including Smurfs' Village (IP under license), PAYDAY Crime War (IP under license), Peak - Brain Training, Kitchen Scramble, Gardens of Time, City Girl Life, War of Nations and Kingdoms of Camelot. PopReach,

headquartered in Toronto, employs a team of over 130 experts in Toronto, Vancouver, London, UK, and Bangalore, India.

Additional information about the Company is available at www.sedar.com

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular dated February 14, 2022 in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of PopReach should be considered highly speculative.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward- looking information generally refers to information about an issuer's business, capital, or operations that is prospective in nature, and includes future-oriented financial information about the issuer's prospective financial performance or financial position.

The forward-looking information in this news release includes disclosure about the terms of the Transaction and the proposed structure of the transaction.

PopReach and Federated made certain material assumptions, including but not limited to: prevailing market conditions; general business, economic, competitive, political and social uncertainties; delay or failure to receive board, or regulatory approvals; and the ability of the resulting issuer to execute and achieve its business objectives, to develop the forward-looking information in this news release. There can be no assurance that such statements will prove to be accurate, as actual results and future events

could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.