

Investor Presentation / March 2024

# building the future of digital marketing

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## Non-GAAP Measures

The Company prepares its financial statements in accordance with IFRS. However, the Company considers certain non-GAAP 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 GAAP 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. This presentation refers to Non-GAAP measures including “Adjusted EBITDA” and “Bookings”.

## Our Mission

To provide the highest possible value to our advertising partners and better experiences for our consumers by leveraging unique first-party data across our integrated marketing and advertising technology platform



# Ionik Scale

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Ionik operates at meaningful scale including Revenues, EBITDA and the reach of its integrated marketing technology platform.

\$162m<sup>+</sup>

TTM Revenue / Q3 2023

\$15m<sup>+</sup>

TTM EBITDA / Q3 2023

9.5k<sup>+</sup>

Subscribed Sites & Publishers

76b<sup>+</sup>

Monthly Ad Impressions

140m<sup>+</sup>

Active Multichannel Subscribers

30b<sup>+</sup>

Yearly BI data points processed

## Key Customers



**MOTHERS**

**VANS**



**Kwikset.**

TSXV : INIK | OTCQX : INIKF

**IONIK**

# The Problem / Market Opportunity

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A challenged industry that needs diversification of customer acquisition platforms

brand planning  
and integration

They need the right message, communicated the right way, to the right consumer.

\$235B

5.52% CAGR  
[Yahoo Finance](#)

performance media and  
media management

They need to devise, develop and deploy an optimal digital media strategy

\$352B

2.6% CAGR  
[Statista 2023](#)

performance  
martech and ai

They need to utilize the right martech and AI tools to deliver and optimize campaigns

\$235B

19.8% CAGR  
[Grand View Research](#)

data platforms  
and solutions

They need to collect and analyze relevant data to optimize campaigns

\$52B

14.8% CAGR  
[Statista 2023](#)

“Modern CMOs need access to technology and the right marketing strategies to use it to evolve. This is a problem the majority face, they don’t have the tools to achieve their strategic objectives.”

**Forbes**

TSXV : INIK | OTCQX : INIKF

**IONIK**

# Why now?

U.S. digital advertising has grown significantly from \$100B in 2018 to over \$330B in 2024 and projected to rise another \$100B in next 3 years with 11% CAGR 2023-2027

Source: Statista  
Statista 2022

Google & Meta losing marketing share for the first time due to Privacy, Consumer Fatigue, Antitrust to now lower than 50% of the market vs their highs in 2018

Source: Insider Intelligence  
HubSpot 2023  
Gartner 2023

## 10x

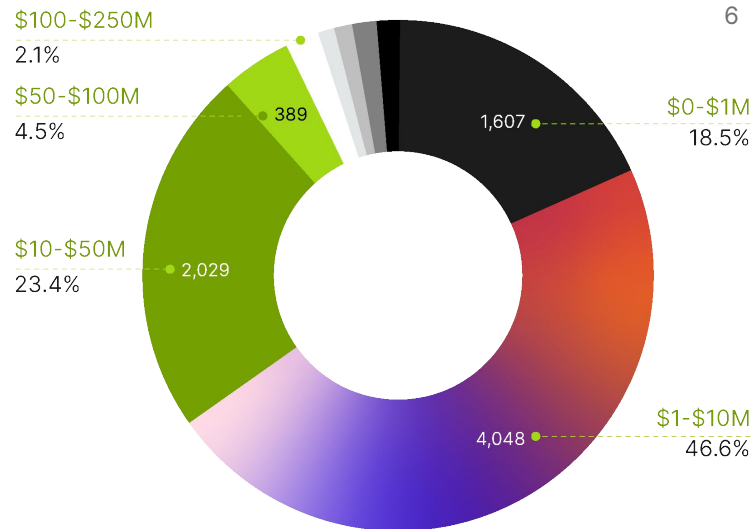
explosion in digital marketing solution providers to over 10,000 companies over the past 8 years

## 80%

of marketers say the industry changed more in the past three years than in the last 50

## 86%

of marketers report they must enact major changes to achieve sustainable growth



### Martech vendors by revenue

There are **thousands of subscale companies** with point solutions that are organically growing that would greatly benefit as part of a **broader unified platform**.

Source: [MartechMap.com](https://www.martechmap.com)

# Ionik Marketing Platform

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## Diversified Customer Acquisition & Monetization Paths

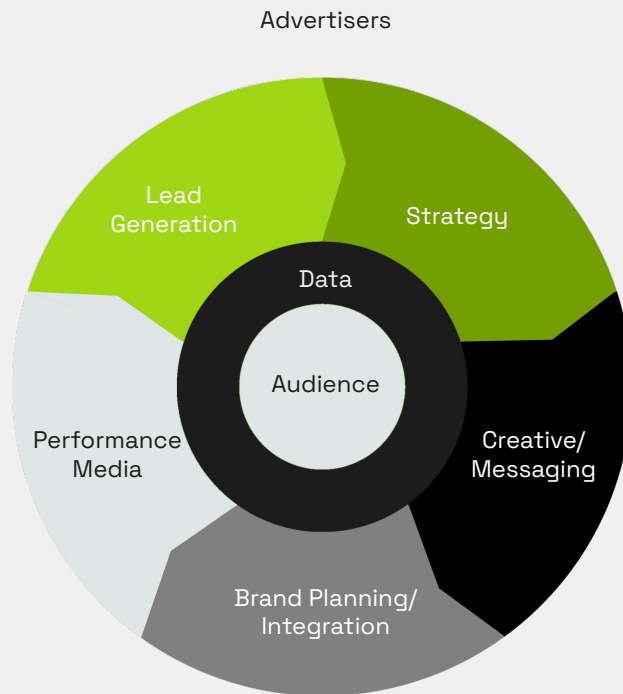
### Building Data Asset at Scale

#### Performance Marketing

Email, SMS and Lead Generation activity drives data volume and value to advertisers across martech platforms and managed services

#### Adtech

Data connections across our Adtech products deliver an Ionik Customer Data Platform that is scalable and diverse with 30B+ data insights



#### Brand Solutions

Our agency offerings in Strategy, Creative/Messaging, Brand Planning & Integration drive consulting solutions into the marketing ecosystem

#### Media

Paid media volume is driven across programmatic, digital, and traditional media, driving integrated performance for advertisers

# Ionik Marketing Platform

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**Diversified Customer Acquisition  
& Monetization Paths**

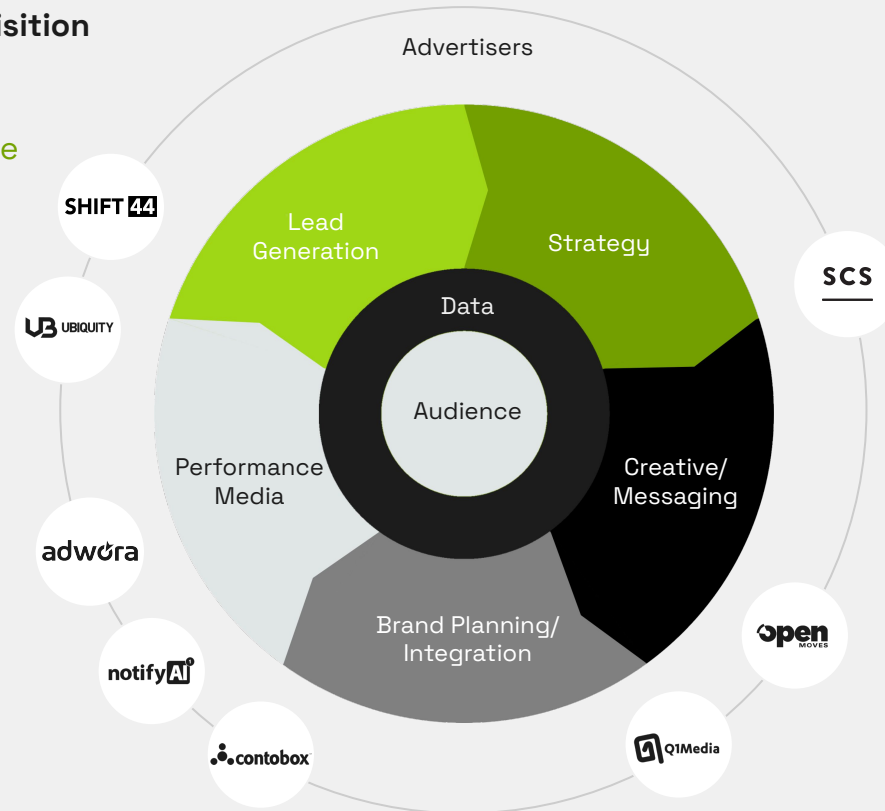
Building Data Asset at Scale

Performance Marketing

Adtech

Brand Solutions

Media



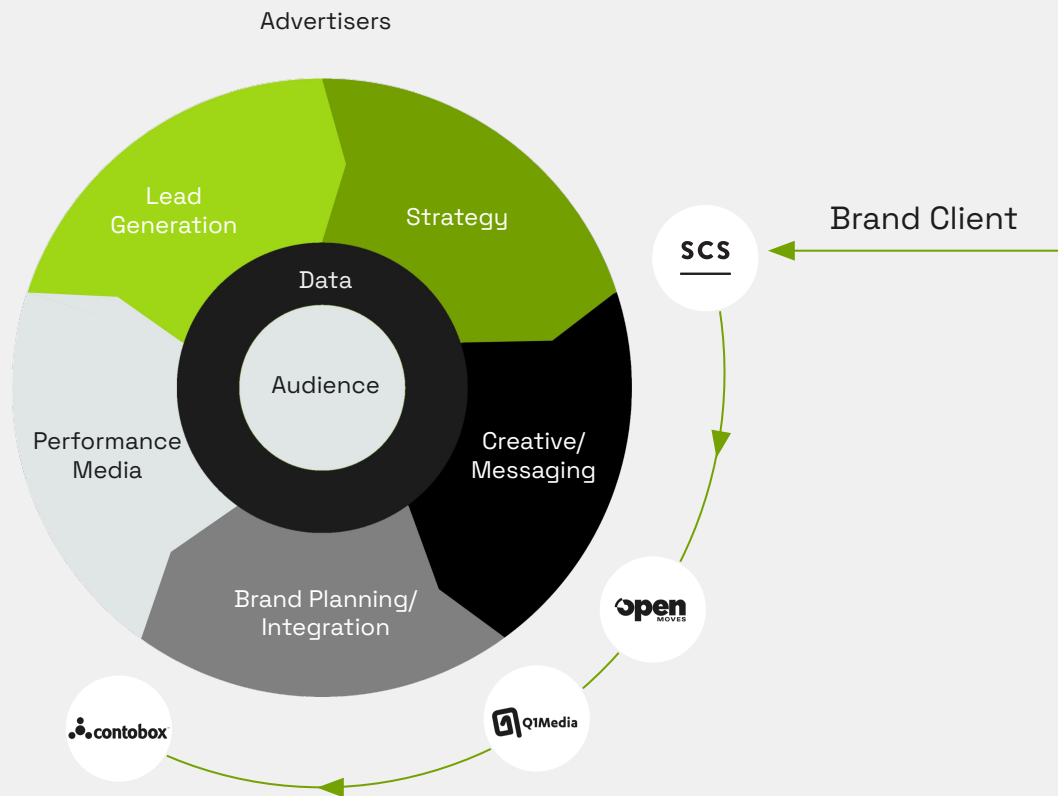


# Ionik Marketing Platform

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**Diversified Customer Acquisition  
& Monetization Paths**

Building Data Asset at Scale



# Ionik Customer Data Platform

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## Ingest

### Engagement data

user interactions with ad units and client websites



### User data

32 million user records (demo, behaviour)



### Publisher Data

Push subscriptions & contextual/ad activity from managed campaigns



## Process

- Create unified user profile in Ionik CDP
- Score user interest level in products and offers based on user engagements, conversions
- Synchronize Ionik user profiles with data coming from external sources ( DSPs, new acquisitions)
- Segmentation by verticals/categories
- Cross-channel activation of data across Ionik

## Activate

### Personalization

- dynamic ads
- on-site experiences
- cross channel



### Analytics

Use enriched user profiles to get insights:

- Upselling
- Existing campaigns



### Targeting

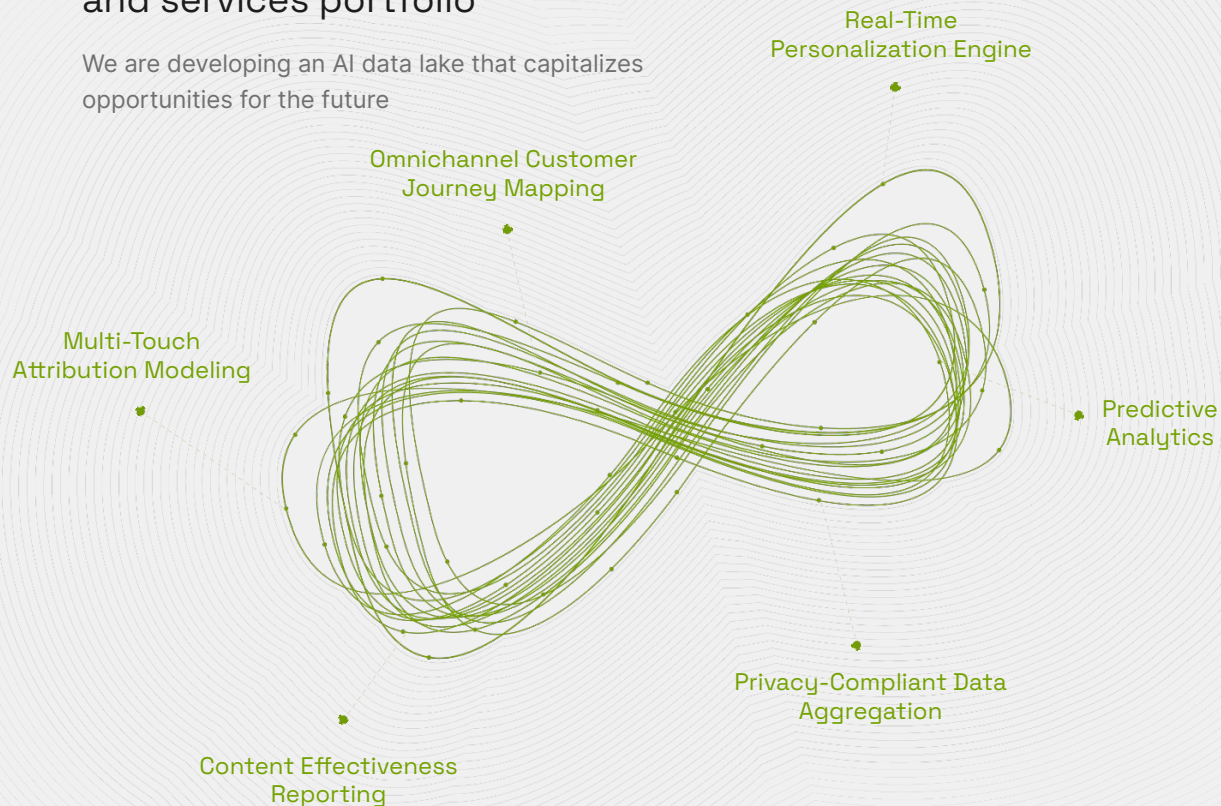
sync back enriched data to Emails, Push, SMS, Display, Social channels



# AI

## AI integrating into our product and services portfolio

We are developing an AI data lake that capitalizes opportunities for the future



## Machines (technology)

Expanding our adtech platforms to increasingly leverage AI and machine learning across products and services

## Fuel (data)

With insights and data touch points across thousands of corporations, our data warehouse will fuel predictive AI models and services

## Pilots (expertise)

Our global digital talent base is training in AI implementation and management, with multiple projects, tools, and consulting in effect

# M&A Expertise

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A series of acquisitions completed to accelerate Ionik's marketing platform while developing relevant financial metrics



**July 9, 2021:** Federated Foundry completes acquisition of Q1Media



**Sep 9, 2022:** Ionik acquires Ubiquity Agency LLC



**Aug 6, 2021:** Federated Foundry completes acquisition of NotifyAI



**Apr 19, 2023:** Ionik completes acquisition of Schiefer Chopshop (SCS)



**Oct 1, 2021:** Federated Foundry completes acquisition of Contobox



**Apr 26, 2023:** Ionik completes acquisition of OpenMoves LLC



**Apr 28, 2022:** Popreach (dba Ionik) closes business combination with Federated Foundry



**Nov 20, 2023:** Ionik completes acquisition of SHIFT44

## Playbook

- Target cash-flow generating businesses at attractive EBITDA multiples
- ~1/3 cash component
- Leverage at 2-3x EBITDA to finance debt portion
- Long-term equity alignment with business owners

~1/3 Cash

~1/3 Debt

~1/3 Equity

Balancing cash use and dilution with appropriate use of leverage on cash generating assets

# Our M&A Formula

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Acquire businesses that strengthen and expand our marketing technology platform while growing our data asset and integrate those businesses into the platform.

## target

Identify qualified acquisition targets in adjacent markets with proven revenue scale, positive EBITDA and accretive terms

## acquire

Streamlined acquisition process developed over the course of 60+ deals

**Thousands of subscale companies** in adtech, martech, data, AI, and agency services

## scale

Apply growth accelerators, expand markets and revenue opportunities

## optimize

Leverage tech, back office and other core competencies to create margin efficiencies through operational expertise

# Our Business Model

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## diversified

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Diversified customer acquisition and monetization channels acquired and integrated into the Ionik Marketing Platform

## meaningful scale

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TTM Revenues of \$162M and EBITDA of \$15M

## organic growth

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Significant organic growth potential across our platform as our share of wallet grows

## cash flowing

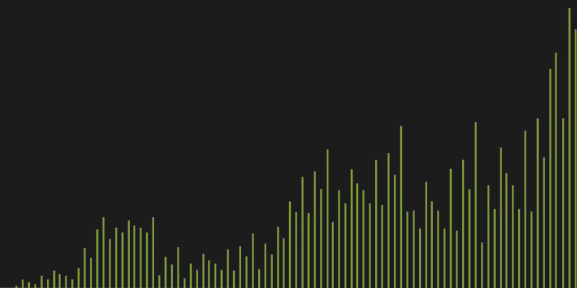
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70%+ EBITDA to Free Cash Flow conversion

## capital to scale

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\$115M credit facility (\$58.5M unused as of Q3 2023) funded by a syndicate of top-tier blue-chip banks/institutions



# Strong Revenues, EBITDA and Free Cash Flow Conversion

(all figures USD)

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**\$162m**

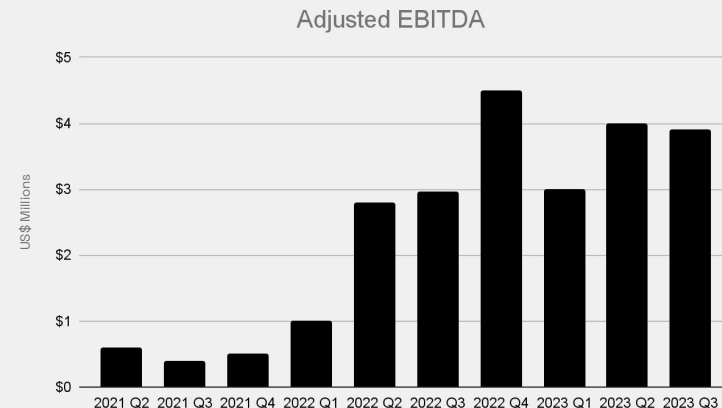
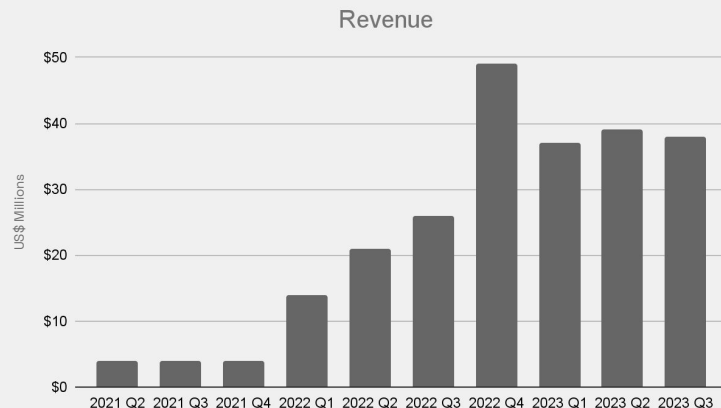
TTM revenue<sup>1</sup>

**\$15m**

TTM adjusted EBITDA<sup>1,2</sup>

**77.4%**

TTM FCF Conversion



(Unaudited), 2022 Q2, 2022 Q3 and 2022 Q4 refer to calendar quarters

1 For the 12 months ended September 30, 2023

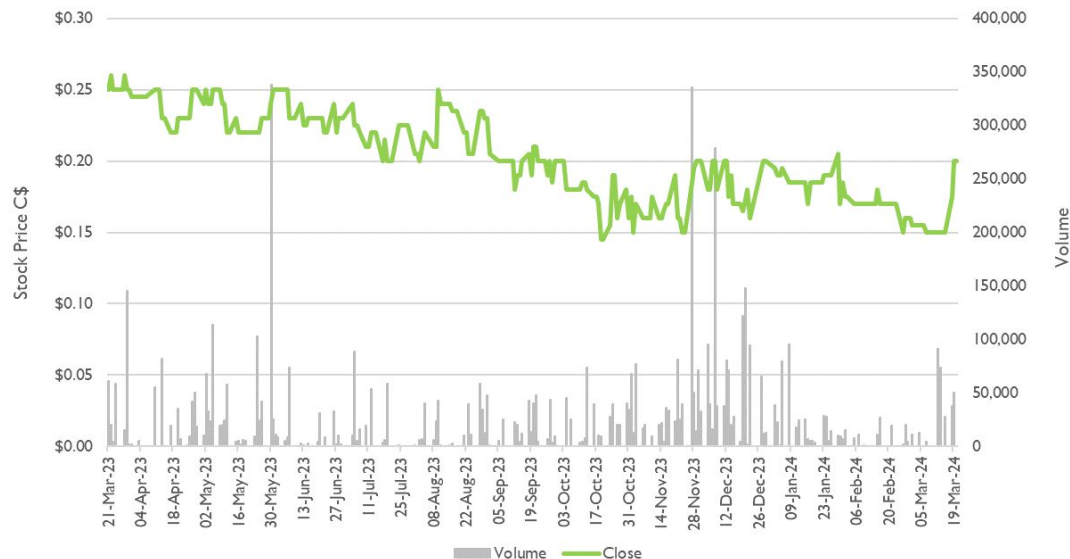
2 Please refer to Non-GAAP Measures appendix

# Stock Chart / Cap Table

## Capital Structure

All values C\$ as of September 30, 2023 (unless otherwise indicated)

Price (March 20, 2024)	\$0.20
52-Week High	\$0.29
52-Week Low	\$0.13
Shares I&O (November 27, 2023)	348.4M
RSUs (November 27, 2023)	13.4M
Total Shares Outstanding	361.8M
Options (avg expiry 2.76yrs; avg cost \$0.70)	6.8M
Market Cap	\$72.3M
Cash	\$12M
Debt	\$87.7M
Enterprise Value	\$148.1M
Closely Known Shareholders	~85%





# Management

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Experienced team that has collectively completed more than 60 acquisitions, sold 12 companies, raised more than C\$800 million in capital and held executive roles at TSX, TSXV, AIM, and NYSE listed companies



**Ted Hastings**

CHIEF EXECUTIVE OFFICER

- 20+ years in executive and board roles
- Prior to founding Federated Foundry, Ted was CEO of RhythmOne (AIM: RTHM), a programmatic advertising technology company acquired by Taptica International
- CEO of Perk.com (TSX:PER) acquired by RhythmOne, and CEO of Global Beverage Group acquired by 3M (NYSE:MMM)
- Named to Canada's Top 40



**Lois Norris**

CHIEF FINANCIAL OFFICER

- FCPA, FCA with 30+ years of financial leadership experience at both public and large privately held companies
- Formerly CFO and COO of SSIMWAVE Inc., which was acquired by IMAX Corporation in Sept 2022
- Held prior CFO roles at technology start-up and scale-up companies including InvestorCOM and Communitex, an industry led innovation center
- Prior financial leadership roles at Humpty Dumpty Snack Foods and Dare Foods



**Kevin Ferrell**

PRESIDENT

- 15 years of experience in executive roles with digital technology companies and 25+ years of experience advising private and public companies in the technology space in the areas of finance, operations and tax
- Prior to co-founding Federated Foundry, was President of System1 Canada and President of System1's (NYSE:SST) Publishing and Agency operations
- Previously President and co-founder of Qool Media, a performance publisher and marketing agency acquired by System1 in March 2017



**Jeff Collins**

CHIEF OPERATING OFFICER

- 20 years of experience managing private and public companies with extensive financial, strategic, operational and transaction experience in software, technology, and digital media industries
- Prior to co-founding Federated Foundry, was CEO of Crucial Interactive (CIHI) and previously served as COO and CFO of CIHI
- Previously served as CFO of publicly traded companies, such as, Perk Inc. (TSX: PER) and Cyberplex (TSX:CX)



**Amy Hastings**

GENERAL COUNSEL &  
CORPORATE SECRETARY

- 15 years in advising both public and private companies on M&A and financing transactions and general corporate matters
- Prior to co-founding Federated Foundry, served as General Counsel to each of Perk Inc. (TSX:PER) and RhythmOne plc (LSE AIM:RTHM) where she lead several corporate development initiatives, including RhythmOne's acquisition of Yume, Inc. (NYSE:YUME)
- Legal Advisor to a number of Ad Tech companies, including, TextNow, Inc., Beachfront Media, LLC and Snapfront Inc.



**Reena Bains**

CHIEF PEOPLE OFFICER

- 20+ years experience as a Human Resources professional in a wide range of industries including financial services, payments, technology, and renewable energy
- Has led the development of global HR strategies that have driven an increase in engagement, inclusion and innovation
- Holds an Honours, BSc degree from the University of Toronto, HR Management Certification from Humber College, and Executive Women in Leadership Certification from Cornell University. CHRP and CHRL designations

# Board of Directors

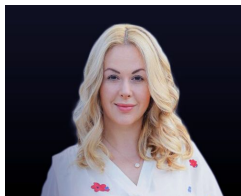
Highly accomplished executives and leaders in media and technology industries



**Ben Colabrese**

CHAIRMAN

- Executive Vice President – Finance of The Toronto Blue Jays Baseball Club, which is wholly owned by Rogers Communications Inc. (NYSE: RCI).
- Responsible for all financial matters at the Blue Jays including all reporting to the parent company and Major League Baseball.
- At Rogers, previously held the roles of Vice President and General Manager of Mobility (which Rogers acquired in 2015), and then Senior Vice President Finance for the X1 Syndication Program, before moving to his current role with the Blue Jays



**Natasha De Masi**

DIRECTOR

- Based in Austin, Texas, where she manages compensation for the global business group function at Meta Platforms Inc. (NYSE:FB)
- Previously she was chief of staff to the Chief People Officer at Visa, and also served as director of global talent management at Visa.
- Prior to transitioning to a human resource role, Ms. De Masi spent over a decade in investment banking and capital markets at Bank of America Merrill Lynch and Royal Bank of Canada
- Additionally, she serves as a venture partner at Impact Venture Capital



**Ted Hastings**

DIRECTOR

- 20+ years in executive and board roles.
- Prior to founding Federated Foundry, Ted was CEO of RhythmOne (AIM: RTHM), a digital advertising technology company that was sold to Tremor International (AIM: TRMR), formerly known as Taptica
- Ted was also CEO of Perk.com (TSX:PER), prior to its acquisition by RhythmOne



**Iain Klugman**

DIRECTOR

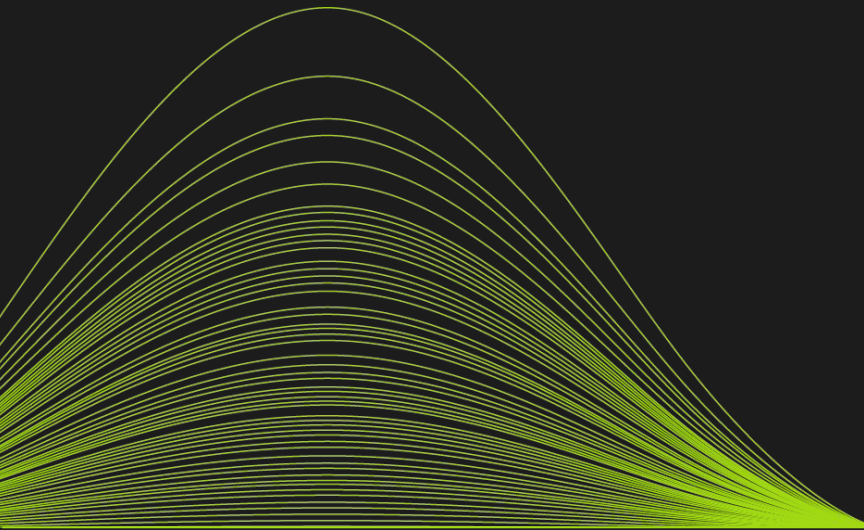
- A world-leading innovation strategist and business advisor
- For nearly two decades, he was the CEO of Communitel - one of North America's leading tech organizations
- At Communitel supported the growth of 5,000+ small, mid-sized and large technology companies that collectively raised over \$5B in venture capital while also creating 22,000 jobs
- Over the past 30 years he has been involved as Board Member (or Board Chair) of 27 different organizations, including national & regional corporations and social, university & business organizations



**Mike Vorhaus**

DIRECTOR

- Founder and CEO of Vorhaus Advisors, a research and consultancy firm to media, internet and game companies
- Previously, President of Magid Advisors; founded their Internet and Gaming practices and advised top digital and gaming companies
- Prominent investor and advisor to US private equity and venture capital
- Strong US media ties appearing on CNBC, CNBC Asia, MSNBC, CBS, NPR, and Fox Business; quoted in The New York Times, WSJ, USA Today, Reuters, MarketWatch, TheStreet, and others as a subject matter expert



## Contact

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## Investor Relations

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