SABIO MOBILE, INC
Management's Discussion & Analysis
For the three and nine months ended September 30, 2021

Date: November 29, 2021
www.sabio.inc

All amounts herein are expressed in U.S. Dollars unless otherwise stated.

The Management's Discussion and Analysis ("MD&A") explains the variations in the consolidated operating results and financial position and cash flows of Sabio Mobile, Inc. ("Sabio" or the "Company") as at and for the three and nine months ended September 30, 2021. References in this MD&A to "us", "we" and "our" mean Sabio unless otherwise stated.

This analysis should be read in conjunction with Sabio's Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2021, and related notes (the "Condensed Interim Consolidated Financial Statements"). The Condensed Interim Consolidated Statements and extracts of those Condensed Interim Consolidated Financial Statements provided in this MD&A, were prepared in U.S. dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, using the accounting policies described therein. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. All amounts are presented in U.S. dollars unless otherwise indicated. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. (Please see the "Forward Looking Statements" section below for a discussion of the use of such information in this MD&A).

Management of the Company is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made herein. The Board of Directors provides an oversight role with respect to all public financial disclosures by the Company and has reviewed this MD&A and the accompanying financial statements.

Forward-Looking Statements

Certain statements in this MD&A may constitute forward-looking statements, including those identified by the expressions such as "may", "will", "intend", "anticipate", "believe", "expect", "foresee", "intend", "plan", or similar expressions to the extent that they relate to the Company or its management. The forward-looking statements are not historical facts but reflect the Company's current assumptions and expectations regarding future events. Forward-looking statements in this MD&A include but are not limited to statements regarding subscriber additions, the variability of the revenues going forward, anticipated market trends and technology adoption by customers and industry peers, anticipated growth in revenue and expenses, the potential impacts of additional expenditures on revenue growth rates, the sufficiency of cash on hand, the effect of the COVID-19 pandemic on the Company's business and operations, the benefits of the App Science platform and the Company's ability to obtain the financing necessary to continue operations. There can be no assurance that such statements will prove to be accurate, and actual results and future events may differ materially from those anticipated in such statements.

By its nature, forward-looking statements are subject to several risks and uncertainties that could cause actual results or events to differ materially from current expectations and assumptions or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. These risks and uncertainties include, but are not limited to, the factors discussed in the "Risk Factors" section of this MD&A. Readers are cautioned not to place undue reliance on forward-looking information.

Non-IFRS Measures

The Company prepares its Condensed Interim Consolidated Financial Statements in accordance with IFRS. Non-IFRS measures are used by management to provide additional insight into our performance and financial condition. We believe non-IFRS measures are an important part of the financial reporting process and are useful in communicating information that complements and supplements the Interim Consolidated Financial Statements. This MD&A also includes certain measures which have not been prepared in accordance with IFRS such as, Adjusted EBITDA. To evaluate the Company's operating performance as a complement to results provided in accordance with IFRS, the term "Adjusted EBITDA", as defined by management, refers to net income (loss) before adjusting earnings for finance costs, income taxes, stock-based compensation, amortization, non-recurring items, and severance costs. We believe that the items excluded from Adjusted EBITDA are not connected to and do not represent the operating performance of the Company.

We believe that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed as well as expenses related to stock-based compensation, depreciation, amortization, restructuring costs, other expense (income), and foreign exchange (gain) loss. Accordingly, we believe that this measure may also be useful to investors in enhancing their understanding of the Company's operating performance. It is a key measure used by the Company's management and board of directors to understand and evaluate the Company's operating performance, to prepare annual budgets and to help develop operating plans.

Company Overview

Sabio Mobile, Inc. is headquartered in Los Angeles, California, USA, with a focus on providing advertising technology and services-based solutions for its customers. Sabio, through its propriety Demand Side Platform (DSP) and ad server, provides targeted campaign solutions to top agencies and the brands they represent. In addition, its fully owned AppScience, Inc. ("App Science") subsidiary, powered by its AppSci Data Management Platform ("DMP"), has pioneered a privacy compliant, non-cookie cross screen household graph of 50 million homes that connects insights between mobile apps, streaming apps, along with other data points to better understand consumer behaviors. App Science's primary focus is to provide leading agencies and brands advanced analytics and insights focused on their connected TV ("CTV"), over-the-top ("OTT") and mobile ad spend in a software-as-a-service ("SaaS") business model.

Sabio and its subsidiaries provide targeted and efficient ad delivery solutions, analytics, and insights to some of the largest agencies and brands in the U.S. Sabio was founded by a team of seasoned ad-tech and media veterans, who are supported by a strong management team with over 170 years of combined television and ad-tech experience. Sabio has over 60 employees in the United States, Canada, and India.

On August 27, 2021, Sabio Canada Finco, Inc. (“Finco”), a wholly-owned subsidiary of the Company was established in Ontario, Canada for the purpose of receiving subscription receipts in connection with a business combination with Spirit Banner II Capital Corp. (TSXV:SBTC.P) (“Spirit”).

Sabio has two wholly owned operating subsidiaries: Sabio Mobile India Private Limited, which enables 24-hour ad operations support, and AppScience, Inc., a data analytics.

Significant developments during the three and nine months ended September 30, 2021, and to the date of this report include the following:

COVID-19

The COVID-19 pandemic has created significant uncertainties in our industry. The US and Canadian governments as well as the business community have mandated several measures, including travel restrictions, restrictions on public gatherings, stay-at-home orders and advisories, and the quarantine of people who may have been exposed to the virus.

In March 2020, management took significant measures to reduce operating expenses and preserve cash where possible. An area of significant reductions was office rent expense, whereby the Company exited its flexible shared workspace arrangements, and temporarily transitioned to a fully remote model operating primarily online until October 2021. Starting October 2021, the Company has implemented a hybrid work model in areas with high employee concentration, and re-opened flexible shared workspace locations in Los Angeles and Chicago and entered an office lease arrangement in New York City.

The Company does not expect the COVID-19 pandemic will have a material impact on its future revenues. Government and industry-imposed restrictions have been lifted as global vaccination rise and North American infection rates dissipate. Moreover, Management believes that COVID-19 has created opportunities for our businesses to capitalize on structural shifts, including an acceleration in CTV/OTT usage during forced social distancing lockdowns. As a result, consumers were spending more time at home which translated to more time in front of the television. That has led to more consumers adding additional streaming services as they looked for new content. The time spent viewing TV increased as did the number of CTV/OTT households. This trend, while indirectly related to the pandemic, shows indications of further acceleration in 2022, and may represent a permanent shift by Consumers in favor of CTV/OTT.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

The following table provides selected financial information from the Company's recent operations for the three and nine months ended September 30, 2021, and 2020. This information should be read together with the Interim Consolidated Financial Statements.

	For the three months ended		For the nine months ended	
	September 30, 2021	September 30, 2020	**September 30, 2021**	September 30, 2020
	$	$	**$**	$
Revenues	**6,817,536**	3,216,982	**13,629,549**	7,802,551
By source:				
Mobile	**3,948,553**	2,862,163	**8,627,028**	7,388,621
Connected TV	**2,868,858**	352,791	**4,996,396**	411,902
Other	**125**	2,028	**6,125**	2,028
Gross Profit	**4,142,217**	2,052,997	**8,307,234**	4,753,311
Adjusted EBITDA (1)	**672,661**	796,756	**172,317**	123,682
Income (loss) from Operations	**466,939**	554,201	**(921,002)**	(686,521)
Net income (loss)	**71,273**	327,629	**(1,132,635)**	(1,803,593)

(1) As defined in "Non-IFRS Measures"

Revenue:

Three-month periods ended September 30, 2021, and 2020.

Sabio Mobile, Inc. generates revenue from mobile sales and connected TV sales platforms, and App Science insights. The Company sells digital advertising directly to marketers or through advertising agencies. Revenue from advertising is mostly generated through video and display advertising delivered through advertising impressions. Advertising is typically sold on a cost-per-thousand ("CPM") basis and is evidenced by an Insertion Order, ("IO"). Revenue is recognized as the number of impressions are delivered.

Consolidated revenue for the three-month period ended September 30, 2021, composed primarily of mobile and connected TV sales increased to $6,817,536, an increase of $3,600,554 from $3,216,982 for the three months ended September 30, 2020. The 112% increase in sales was organically driven by investments in our salesforce, our unique position to capitalize on the burgeoning Connected TV market, and an improvement in general economic conditions as the markets we serve recover from the Covid-19 pandemic.

By segment, revenues generated through the Company's mobile sales platform for the three months ended September 30, 2021, were $3,948,553, an increase of $1,086,390, or 38%, from $2,862,163 for the three months ended September 30, 2020. Connected TV sales for the three months ended September 30, 2021, accelerated 713% to $2,868,858 (September 30, 2020 - $352,791). Connected advertising remains one of digital advertising's fastest-growing channels. With its expertise in implementing mobile data for precise audience targeting, the Company is uniquely positioned to take advantage of the emerging opportunity in Connected TV by providing next level consumer behavior analysis. To this end, it has established a subsidiary to commercialize its App Science analytics capabilities. The Company will continue targeting the traditional OTT advertisement/media business while its App Science subsidiary will be tasked with commercializing App Science as a stand-alone OTT analytics solution. For the three-months ended September 30, 2021, App Science reported $136,500 in sales to Sabio, which were eliminated on consolidation.

Nine-month periods ended September 30, 2021, and 2020.

Revenue for the nine-month period ended September 30, 2021, composed primarily of mobile and connected TV sales, grew 75% to $13,629,549, an increase of $5,826,998 from $7,802,551 for the nine months ended September 30, 2020.

By segment, revenues generated through the Company's mobile sales platform for the nine months ended September 30, 2021, were $8,627,028, an increase of $1,238,407 from $7,388,621 for the nine months ended September 30, 2020. Connected TV sales for the nine months ended September 30, 2021, accelerated to $4,996,396, an increase of $4,584,494 from $411,902 for the nine months ended September 30, 2020. Connected advertising was a beneficiary of pandemic trends and remains one of digital advertising's fastest-growing channels. The Company will continue targeting the traditional OTT advertisement/media business while its App Science subsidiary will be tasked with commercializing App Science as a stand-alone OTT analytics solution. For the nine-months ended September 30, 2021, App Science generated $196,500 in sales, of which $190,500 in sales were to Sabio, and eliminated on consolidation.

Cost of Sales and Gross Margins:

The following table sets out a reconciliation of Gross Profit to Revenue for each of the periods indicated:

	For the three months ended		For the nine months ended	
	September 30, 2021	September 30, 2020	**September 30, 2021**	September 30, 2020
	$	$	**$**	$
Revenues	**6,817,536**	3,216,982	**13,629,549**	7,802,551
Cost of sales	**2,675,319**	1,163,985	**5,322,315**	3,049,240
Gross profit	**4,142,217**	2,052,997	**8,307,234**	4,753,311

Three-month periods ended September 30, 2021, and 2020.

Cost of sales consist of purchased publisher media inventory, production and technical service costs and fees. For the three-month period ended September 30, 2021, cost of sales was $2,675,319 compared to $1,163,985 for the three-month period ended September 30, 2020. The increase of $1,511,334 was attributable to the increased revenue during the period. Gross profit margin was 60.8% for the three months ended September 30, 2021, compared to 63.8%

for the three months ended September 30, 2020. The prior period's supply benefited from a competitive pricing environment due to the pandemic.

Nine-month periods ended September 30, 2021, and 2020.

Cost of sales consist of purchased publisher media inventory, production and technical service costs and fees. For the nine-month period ended September 30, 2021, cost of sales was $5,322,315 compared to $3,049,240 for the nine-month period ended September 30, 2020. The increase of $2,273,075 was attributable to the increased revenue during the period. Gross profit margin was 61% for the nine months ended September 30, 2021, compared to 60.9% for the nine months ended September 30, 2020.

Reconciliation of net income (loss) to Adjusted EBITDA for the three and nine months ended September 30, 2021, and 2020:

The following table presents a reconciliation of Net Income (loss) to Adjusted EBITDA for the periods indicated:

	For the three months ended		For the nine months ended	
	September 30, 2021	September 30, 2020	**September 30, 2021**	September 30, 2020
	$	$	**$**	$
Net Income (loss) for the period	**71,273**	327,629	**(1,132,635)**	(1,803,593)
Adjustments				
Finance costs	**354,826**	224,021	**949,543**	1,057,710
Transaction costs	**69,038**	-	**382,098**	-
Amortization of intangible assets	**148,792**	169,037	**498,796**	624,718
Stock-based compensation	**28,614**	11,919	**307,245**	57,521
Amortization of lease	-	11,807	**23,615**	35,422
Gain on loan forgiveness	**(20,000)**	-	**(1,122,500)**	-
Setttlement fees	-	-	**162,000**	-
Income taxes (recovery)	**(8,198)**	2,551	**2,492**	59,362
State and local taxes	**19,149**	-	**54,736**	-
Severance expenses	**9,167**	49,792	**46,927**	92,542
Total adjustments	**601,388**	469,127	**1,304,952**	1,927,275
Adjusted EBITDA (1)	**672,661**	796,756	**172,317**	123,682

(1) As defined in "Non-IFRS Measures"

Three-month periods ended September 30, 2021, and 2020.

Adjusted EBITDA for the three-month period ended September 30, 2021, was $672,661 comparative to $796,756 for the three months ended September 30, 2020. The year-over-year decrease of $124,095 was primarily attributable to continued investments in our salaried salesforce and higher capitalization rates in the previous year. Non-recurring adjustments to Adjusted EBITDA include:

- Transaction costs of $69,038, pertaining to legal and professional fees attributable to Sabio's efforts to publicly list on the TSX Venture Exchange; and
- A $20,000 gain resulting from the full forgiveness of a loan from the City of Los Angeles.

Finance costs for the period also included $47,477 in interest accrued on the sale of short-term convertible promissory notes completed during the second quarter. The principal of the notes, along with all accrued interest, will automatically convert into common shares and share purchase warrants upon a "Go-Public Transaction" (See "Liquidity and Capital Resources").

Nine-month periods ended September 30, 2021, and 2020.

Adjusted EBITDA for the nine-month period ended September 30, 2021, was $172,317 comparative to $123,682 for the nine months ended September 30, 2020. The year-over-year increase of $48,635 was primarily attributable to increased revenue in the current period. Non-recurring adjustments to Adjusted EBITDA include:

- Transaction costs of $382,098 include 767,000 warrants issued to Greenglade Ventures Inc., an advisor of the Company engaged to assist in the Company's efforts to publicly list on the TSX Venture Exchange, and $144,328 in legal and professional fees attributable towards these same efforts.
- A $1,102,500 gain resulting from the full forgiveness of a loan obtained under the 2020 U.S. Small Business Administration's Paycheck Protection Program;
- A $20,000 gain resulting from the full forgiveness of a promissory note with the City of Los Angeles; and
- A one-time, $162,000 settlement of historical remuneration fees to an advisor of the Company.

Operating Expenses:

The following table summarizes various expenses for the three-and-nine-month periods ended September 30, 2021, and 2020:

	For the three months ended		For the nine months ended	
	September 30, 2021	September 30, 2020	**September 30, 2021**	September 30, 2020
	$	$	**$**	$
Sales and marketing	**1,908,735**	719,492	**4,438,604**	2,591,962
General and administrative	**844,150**	321,944	**2,122,582**	1,177,700
Finance costs	**354,826**	224,021	**949,543**	1,057,710
Transaction costs	**69,038**	-	**382,098**	-
Research and technology costs	**717,215**	237,380	**1,791,151**	805,500
Stock-based compensation	**28,614**	11,919	**307,245**	57,521
Amortization of intangible assets	**148,792**	169,037	**498,796**	624,718

Three-month periods ended September 30, 2021, and 2020.

Sales and marketing

Sales and marketing consist of all costs associated with selling and marketing the Company's products and services. These costs include all salaries and wages, commissions, travel, marketing and payroll taxes for our sales, marketing, and account management teams. Sales and marketing expenses for the three-month period ended September 30, 2021, were $1,908,735, an increase of $1,189,243 from $719,492 in the same period in the prior year. The year-over-year increase is attributed to an increase in sales and marketing headcount as the Company hired additional salespeople in 2021, in addition to increased sales commissions incurred on increased revenues. The prior year's quarter also reflected temporary reductions in wages paid to certain senior staff members during the pandemic. These temporary reductions were lifted at the end of 2020 to their pre-pandemic rates.

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, and administrative salaries and wages. General and administrative costs for the three months ended September 30, 2021, were $844,150, an increase of $522,206 from $321,944 in the same period of the prior year. The year-over-year increase was primarily related to an increase in the use of administrative contractors and ancillary legal and professional fees incurred as the Company works towards a qualifying transaction to list our Company's shares on the TSX Venture exchange.

Finance costs

Finance costs for the three-month period ended September 30, 2021, were $354,826 an increase of $130,805 compared to the same period of the prior year. The increase in finance costs included interest accrued on the convertible promissory notes. All accrued but unpaid interest on the notes shall be automatically converted into common stock and share purchase warrants of the Company upon a "Go-Public Transaction" (See "Liquidity and Capital Resources").

Transaction costs

The company incurred $69,038 in transactions costs during the three-month period ended September 30, 2021, primarily consisting of legal and professional fees directly attributable to the sale of convertible promissory notes completed during the second quarter, and the efforts to publicly list on the TSX Venture Exchange.

Research and technology costs

Research and technology costs consist of all costs associated with purchased data services and uncapitalized development processes in relation to the maintenance of our technological platforms and proprietary technologies. The majority of such costs are comprised of salaries and wages, and costs associated with hosting the required computer equipment and technologies. Research and technology costs for the three months ended September 30, 2021, were $717,215 an increase of $479,835 compared to the same period of the prior year. The year-over-year increase is attributed to continued investments in our technological offerings, in addition to higher capitalization rates in the previous year.

Stock-based compensation

The Company uses stock-based compensation as a means for employee compensation, retention, and incentives. Stock-based compensation for the three months ended September 30, 2021, was $28,614, an increase of $16,695 from $11,919 in the same period of the prior year. The increase is attributable to the vesting of stock-based compensation granted in the first quarter of 2021 to executive and non-executive compensation in the ordinary course of business.

Nine-month periods ended September 30, 2021, and 2020.

Sales and marketing

Sales and marketing consist of all costs associated with selling and marketing the Company's products and services. These costs include all salaries and wages, commissions, travel, marketing and payroll taxes for our sales, marketing, and account management teams. Sales and marketing expenses for the nine-month period ended September 30, 2021, were $4,438,604 an increase of $1,846,642 from $2,591,962 in the same period in the prior year. The year-over-year increase is attributed to an increase in sales and marketing headcount as the Company hired additional salespeople in 2021, in addition to increased sales commissions incurred on increased revenues.

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, and administrative salaries and wages. General and administrative costs for the nine months ended September 30, 2021, were $2,122,582, an increase of $944,882 from $1,177,700 in the same period of the prior year. The year-over-year increase was primarily related to an increase in the use of administrative contractors and ancillary legal and professional fees incurred as the Company works towards a qualifying transaction to list our Company's shares on the TSX Venture Exchange.

Finance costs

Finance costs for the nine months ended September 30, 2021, were $949,543 a decrease of $108,167 compared to the same period of the prior year. The decrease in finance costs was primarily due to lower interest payments arising from paydown of the company's outstanding debt balance with WISPer Ventures Leasing, LLC. The decrease was partially offset with interest accrued on the convertible promissory notes sold during the second quarter, which shall be automatically converted into common stock and share purchase warrants upon a "Go-Public Transaction" (See "Liquidity and Capital Resources").

Transaction costs

Transaction costs of $382,098 incurred during the nine-month period ended September 30, 2021, primarily consist of legal and professional fees directly attributable to the sale of convertible promissory notes completed during the second quarter, and the efforts to publicly list on the TSX Venture Exchange. Included in this amount was the issuance of 767,000 warrants in the first quarter to Greenglade Ventures Inc., an advisor of the Company engaged to assist the Company's public listing endeavors.

Research and technology costs

Research and technology costs consist of all costs associated with purchased data services and uncapitalized development processes in relation to the maintenance of our technological platforms and proprietary technologies. The majority of such costs are comprised of salaries and wages, and costs associated with housing the required computer equipment and technologies. Research and technology costs for the nine months ended September 30, 2021, were $1,791,151 an increase of $985,651 compared to the same period of the prior year. The year-over-year increase is attributed to continued investments in our technological offerings, in addition to higher capitalization rates in the previous year.

Stock-based compensation

The Company uses stock-based compensation as a means for employee compensation, retention, and incentives. Stock-based compensation for the nine months ended September 30, 2021, was $307,245, an increase of $249,724 from $57,521 in the same period of the prior year. The stock-based compensation granted in fiscal 2021 year-to-date is related to executive and non-executive compensation in the ordinary course of business.

Development Expenditures:

Development expenses consist of certain remunerations paid to engineer personnel. Development costs that meet the criteria under IAS 38 Intangible Assets are capitalized as an Intangible Asset. Deferred development costs have finite lives and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

During the three-month period ended September 30, 2021, the Company capitalized $12,738 to Intangible Assets, compared to $285,603 in the comparable period in fiscal 2020. During the nine-month period ended September 30, 2021, the Company capitalized $91,523 to Intangible Assets, compared to $708,201 in the comparable period in fiscal 2020.

During the three-month period ended September 30, 2021, the Company amortized a total of $148,792 in development expenses, compared to $169,037 in the comparable period in fiscal 2020. During the nine-month period ended September 30, 2021, the Company amortized a total of $498,796 in development expenses, compared to $624,718 in the comparable period in fiscal 2020.

OUTLOOK

The revenue growth experienced by the Company during nine-month period ended September 30, 2021, has been underpinned by our reinvestments in our salesforce and the revenue acceleration in our high-growth, Connected TV business. To date, the Company has not experienced any material deterioration in these trends. Driven by our unique position to further capitalize on the robust and strengthening Connected TV market, the Company expects the momentum of our revenue expansion to continue into 2022.

See “Forward Looking Statements”.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company’s approach in managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, by continuously monitoring actual and forecasted cash flows.

We intend to use our operating income and funds on hand to meet funding requirements for the development and commercialization of our technology products and services based on anticipated market demand and working capital purposes. Our actual funding requirements will vary depending on a variety of factors, including our success in executing our business plan, the progress of our research and development efforts, our commercial sales, and our ability to manage our working capital requirements.

While the Company currently has sufficient operating capital to meet its day-to-day operating expenses, it is possible that the Company could experience a working capital deficiency in the future, which would have a materially adverse effect on the Company’s liquidity. In the event future cash flows from operations are lower than expected, the Company may need to seek additional financing, either by issuing additional equity or by undertaking additional debt. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. Furthermore, there is no certainty that additional financing, whether debt or equity, will be available or that it will be available on attractive terms.

As of September 30, 2021, the Company had cash of $466,426 as compared to $47,890 as at December 31 2021, to settle current liabilities of $8,557,525 (December 31, 2020 - $8,300,538) before a closed financing that transpired subsequent to quarter-end (see "Subsequent Events").

Below is a summary of our cash provided by (used in) operating, investing, and financing activities for the periods indicated:

	For the nine months ended	
	September 30, 2021	September 30, 2020
	$	$
Cash flows used in operating activities	**(2,453,615)**	(1,714,780)
Cash flows used in investing activities	**(91,523)**	(708,201)
Cash flows from financing activities	**2,963,674**	1,491,922
Net increase (decrease) in cash	**418,536**	(931,059)
Cash, beginning of period	**47,890**	1,160,102
Cash, end of period	**466,426**	229,043

<u>Cash provided by (used in) operating activities:</u>

We used cash of $2,453,615 in operating activities for the nine months ended September 30, 2021. The $2,453,615 used for operating activities resulted from $1,132,635 in net loss less $55,074 of non-cash adjustments to net loss and less $1,265,906 attributable to movements in non-cash working capital. Non-cash adjustments to net loss included a gain of $1,102,500 on full forgiveness of the Company's $1,102,500 loan obtained under the Small Business Administration's Paycheck Protection Program and a gain of $20,00 on full forgiveness of the Company's $20,000 promissory note from the City of Los Angeles, partially offset by $307,245 in stock-based compensation and $237,770 in transaction costs related to warrants paid to an advisor of the Company. Non-cash working capital changes primarily arose from an increase in accounts receivable and prepaid expenses and a decrease in accounts payable and accrued liabilities.

Cash provided by (used in) investing activities:

For the nine months ended September 30, 2021, cash used in investing activities was $91,523, which consisted of development costs related to internally generated intangible assets.

Cash provided by (used in) financing activities:

Cash provided by financing activities for the nine months ended September 30, 2021, was $2,963,674. During the period, the company closed on an unsecured bank loan guaranteed under the Paycheck Protection Program ("PPP") in the amount of $1,050,000 and received cash proceeds of $2,018,801 from the sale of convertible promissory notes. An additional $400,000 in outstanding promissory notes were exchanged for convertible promissory notes as part of the convertible note subscription. The conversion of the notes is contingent on the event that the Company, prior to the December 31, 2021, maturity date, completes a public offering of its common shares or a similar qualifying transaction, reverse-takeover, direct listing or initial public offering that results in the securities of the Company being offered in any public offering or held by an entity that is a reporting issuer and is listed for trading on a stock exchange. In such an event, the principal amount then outstanding under the convertible promissory notes together with all accrued but unpaid interest thereon shall be automatically converted into common stock and share purchase warrants of the Company. The Company further received $815,350 from the exercise of 1,594,999 share options and 100,000 warrants during the period.

The proceeds received from the Company's financing activities were partially offset by principal repayments made on pre-existing debt instruments and the loan and advances to related parties made during the period.

Stock Options:

The Company presently issues stock pursuant to its 2016 Stock Option Plan. As at September 30, 2021, the Company was entitled to issue a maximum of 2,800,000 equity-based awards collectively outstanding under the existing Stock Option Plan.

The following table summarizes the continuity of stock options issued by the Company under the Stock Option Plan:

Measurement date	Number of Options	Weighted average exercise price
	#	$
Balance, December 31, 2019	1,465,000	0.17
Granted	245,667	0.61
Exercised	(3,000)	0.61
Forfeited	(10,000)	0.42
Balance, December 31, 2020	1,697,667	0.40
Granted	1,170,000	0.61
Exercised	(1,594,999)	0.47
Forfeited	(445,667)	0.35
Balance, September 30, 2021 (unaudited)	**827,001**	**0.57**

CONTRACTUAL OBLIGATIONS

The following are the contractual maturities for the financial liabilities:

	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**5,717,071**	5,717,071	-	-	-
Loans payable	**5,067,943**	151,653	3,367,200	-	1,549,090
	10,785,014	5,868,724	3,367,200	-	1,549,090

Debt Forgiveness:

In 2020, the Company closed on an unsecured bank loan guaranteed under the Paycheck Protection Program in the amount of $1,102,500 and entered into an amended agreement on a Small Business Emergency Loan from the City of Los Angeles through the Economic and Workforce Development Department in the amount of $20,000. The entire amount of the Paycheck Protection Program loan, with all accrued interest, was forgiven during the second quarter. The City of Los Angeles loan was forgiven in whole during the third quarter.

In 2021, the Company closed on a second unsecured bank loan guaranteed under the Paycheck Protection Program in the amount of $1,050,000. The loan was forgiven in whole, with all accrued interest, subsequent to the quarter-end (see "Subsequent Events").

COMMITMENTS

The Company is committed under an office lease in New York City dated September 22, 2021, that takes effect on October 11, 2021, and expires on October 10, 2024. The future minimum rental commitment is as follows:

Within one year	$	**192,903**
Less than one year and not longer than five years		**463,734**
Thereafter		**-**
	$	**656,637**

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, the Company granted a non-interest-bearing advance, payable on demand, to Aziz Rahimtoola, Chief Executive Officer of the Company in the aggregate amount of $350,051, and a loan of $60,076, bearing an interest of 1% per annum and due on July 15, 2022, to Simon Wong, Executive Vice President of Operations of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any material off-balance sheet arrangements.

ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Condensed Interim Consolidated Financial Statements and application of IFRS often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. Significant assumptions and estimates used in preparing the financial statements include those related to credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non-financial assets, as well as revenue and cost recognition. Sabio bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment. Significant accounting policies and estimates under IFRS are found in Note 3 of the Company's Interim Consolidated Financial Statements

CHANGES IN ACCOUNTING POLICIES

For the nine months ending September 30, 2021, the Company has not adopted any new accounting policies. Our significant accounting policies are found in Note 3 of the Company's Interim Consolidated Financial Statements.

INTERNAL CONTROLS

Effective internal controls are necessary for Sabio to provide reliable financial reports and to help prevent fraud. Management of Sabio is responsible for establishing and maintaining disclosure controls and procedures for the Company. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer ("CEO") and by others within those entities on a timely basis, particularly during the period in which the annual filings are being prepared, so that appropriate decisions can be made regarding public disclosure.

An evaluation of the adequacy of the design and effective operation of the Company's disclosure controls and procedures was conducted under the supervision of management, including the CEO, as at December 31, 2020. Based on that evaluation, the CEO has concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2020.

There have been no changes to Sabio's internal controls over financial reporting during the nine months ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, Sabio's internal control over financial reporting.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at September 30, 2021 there were (i) 10,022,999 common shares issued and outstanding, (ii) 827,001 stock options outstanding with a weighted average exercise price per common share of $0.57 with a weighted average contractual life of 7.3 years.

RISK FACTORS

The following risk factors are not a definitive list of all risk factors associated with the Company. Additional risks and uncertainties, including those currently unknown or considered immaterial by Sabio, may also adversely affect our shares and/or the operations of our business.

Access to Capital

Sabio makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, Sabio has financed these expenditures through offerings of its debt securities. Sabio will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Sabio may incur major unanticipated liabilities or expenses. Sabio can provide no assurance that it will be able to obtain financing to meet the growth needs of its operations.

Foreign Sales

Sabio's functional currency is denominated in U.S. dollars. Sabio currently expects that sales will be denominated in U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes operations or distribution. In addition, Sabio incurs the majority of its operating expenses in U.S. dollars. In the future, the proportion of Sabio's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact Sabio's business, financial condition and results of operations. Sabio has not previously engaged in foreign currency hedging. If Sabio decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Sabio from foreign currency fluctuations and can themselves result in losses.

Continued Access to Publisher Media Inventory

Timely access to relevant purchased publisher media inventory is vital to the ongoing success of Sabio's media business. This access is dependent on the Company's ability to secure inventory on reasonable terms across a broad range of advertising inventory partners in various verticals and formats – to align with the requirements from our customers. The amount, quality and cost of inventory available can change at any time. Sabio relies on one particular publisher for a large amount of its ad-inventory requirement. If this relationship or with any of the other significant suppliers were to cease, or if the material terms of these relationships were to change unfavorably, the Company's business would be negatively impacted. The suppliers are generally not bound by long-term contracts. As a result, there is no guarantee that Sabio will have access to a consistent supply of inventory on favorable terms.

Relative Early Stage of Connected TV Market

The Connected TV (CTV) market represents a massive growth opportunity for the Company. Sabio has invested in technology and market development to position itself as a key player in this emerging market. The Company is expecting demand for its CTV offering to drive vast majority of its future growth. The CTV market is in its early stages of growth with many large companies shifting focus and/or investing heavily. Large platforms such as Roku are aiming to deploy a walled garden approach. Any unfavorable developments in this segment such as inability of the company to secure adequate ad-inventory, restrictive action by CTV/OTT device/platform providers etc. could result in significant negative impact on the Company's growth prospects.

Highly Competitive Nature of Market

The digital advertisement is a competitive and rapidly changing industry that is subject to changing technology, regulatory and customer demands. There are many companies large and small; public and private providing competing solutions. With the end consumers media consumption shifting away from traditional media to digital and introduction of new technologies, the competition will likely remain high and could intensify in the future, which could have a negative impact on the Company's business and operating results. The industry is dominated by very large companies, with substantial resources to devote to sales & marketing, product development, thereby potentially positioning them to respond faster to any market or technology shifts resulting in potential negative impact on the Company's business.

Fluctuations in Operating Results

Sabio's operating results may vary from quarter to quarter due to the seasonal nature of its customers' spending on advertisement campaigns. The Company has traditionality experienced strong revenue generation in the fourth calendar quarter and relatively weaker performance in the first calendar quarter. Product and service mix also has a significant impact on the operating results and could drive volatility from quarter to quarter. External factors, such as political advertising, could also contribute volatility within the quarter.

Adding New Customers and Retaining Existing Customers

Sabio has long term relationships with several key clients and partners and relies on these customers and partners to derive material revenues. There can be no assurances that these customers will continue to purchase products/services from Sabio. The nature of the media business is that Sabio must compete for the business of these and all customers on a project-by-project basis. There could be material adverse effects on the financial results or businesses of Sabio if a material customer ceases to do business with Sabio. Moreover, Sabio business plan depends on its ability to attract new customers. The markets that Sabio operates in are highly competitive with competitors having entrenched relationships with many of the target customers. There can be no assurance that Sabio will be able to attract new customers and retain them over a longer period.

Retention and Acquisition of Skilled Personnel

The loss of any member of Sabio's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management and specialized technical personnel, could have a material adverse effect on Sabio's business and operating results. The expansion of marketing and sales of its products will require Sabio to find, hire and retain additional capable senior employees who can understand, explain, market and sell its products and services. There is intense competition for capable personnel in all of these areas and Sabio may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training, and in many cases take a significant amount of time before they achieve full productivity. As a result, Sabio may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as Sabio moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Company Culture

Management believes that a critical component to our success has been Sabio's company culture, which is based on teamwork, respect, innovation, accountability, initiative, and personal growth. We have invested substantial time and resources in building our team within this company culture. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to proactively focus on and pursue our corporate objectives. If we fail to maintain our company culture, our business may be adversely impacted.

Managing Growth

Sabio is expecting high growth over the next twenty-four months as it accelerates its sales and marketing efforts including opening new offices and hiring additional sales staff to take advantage of the market opportunity. In order to manage growth and future potential effectively, Sabio must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities, and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Sabio expects to invest its earnings and capital to support its growth but may incur additional unexpected costs. If Sabio incurs unexpected costs it may not be able to expand quickly enough to capitalize on potential market opportunities.

Intellectual Property Rights

Within our industry, there is the potential that a third party may claim that we are infringing on their intellectual property rights. Such intellectual property infringement claims, whether we ultimately are found to be infringing any third party's intellectual property rights or not, are time-consuming, costly to defend, and divert resources and management attention away from our operations. Infringement claims by third parties could also subject us to significant damage awards or fines or require us to pay large amounts to settle such claims. Additionally, claims of intellectual property infringement might require us to enter into royalty or license agreements. If we cannot or do not license the infringed technology on acceptable terms or substitute similar technology from other sources, we could be prevented from or restricted in selling our products containing, or manufactured with, the infringed technology.

Third-Party Licensed Software

The Company's services incorporate certain third-party software obtained under licenses from other companies. The Company anticipates that it will continue to rely on such third-party software and development tools in the future. Although the Company believes that there are commercially reasonable alternatives to the third-party software the Company currently licenses, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in the Company's services with new third-party software may require significant work and require substantial investment of the Company's time and resources. Also, to the extent that the Company's services depend upon the successful operation of third-party software in conjunction with its own software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of the Company's services, delay new services introductions, result in a failure of the Company's services, and injure the Company's reputation. The Company's use of additional or alternative third-party software would require the Company's to enter into additional license agreements with third parties.

Data Limitations

Our business depends on our ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly reduce the value of our solution. Consumer tools, regulatory restrictions, and technological limitations all threaten our ability to use and disclose data.

There could be changes to the standardized mobile identifiers that companies like Sabio use which can adversely impact our business. Many applications and other devices allow consumers to avoid receiving advertisements by paying for subscriptions or other downloads.

COVID-19 Pandemic or Other Similar Outbreak

Any outbreaks of contagious diseases, including the recent outbreak of the COVID-19 pandemic, could have an adverse impact on public health developments in jurisdictions where Sabio operates. This could result in material and adverse effects on Sabio's business, financial condition and results of operations. These effects could include disruptions or closures of Sabio's client's businesses leading them to stop advertisement spend. In addition, the COVID-19 pandemic has become a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect Sabio's ability to obtain financing for its business and operations. The extent to which the COVID-19 pandemic will impact Sabio's business and financial results will depend on future developments, which are highly uncertain and cannot be predicted.

Ability to Continuously Innovate, Enhance Existing and Develop New Products

The Company operates in a highly competitive market and one with changing customer requirements. The Company to date has developed all of its technology and product inhouse and boasts one of the most complete product portfolios in the industry. However, the industry is prone to rapid and frequent changes in technology to keep pace with changing end-customer requirements. In-ability to accurately predict and manage the transition could have a severe impact on the Company's ability to remain competitive and thus demand for the Company's product and services could decrease.

Business Acquisitions

To the extent we find suitable and attractive acquisition candidates and business opportunities in the future, we may acquire other complementary businesses, products and technologies and enter joint ventures or similar strategic relationships. While we believe we will be able to successfully integrate newly acquired businesses into our existing operations, there is no certainty that it will deliver the anticipated business results or not cause a material disruption to our current business. An acquisition may later be found to have a material legal or ethical issue, not disclosed, or discovered prior to acquisition. Further, we may be unable to realize the revenue improvements, cost savings and other intended benefits of any such transaction. The occurrence of any of these events could result in decreased revenues, income, and cash flows.

Industry Perceptions

With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing, advertising, and data privacy matters, particularly as they relate to individual privacy interests and the global reach of the online marketplace. This public scrutiny may lead to general distrust of our industry, consumer reluctance to share and permit use of personal data and increased consumer opt-out rates, any of which could negatively influence, change, or reduce our current and prospective clients' demand for our products and services and adversely affect our business and operating results.

Litigation

Sabio's business may become susceptible from time to time to various legal claims, including class action claims, in the course of its operations. Any future claims or litigation could have a material adverse effect on the Sabio's business and its profitability.

Credit Risks

Sabio will be exposed to counterparty risks and liquidity risks including, but not limited to suppliers of Sabio which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with Sabio, or through companies that will have payables to Sabio. If these risks materialize, Sabio's operations could be adversely impacted.

Cybersecurity Risks

In recent years, the frequency, severity, sophistication of cyber-attacks, computer malware, viruses, social engineering, and other intentional misconduct by computer hackers has significantly increased, and government agencies and security experts have warned about the growing risks of hackers, cyber criminals and other potential attackers targeting information technology systems. Such third parties could attempt to gain entry to our systems for the purpose of stealing data or disrupting the systems. In addition, our security measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, their products, or otherwise. Third parties may also attempt to fraudulently induce employees or clients into disclosing sensitive information such as usernames, passwords or other information to gain access to our clients' data or our data, including intellectual property and other confidential business information.

We believe we have taken appropriate measures to protect our systems from intrusion, but we cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities in our systems and attempts to exploit those vulnerabilities, physical system or facility break-ins and data thefts or other developments will not compromise or breach the technology protecting our systems and the information we possess. Any such compromise or breach, depending on the nature, may adversely impact the reputation and results of operations of Sabio.

Anti-Corruption

We are subject to anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the USA PATRIOT Act, U.S. Travel Act, and possibly other anti-corruption, anti-bribery, and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly and prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. The FCPA or other applicable anti-corruption laws may also hold us liable for acts of corruption or bribery committed by our third-party business partners, representatives, and agents, even if we do not authorize such activities. An increase to our international sales and business, including an increase in our use of third parties, will lead to our risks under these laws to also increase. We have adopted policies and procedures and conduct training designed to prevent improper payments and other corrupt practices prohibited by applicable laws but cannot guarantee that improprieties will not occur. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with specified persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions, and/or sanctions could have an adverse effect on our business, results of operations, and financial condition.

Economic and Trade Sanctions

We are subject to various U.S. export control and trade and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and the various sanctions programs administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (collectively, Trade Controls). U.S. Trade Controls may prohibit the shipment of specified products and services to certain countries, governments, and persons. Although we endeavor to conduct our business in compliance with Trade Controls, our failure to successfully comply may expose us to negative legal and business consequences, including civil or criminal penalties, governmental investigations, and reputational harm.

Furthermore, if we export our technology or software, the exports may require authorizations, including a license, a license exception, or other appropriate government authorization or regulatory requirements. Complying with Trade Controls may be time-consuming and may result in the delay or loss of opportunities.

Foreign Exchange

Sabio is exposed to certain foreign currency risks, including by reason of Sabio’s operations in India. The movement of foreign currencies, such as the Indian Rupee against the U.S. dollar, could have a material adverse effect on Sabio’s prospects, business, financial condition, and results of operation.

Dividends

Sabio has not declared or paid cash dividends on the Common Shares. Upon Completion of the Qualifying Transaction, Sabio intends to retain future earnings to finance the operation, development and expansion of the business. Sabio does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on Sabio’s financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

SUBSEQUENT EVENTS

In the fourth quarter of 2021, the Small Business Administration (SBA) authorized the full forgiveness of the Company’s $1,050,000 loan under the Paycheck Protection Program. The forgiveness was applied to the full amount the SBA authorized, plus all accrued interest.

Further to a letter of intent dated June 23, 2021, between the Company and Spirit Banner II Capital Corp, on October 13, 2021, the Company and Sabio Canada Finco, Inc. (“Finco”) (a wholly-owned subsidiary of the Company), entered into a Business Combination Agreement (“Business Combination Agreement”) with Spirit Banner II Capital Corp, and its wholly-owned subsidiaries, 2872484 Ontario Inc. and Spirit Banner Merger Sub, Inc. ("Merger Sub"). Upon completion of the proposed transaction, the resulting company’s primary business will be that of the Company’s current business. The proposed transaction is subject to a number of conditions including, without limitation, approval of the TSX Venture Exchange.

On October 14, 2021, Finco closed a Concurrent Financing, comprised of a brokered private placement offering of Subscription Receipts (the "Brokered Offering") and concurrent non-brokered offering of Subscription Receipts (the "Non-Brokered Offering"). Pursuant to the Brokered Offering, Finco issued an aggregate of 2,888,870 Subscription Receipts at a purchase price of $1.75 per Subscription Receipt for gross proceeds of $5,055,522. Pursuant to the Non-Brokered Offering, Finco issued an aggregate of 910,382 Subscription Receipts for gross proceeds of $1,593,169. Each Subscription Receipt entitles the holder thereof to receive, without payment of any additional consideration and without further action on the part of each subscriber, subject to adjustment, one common share in the capital of Finco ("Finco Share") in accordance with the terms of a subscription receipt agreement. Upon the closing of the proposed reverse take over transaction, the Finco Shares issued pursuant to the conversion of the Subscription Receipts will be automatically exchanged for shares of the Resulting Issuer pursuant to the Business Combination Agreement on a one-for-one basis.

On November 19, 2021, the Company closed its Qualifying Transaction resulting in the reverse takeover of Spirit Banner II Capital Corp. by the Company. Effective on or around November 19, 2021, the Company consolidated its share capital on the basis of approximately 0.2735 (old) common shares for 1 (new) common share, and Spirit consolidated its share capital on the basis of approximately 15.9091 (old) common shares for 1 (new) common share. The Resulting Issuer will be called Sabio Holdings Inc. and the common shares of the Resulting Issuer will trade on the TSX Venture Exchange under the ticker symbol "SBIO". Following the conversion of the aforementioned Subscription Receipts and the completion of the Qualifying Transaction, Sabio Holdings Inc. will have approximately 43,661,831 Resulting Issuer shares, an aggregate of 3,097,089 Resulting Issuer options, an aggregate of 4,002,463 Resulting Issuer warrants and an aggregate of 175,676 non-transferable compensation warrants. Further details regarding the Qualifying Transaction can be found in the filing statement of the Resulting Issuer dated November 12, 2021, a copy of which is available under Spirit's profile on SEDAR at www.sedar.com.

On November 23, 2021, the Company closed on a new credit facility pursuant to the terms of a credit agreement between the Company and Avidbank. The term of the facility is 24 months from closing. The facility is secured against assets of the Company including, but not limited to, its Accounts Receivable and provides for an Accounts Receivable Line of Credit, with $4,000,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% or 4.25%. On November 24, 2021, the Company drew on the facility to refinance the following loans (with an aggregate balance of $2,685,000 at September 30, 2021): Kim Thies line of credit promissory note bearing interest at 10.0% (September 30, 2021 - $85,000), Katch Investments, LLC promissory note bearing interest at 15.0% (September 30, 2021 - $1,300,000), Amirali Hadi promissory note bearing interest at 15.0% (September 30, 2021 - $250,000), Zarasa Holdings LLC promissory note bearing interest at 15.0% (September 30, 2021 - $700,000), Asma Maladwala promissory note bearing interest at 10.0% (September 30, 2021 - $100,000) and the Aziz Rahimtoola shareholder advance bearing interest at 10.0% (September 30, 2021 - $250,000).