

Sabio Holdings Inc.

Management's Discussion & Analysis

For the three months ended March 31, 2023

Expressed in U.S. Dollars

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 Holdings Inc. ("Sabio" or the "Company") (formerly Spirit Banner II Capital Corp., hereafter referred to as "Spirit") as at and for the three months ended March 31, 2023. 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 months ended March 31, 2023, and related notes (the "Condensed Interim Consolidated Financial Statements"). The Condensed Interim Consolidated Financial 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 consolidated financial statements.

Investors should be aware of the inherent limitations of certifying officers of a venture issuer to design and implement, on a cost-effective basis, appropriate Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109. Such limitations may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

This MD&A is dated and approved by the Board of Directors as of May 30, 2023.

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 benefits of the App Science platform, the realization of the synergies arising from the Acquisition of Vidillion Inc., 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 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 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, transaction costs, gain on loan forgiveness, income taxes, state and local taxes (recovery), stock-based compensation, amortization, settlement fees, foreign exchange differences, severance costs, and gain (loss) on disposal of intangibles. 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 Holdings Inc. (the "Company" or "Sabio") (formerly Spirit Banner II Capital Corp. and hereafter referred to as "Spirit"), was incorporated under the Business Corporation Act of Ontario, Canada on September 29, 2017. The registered corporate office is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The corporate head office of the Company is located at 16350 Ventura Boulevard, #D827, Encino, California, 91436.

Sabio Holdings Inc. is a technology provider in the high-growth advertising-supported video on demand and streaming space through connected TV ("CTV") and over-the-top ("OTT"), where viewership in 2023 is expected to rise to over 230 million users in the United States CTV market alone. Sabio's full CTV/OTT technology stack and services enables global distribution, monetization, and analytics for CTV/OTT app publishers, content creators, brands and agencies. Sabio's wholly owned subsidiaries include Vidillion Corp.("Vidillion"), a CTV/OTT technology pioneer that distributes and manages ad-supported CTV/OTT apps on platforms such as Roku, Vizio, Amazon Fire, Disney + and others. In addition, the Company's wholly owned Sabio, Inc. subsidiary works with major brands and agencies, through its propriety Demand Side Platform ("DSP") and ad server, to provide targeted campaign solutions to top agencies and the brands they represent by filling the ad slots in Vidillion and other third-party CTV/OTT apps. Lastly, its wholly owned App Science, Inc. ("App Science") subsidiary, powered by its AppScience Data Management Platform ("DMP"), has pioneered a privacy compliant, non-cookie cross-screen household graph of 55 million validated homes that connects insights between mobile apps, CTV/OTT apps, podcast data, along with other data points to better understand consumer behaviors at scale. App Science's primary focus is to provide leading agencies and brands advanced analytics and insights focused on their CTV, 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 United States. The Company 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 130 employees in the United States, Canada, and India.

On November 19, 2021, the Company completed its reverse takeover transaction with Spirit based on which its wholly-owned, U.S. operating subsidiary Sabio, Inc. acquired all of the issued and outstanding securities of Spirit, via a reverse-takeover transaction (the "Qualifying Transaction"). Upon completion of the Qualifying Transaction, Spirit became a wholly owned subsidiary of the Company, which carried on the business previously carried on by Spirit. The Company changed its name to "Sabio Holdings Inc." and the Shares commenced trading on the TSX Venture Exchange (the "Exchange") at opening on November 26, 2021, under the symbol "SBIO" as a Tier 2 technology issuer.

The Company was classified as a Capital Pool Corporation as defined in the Policy 2.4 of the Exchange. With the acquisition of Spirit, the Company's principal business changed to a Connected TV ("CTV") and over-the-top ("OTT") streaming technology provider that delivers optimized yield performance via addressable cross screen solutions based on mobile behavior. Accordingly, these consolidated financial statements are presented as a continuation of Spirit.

Significant developments during the three months ended March 31, 2023, and to the date of this report include the following:

- On February 6, 2023, Sabio London Limited, a wholly owned subsidiary of the Company, was incorporated in London, the United Kingdom for the Company's business expansion in the United Kingdom and European markets.

- On March 17, 2023, the TSX Venture Exchange accepted a notice filed by the Company to implement a Normal Course Issuer Bid, whereupon the Company may, during the 12-month period commencing March 22, 2023, and ending March 21, 2024, purchase, for cancellation, up to 754,571 shares in total, being 5% of the total number of 15,091,425 common shares outstanding as at February 15, 2023.

- Continuing the trend from the previous year, Connected TV and OTT streaming was the Company's' largest sales category, composing 59% of our sales mix for the three months ended March 31, 2023, compared to 42% in the prior year's quarter.

- On April 4, 2023, 330,000 share options of the Company were granted to certain directors and employees of the Company at an exercise price of CAD $0.99 and 353,793 restricted stock units ("RSUs") of the Company were granted to certain officers and employees of the Company at the grant-date fair-value of the Company's common shares of CAD $0.99. The options will vest quarterly from the grant date over a 3-year vesting period. The RSUs will vest over three years with 1/3 vesting at the one-year anniversary of the grant and quarterly vesting over the next two years.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

The following table provides selected financial information from the Company's recent operations for the three months ended March 31, 2023, and 2022. This information should be read together with the Consolidated Financial Statements.

	For the three months ended	
	March 31, 2023	March 31, 2022
	$	$
Revenues	**6,481,572**	5,578,318
By source:		
Mobile	**2,501,721**	3,251,018
Connected TV/OTT Streaming	**3,792,144**	2,325,058
Other	**187,707**	2,242
Gross Profit	**4,011,050**	3,408,661
Adjusted EBITDA (1)	**(2,221,004)**	(860,788)
Loss from Operations	**(2,601,864)**	(1,321,882)
Net loss	**(2,779,648)**	(1,643,670)

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

Revenue:

Sabio Holdings Inc. generates revenue from the monetization of streaming on TV and mobile devices, along with analytics and insights via its App Science subsidiary and content enablement through its Vidillion subsidiary. Sabio's platform reaches 110M connected TV devices and 55M validated TV and mobile households on platforms such as Roku, Amazon Fire, Apple TV+, Samsung TV, Vizio, and LG, amongst others. The Company's clients include the top 100 advertising brands in the United States, who Sabio sells to through their respective 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. Revenue for App Science is generated via the sales of insights reports and brand study reports and licenses to subscribe App Science™ platform, while revenue for Vidillion is generated via sales connected to its proprietary CTV and OTT streaming supply side platform.

Consolidated revenues for the three months ended March 31, 2023, composed primarily of Connected TV and OTT streaming and mobile sales, was $6,481,572, an increase of $903,254 from $5,578,318 for the three months ended March 31, 2022. The 16% increase in sales was primarily driven by Connected TV and OTT streaming sales, which represented 59% of our sales mix for the quarter, compared to 42% in the prior year's period. Connected TV and OTT streaming remains one of digital advertising's fastest growing channels. The rapid growth of Connected TV and OTT streaming into Sabio's dominant sales category further evidences our differentiated position, as we continue to not only capitalize on, but significantly outpace, these burgeoning markets.

By segment, Connected TV/OTT streaming sales for the three months ended March 31, 2023, grew by 63% to $3,792,144, an increase of $1,467,086 from $2,325,058 for the three months ended March 31, 2022. This growth has largely been organic, with Vidillion business contributing approximately 10% to the Connected TV/OTT revenue growth in this quarter. During the three-months ended March 31, 2023, Vidillion also generated $570,187 in sales to Sabio, which were eliminated on consolidation. Connected TV advertising remains one of digital advertising's fastest-growing channels, and the Company continues to gain market share through its end-to-end "EMV"

(enablement, monetization, and validation) ecosystem. Sabio, through its DSP and ad server, is able to provide targeted campaigns solutions to top agencies and brands by monetizing the ad slots enabled in Vidillion., as well as through other third-party Connected TV/OTT apps. With its expertise in implementing mobile data for precise audience targeting, the Company is uniquely positioned to provide the next level consumer behavior analysis. To this end, it has established a subsidiary to commercialize its App Science™ analytics and validation capabilities. The Company will continue targeting the traditional Connected TV/OTT advertisement/media business while its App Science subsidiary has been tasked with commercializing App Science as a stand-alone Connected TV/OTT analytics solution.

For the three-months ended March 31, 2023, App Science sales directly to end-customers grew to $186,986, compared to $2,092 in the prior year's quarter. This quarter's revenues included a direct test on a recurring revenue contract with an agency representing a top 10 automotive brand. In this quarter, there were no sales to Sabio from App Science. In the prior year's quarter, App Science had $322,000 in sales to Sabio that were eliminated on consolidation.

For the three months ended March 31, 2023, mobile display sales were $2,501,721, a decrease of $749,297, or 23%, from $3,251,018 for the three months ended March 31, 2022, as our legacy mobile display campaigns continued to shift their spend with Sabio from mobile display to higher-margin mobile OTT streaming, recognized under our Connected TV/OTT revenue category.

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	
	March 31, 2023	March 31, 2022
	$	$
Revenues	**6,481,572**	5,578,318
Cost of sales	**2,470,522**	2,169,657
Gross profit	**4,011,050**	3,408,661

Cost of sales consist of purchased publisher media inventory, production, and technical service costs and fees, in addition to data center, bandwidth, and cloud hosting costs connected to our revenue-producing platform. For the three months ended March 31, 2023, cost of sales was $2,470,522 compared to $2,169,657 for the three months ended March 31, 2022. The increase of $300,865 was attributable to the costs incurred to generate increased revenue during the period. Gross profit margin increased to 62% for the three months ended March 31, 2023, compared to 61% for the three months ended March 31, 2022. Our gross margin benefited through Sabio's expanded use of Vidillion CTV supply, our ability to continue to shift legacy mobile customers into CTV/OTT, and continued revenue growth in our App Science business.

Reconciliation of net loss to Adjusted EBITDA for the three months ended March 31, 2023, and 2022:

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

	For the three months ended	
	March 31, 2023	March 31, 2022
	$	$
Net loss for the period	**(2,779,648)**	(1,643,670)
Adjustments		
Finance costs	**170,481**	158,819
Transaction costs	**-**	161,453
Amortization of intangible assets	**37,140**	121,870
Stock-based compensation	**145,888**	253,141
Amortization of lease	**120,845**	45,148
Income taxes	**7,303**	1,516
State and local taxes	**32,001**	34,713
Loss on disposal of intangibles	**-**	6,222
Severance expenses	**44,986**	-
Total adjustments	**558,644**	782,882
Adjusted EBITDA (1)	**(2,221,004)**	(860,788)

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

Adjusted EBITDA for the three-month period ended March 31, 2023, was a loss of $2,221,004, compared to a loss of $860,788 for the three months ended March 31, 2022. The quarter-over-quarter increase in loss of $1,360,216 was primarily driven by some spending delays in January and February 2023, as persistent labor shortages impacted customer planning cycles for the year before a return to significant revenue growth in March. In the prior year's three month-period ended March 31, 2022, non-recurring adjustments to Adjusted EBITDA included transaction costs of $161,453 comprising legal and professional fees for Vidillion acquisition.

Operating Expenses:

The following table summarizes various expenses for the three months ended March 31, 2023, and 2022:

	For the three months ended	
	March 31, 2023	March 31, 2022
	$	$
Sales and marketing	**3,478,150**	2,265,008
General and administrative	**1,194,637**	913,584
Occupancy cost	**206,282**	102,206
Finance costs	**170,481**	158,819
Transaction costs	**-**	161,453
Research and technology costs	**1,429,972**	1,029,586
Stock-based compensation	**145,888**	253,141
Amortization of intangible assets	**37,140**	121,870

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, benefits, commissions, travel, marketing and payroll taxes for our sales, marketing, and account management teams. Sales and marketing expenses for the three months ended March 31, 2023, were $3,478,150, an increase of $1,213,142 from $2,265,008 for the three months ended March 31, 2022. The quarter-over-quarter increase is primarily attributed to increases in sales and marketing headcount, in addition to commissions accrued on increased year-over-year quarterly sales. The Company's heavy investment period in our sales and marketing apparatus continued through second quarter of 2022, while this year's first quarter also included sales and marketing costs from the Vidillion business, which was acquired subsequent to first quarter of 2022. Management notes that the Company continues to benefit from its investments in key markets, with sales from our growing New York office composing 23.4% of our quarterly sales. While the Company continues to invest in its growth initiatives, OPEX growth continues to moderate. Excluding sales commissions on higher fourth quarter sales, sales and marketing related expenditures remained consistent from the previous quarter, declining 2% from the fourth quarter of 2022.

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, administrative salaries and wages, employee meetings and office supplies. General and administrative costs for the three months ended March 31, 2023, were $1,194,637, an increase of $281,053 from $913,584 in the same quarter of the prior year. The quarter-over-quarter increase was related to increased headcount in the Company's finance and administrative divisions, with several hires joining Sabio in the second and the third quarters of 2022. On a sequential basis, general and administrative costs declined 33%, driven in part through Management's cost-efficiency initiatives.

Occupancy

Occupancy costs include short-term leases, utilities and incidental costs incurred throughout the Company's operating footprint. Occupancy costs for the three months ended March 31, 2023, were $206,282, an increase of $104,076 from $102,206 in the same quarter of the prior year. As government and industry-imposed pandemic era restrictions eased, the Company in turn implemented a hybrid work model starting in fall 2021 and entered short term leases in areas with high employee concentration, including Los Angeles, Chicago, Toronto and Detroit (where in September 2022, our short-term lease arrangements were exited in favor of a long-term lease). Utility costs and incidental costs were also impacted by the return to office work in New York, Detroit, Surat, India and Hyderabad, India, where the Company holds long-term leases.

Finance costs

Finance costs for the three months ended March 31, 2023, were $170,481, an increase of $11,662 from $158,819 in the comparable period of fiscal 2022. The increase was primarily due to higher interest rates and balances owed under its accounts receivable line of credit with Avidbank. As at March 31, 2023, the company had an outstanding loan balance of $5,000,000 under an accounts receivable line of credit with Avidbank, an increase of $1,136,390 from $3,863,610 as at December 31, 2022.

During this quarter, the Company settled its loan obligation in full on its Wisper Ventures Leasing, LLC multiple advance promissory notes. The notes bore interest at 15.0% plus 3.0% per annum and were settled before the original due date of September 30, 2023.

Transaction costs

There were no transaction costs for the three months ended March 31, 2023. Transaction costs of $161,453 incurred during the three months ended March 31, 2022 primarily consisted of legal and professional fees directly attributable to the acquisition of Vidillion Inc.

Research and technology costs

Research and technology costs consist of all costs associated with studies and uncapitalized development processes in connection to maintaining and increasing the effectiveness and efficiency of our technological platforms and proprietary technologies. The majority of such costs are comprised of salaries and wages, costs associated with housing the required computer equipment and technologies and data and analytics costs. Research and technology costs for the three months ended March 31, 2023, were $ 1,429,972 , an increase of $400,386 from $1,029,586 compared to the same period of the prior year. The increase over the prior year's quarter is attributed to continued investments in our technological offerings, including the commercialization of our App Science business since 2021, an increase in cloud storage, licenses and data analytics costs driven by increased sales volumes and reporting enhancements, and an increase in headcount, including the workforce retained from Vidillion Inc. acquired on April 1, 2022. In connection with the Vidillion asset purchase acquisition, Management identified several operational synergies and economies of scale that have resulted in cost reductions, including within our cloud storage and data analytics processes. Some of the initiatives implemented contributed to the sequential decline in our research and technology-related expenditures from the fourth quarter of 2022.

Stock-based compensation

The Company uses an omnibus incentive plan as a means for employee compensation, retention, and incentives. Stock-based compensation for the three months ended March 31, 2023, was $145,888, a decrease of $107,253 from $253,141 in the same period of the prior year. There was no stock-based compensation grant in this quarter and the quarter-over-quarter decrease in stock-based compensation is primarily attributable to stock-based compensation grants in the first quarter of 2022.

Research and Development Expenditures:

Research and 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 months ended March 31, 2023, the Company capitalized $24,452 to Intangible Assets, compared to $17,090 in the comparable period in fiscal 2022.

During the three months ended March 31, 2023, the Company amortized a total of $37,140 in development expenses, compared to $121,870 in the comparable period in fiscal 2022.

OUTLOOK

In what is traditionally the slowest quarter of the calendar year due to the seasonal trends effecting the advertising industry, the Company continued its expansion into the Connected TV/OTT market by delivering 63% revenue growth in the category, driving Sabio's double-digit consolidated revenue growth for the quarter as we continue to outpace a growing industry and take market share. Despite delayed starts to customer planning cycles that led to monthly declines in January and Februarys, significant revenue growth returned in March, reinforcing Management's expectation of continued revenue growth and market share gains in 2023. Moreover, Management has the ability to quickly adapt our operating infrastructure accordingly, as demonstrated by delivering positive Adjusted EBITDA for the month of March. While we expect some monthly, short-term inconsistencies in Adjusted EBITDA as macro interest rate policies and labor shortages continue to drive monthly spend variability, Management notes that this is the earliest month in Company history that monthly positive Adjusted EBITDA was obtained, despite the additional overhead from our acquisition of Vidillion (acquired in Q2/2022) and the heavy investments in on operating infrastructure completed through the first half of 2022. During the quarter, approximately 79% of consolidated revenues came from repeat customers as Sabio continues to attract and retain customers at higher rates, bringing more stability to its revenue model and increasing its cost efficiencies. Additionally, approximately 21% of the revenue in the quarter was generated from logos that did not spend with Sabio previously (compared to 12% in Q1/2022), presenting a potential opportunity to further expand the Company's share of the wallet with these new nameplates, just as Sabio did with existing clientele in 2022. The Company has also implemented several cost-cutting initiatives. Management believes our complete end-to-end CTV/OTT technology stack in combination with fiscal discipline will position us well to maintain positive Adjusted EBITDA for fiscal 2023. As Sabio becomes more efficient, our supply path optimization strategy, enhanced through our acquisition of Vidillion in April 2022, benefited gross margins during the quarter. Approximately 70% of Sabio's CTV impressions delivered are through direct supply, making Sabio one of the highest direct supply options in the CTV/OTT space. Furthermore, App Science analytics and insights are helping to deliver incremental spend on Sabio's DSP in an ROI-driven environment.

Continuing the trend from the previous year, Connected TV and OTT streaming was Sabio's dominant sales category and represented 59% of our sales mix during the current quarter. The rapid growth of the category further validates the differentiated positioning of Sabio's ecosystem to continue capitalizing on the burgeoning Connected TV/OTT streaming advertising market in 2023, particularly in the second half of the year where in a continuation of seasonal trends, the majority of the Company's annual revenues are expected to be generated. In 2021 and 2022, over 80% of the Company's annual sales were generated between the second and fourth quarter of the year.

To the extent the Company finds suitable and attractive acquisition candidates that are complementary to its long-term objectives, Sabio may also pursue further inorganic growth through strategic business acquisitions.

See "Forward Looking Statements"

Summary of Quarterly Results

The following unaudited table sets out selected financial information for the Company on a consolidated basis for the last eight most recently completed quarters.

	March 31, 2023	Dec 31, 2022	Sep 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021	Sept 30, 2021	June 30, 2021
Revenue	6,481,572	17,606,761	11,919,696	7,200,957	5,578,318	10,590,624	6,817,536	4,226,806
Net Income (Loss	(2,779,648)	2,016,200	657,774	(1,877,069)	(1,643,670)	548,824	71,273	302,491
Assets	14,756,666	21,790,734	16,375,042	12,476,313	11,650,424	13,449,690	5,161,830	4,235,756
Liabilities	14,971,383	19,442,680	16,337,049	13,288,109	12,245,695	12,653,916	13,473,815	13,462,638
Basic EPS	(0.06)	0.04	0.01	(0.04)	(0.04)	0.02	0.00	0.01

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 March 31, 2023, the Company had cash and cash equivalents of $3,292,431 as compared to $3,999,402 as at December 31, 2022, to settle current liabilities of $13,443,335 (December 31, 2022 - $17,833,811). We ended the first quarter with a net working capital deficit of $2,865,316, compared to a net working capital deficit of $355,257 for the fiscal 2022. The change was primarily due to increased trade payable resulting from record fourth quarter sales, and a $1,136,390 increase in the balance outstanding our credit facility with Avidbank, under which there was $2 million of capacity remaining untapped at the end of the first quarter. The Company intends to renew the line when the renewal negotiation period (per bank policy) commences in the third quarter of 2023. Preliminary discussions with Avidbank on their intentions to renew, once the bank renewal period opens, have been positive with no renewal concerns communicated.

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

	For the three months ended	
	March 31, 2023	March 31, 2022
	$	$
Cash flows used in operating activities	**(1,586,103)**	(197,457)
Cash flows used in investing activities	**(24,452)**	(17,090)
Cash flows from financing activities	**903,584**	983,719
Net increase in cash and cash equivalents	**(706,971)**	769,172
Cash and cash equivalents, beginning of period	**3,999,402**	3,280,335
Cash and cash equivalents, end of period	**3,292,431**	4,049,507

Cash provided by (used in) operating activities:

Our operating activities used $1,586,103 in cash for the three months ended March 31, 2023, which resulted from $2,779,648 in net losses that were offset by $374,308 of non-cash adjustments and $819,237 attributable to movements in non-cash working capital, with the latter changes primarily arising from decreases in accounts receivable and in accounts payable and accrued liabilities.

Cash provided by (used in) investing activities:

For the three months ended March 31, 2023, cash used in investing activities was $24,452, which consisted of development costs related to internally generated intangible assets, compared to cash used for development costs of $17,090 for the three months ended March 31, 2022.

Cash provided by (used in) financing activities:

Cash provided by financing activities for the three months ended March 31, 2023, was $903,584 which was primarily due to:

- The Company drew a net amount of $1,136,390 on its credit facility with Avidbank.
- The Company made $71,326 in principal payments on its multiple advance promissory notes owing to Wisper Ventures Leasing, LLC, settling the loan obligation in full.
- The Company further received net proceeds of $50,860 from the exercise of 424,126 stock options.

The proceeds received from the Company's financing activities were also partially offset by lease payments during the period. In the prior year, quarter-end cash balances also included $1.25 million drawn on our credit facility with Avidbank to fund the purchase of Vidillion.

Security-based Compensation:

On June 29, 2022, shareholders of the Company approved a replacement omnibus equity incentive plan. Under the plan, the Company issues security-based compensation, including options and restricted stock units.

Stock Options

As at March 31, 2023, the Company was entitled to issue a maximum of 4,684,802 share options outstanding under the omnibus equity incentive plan, compared to 4,637,819 as at December 31, 2022.

The following table summarizes the continuity of stock options issued by the Company under the omnibus incentive plan:

Measurement date	Number of Options	Weighted average exercise price
	#	$
Balance, December 31, 2021	2,841,122	0.19
Granted	1,474,495	1.01
Exercised	(913,976)	0.16
Forfeited	(257,560)	0.55
Balance, December 31, 2022	3,144,081	0.55
Granted	-	-
Exercised	(424,126)	0.12
Forfeited	(54,901)	0.30
Balance, March 31, 2023	**2,665,054**	**0.62**

Restricted Stock Units

As at March 31, 2023, the Company was entitled to issue a maximum of 4,550,993 other security-based awards (including RSUs) outstanding under the omnibus equity incentive plan. There were no restricted stock units issued during the three months ended March 31, 2023. The following table summarizes the continuity of restricted stock units issued by the Company under the omnibus equity incentive plan:

Measurement date	Number of restricted stock units	Weighted average grant price	Weighted average remaining contractual life in years
	#	$	#
Balance, December 31, 2022	657,313	0.65	1.69
Granted	-	-	-
Balance, March 31, 2023	**657,313**	**0.65**	**1.69**

Warrants

There were no warrants issued during the three months ended March 31, 2023, and the year ended December 31, 2022. A summary of changes in warrants during the three months ended March 31, 2023, and for the year ended December 31,2022, is as follows:

Measurement date	Number of Warrants	Weighted average exercise price
	#	$
Balance, December 31, 2021	-	-
Granted	3,170,374	0.17
Exercised	(365,623)	0.17
Issuance of warrants to convertible promissory notes holders upon conversion	1,197,761	1.39
Warrants issued to listing agents/consultants upon completion of Qualifying Transact	169,596	1.37
Issurance of warrants to individuals with Zelos Capital Ltd. upon completion of Qualifying Transaction	6,080	1.37
Balance, December 31, 2022 and March 31, 2023	**4,178,188**	**0.57**

CONTRACTUAL OBLIGATIONS

The following are the contractual maturities for the financial liabilities as at March 31, 2023:

	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**7,977,987**	7,977,987	-	-	-
Lease liability	**1,778,187**	621,641	915,033	241,513	-
Loans payable	**5,490,000**	5,007,085	22,346	24,084	436,485
	15,246,174	13,606,713	937,379	265,597	436,485

The following are the contractual maturities for the financial liabilities as at December 31, 2022:

	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**13,083,733**	13,083,733	-	-	-
Lease liability	**1,988,334**	670,463	1,037,778	280,093	-
Loans payable	**4,424,936**	3,945,423	22,189	23,914	433,410
	19,497,003	17,699,619	1,059,967	304,007	433,410

The loans payable balance as at March 31, 2023 includes $5,000,000 outstanding under a $7 million accounts receivable line of credit with Avidbank at an interest rate of the greater of (i) the Wall Street Journal prime rate plus 1% to 4% or (ii) 5% to 8%. At the end of the first quarter, there was $2 million of untapped capacity under the line that is expected to be used by the Company as required to fund working capital requirements in the ordinary course. The Avidbank line of credit is due to mature in the fourth quarter of 2023. The Company intends to renew the line when the renewal negotiation period (per bank policy) commences in the third quarter of 2023. Preliminary discussions with Avidbank on their intentions to renew, once the bank renewal period opens, have been positive with no renewal concerns communicated.

COMMITMENTS

On August 8, 2022, the Company entered a lease for a new office in Hyderabad, India with Gowra Ventures (P) Ltd with the assured period of five years from the rent commencement date. The lease contains non-lease components for maintenance charges and usage charges amounting to $273,253 (INR 334,123) for the assured period.

On March 17, 2023, the Company entered a lease for a new office in Playa del Rey, California for 67 months with Culver Studio Partners LLC. The lease contains one five-year renewal option that the Company can exercise, and the estimate possession date is June1, 2023. The sum of base rent for the 67-month term is $2,135,294.

The future minimum commitment for these contracts as at March 31, 2023 is as follows:

Within one year	$	208,741
Less than one year and not longer than five years		1,698,180
Thereafter		551,441
	$	**2,458,362**

RELATED PARTY TRANSACTIONS

At March 31, 2023, the Company's related party loan balances included a non-interest-bearing advance, receivable on demand from Aziz Rahimtoola, Chief Executive Officer of the Company in the aggregate amount of $787,107 ($787,107 as at December 31, 2022). The loan balance was substantially incurred before the Company went public during periods where Mr. Rahimtoola did not receive regular compensation. Mr. Rahimtoola is now compensated through the Company's regular payroll and further increases in the loan balance are not expected. The related party loan balances also include a loan principal plus interest of $61,106 ($60,956 as at December 31, 2022), with the interest rate of 1% per annum receivable from Simon Wong, an Officer of the Company. The loan is due on July 15, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES AND ESTIMATES

The preparation of the 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 payment transactions, capitalization and amortization of internally generated development costs, 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 and Note 4 of the Company's Consolidated Financial Statements

CHANGES IN ACCOUNTING POLICIES

For the three months ended March 31, 2023, the Company has adopted several amendments for the first time, but the adopted amendments do not have an impact on the interim condensed consolidated financial statements of the Company. Our significant accounting policies are found in Note 3 of the Company's 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, 2022. 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, 2022.

There have been no changes to Sabio's internal controls over financial reporting during the three months ended March 31, 2023, 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 March 31, 2023, there were (i) 46,848,022 common shares issued and outstanding, (ii) 2,665,054 stock options outstanding with a weighted average exercise price per common share of $0.62 and a weighted average contractual life of 8.37 years, (iii) 4,178,188 warrants outstanding with a weighted average exercise price per warrant of $0.57 and a weighted average contractual life of 1.41 years and (iv) 657,313 RSUs outstanding with a weighted average grant price of $0.65 and a weighted average contractual life of 1.69 years. As at December 31, 2022, there were (i) 46,378,188 common shares issued and outstanding, (ii) 45,708 common share issuable outstanding, (iii) 3,144,081 stock options outstanding with a weighted average exercise price per common share of $0.55 and a weighted average contractual life of 7.51 years, (iv) 4,178,188 warrants outstanding with a weighted average exercise price per warrant of $0.57 and a weighted average contractual life of 1.66 years and (v) 657,313 RSUs outstanding with a weighted average grant price of $0.65 and a weighted average contractual life of 1.94 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. If a relationship with a significant supplier 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 Streaming Market

The streaming markets represent a massive growth opportunity for the Company, with 87% of all U.S, homes now having a smart TV device. 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 streaming offering to drive the vast majority of its future growth. The streaming markets are 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 streaming 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 digitaland 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 continuing high growth as it continues to invest in its sales and marketing efforts 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.

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 additional 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 customers of Sabio which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those customers' 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 othercorrupt 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 and Canada. The movement of foreign currencies, such as the Indian Rupee and Canadian Dollar 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. 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

On April 4, 2023, 330,000 share options of the Company were granted to certain directors and employees of the Company at an exercise price of CAD $0.99 and 353,793 RSUs of the Company were granted to certain officers and employees of the Company at the grant-date fair-value of the Company's common shares of CAD $0.99. The options will vest quarterly from the grant date over a 3-year vesting period. The RSUs will vest over three years with 1/3 vesting at the one-year anniversary of the grant and quarterly vesting over the next two years.