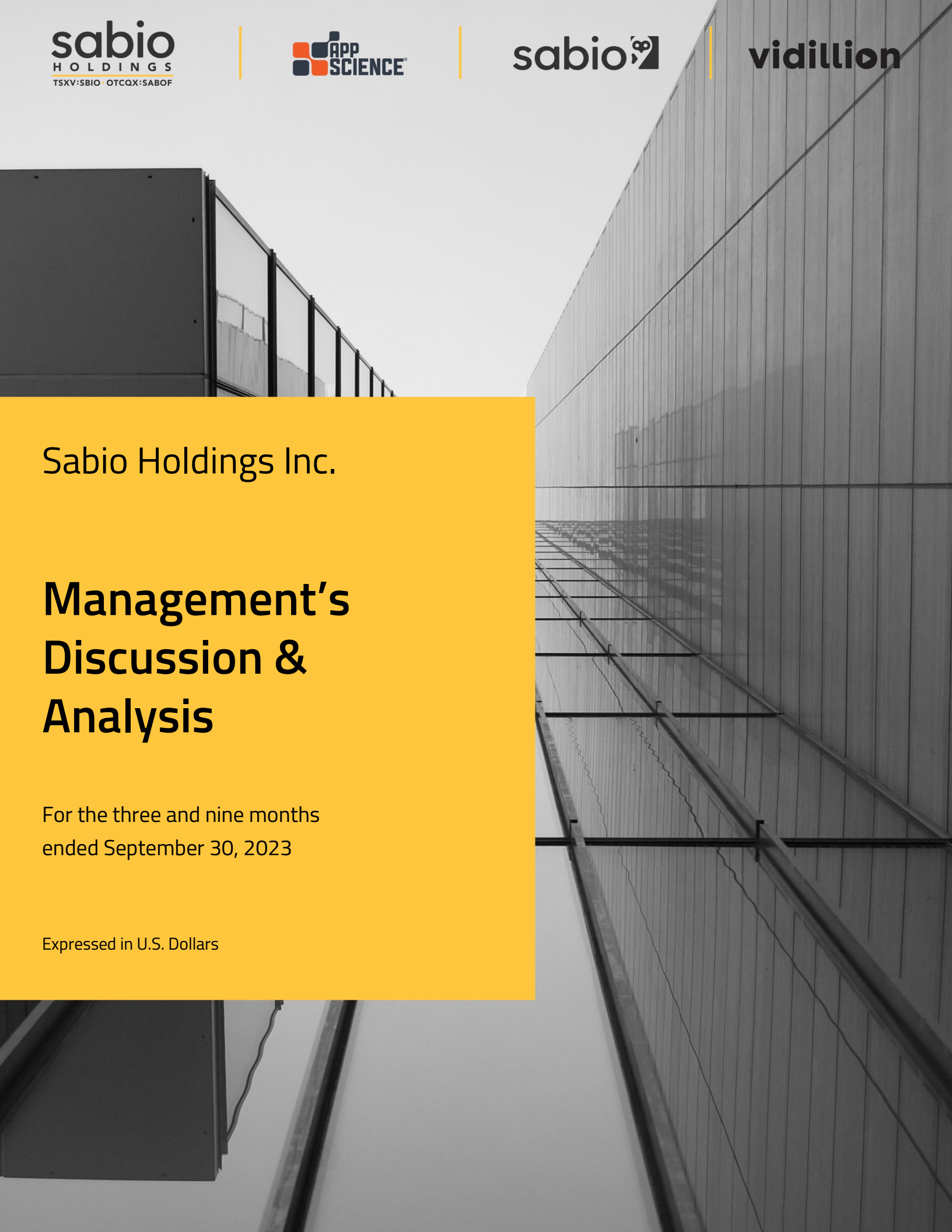


Sabio Holdings Inc.

Management's Discussion & Analysis

For the three and nine months ended September 30, 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 and nine months ended September 30, 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 and nine months ended September 30, 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 November 20, 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 315 Culver Boulevard, Playa Del Rey, California, 90293.

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. The Company also enables original content through SabioTV, a free, creator-first content streaming platform built to promote diverse voices and increase representation among the greater streaming industry. 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 110 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 nine months ended September 30, 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.

- 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.

- On August 16, 2023, the Company closed a non-brokered private placement financing of secured convertible notes (the "secured notes") in the aggregate principal of CAD$1,200,000 and unsecured convertible notes (the "unsecured notes" and together with the "secured notes", the "notes") for aggregate gross proceeds of CAD$537,850 for total gross proceeds of CAD$1,737,850. The notes will mature on August 16, 2025. The notes will be convertible in whole or in part, at the option of the holder, into common shares in the capital of the Company ("common shares") at a price of CAD$1.00 ("conversion price") per common share at any time

before or on the maturity date. The unsecured notes bear interest at the rate of fourteen percent (14%) per annum payable as of the maturity date, except that: (i) the interest on the unsecured note issued to Mr. Aziz Rahimtoola – the Company's Chief Executive Officer - will be payable monthly; and (ii) the Company may prepay the unsecured note issued to Mr. Aziz Rahimtoola any time after twelve months from the issuance. The secured notes bear interest at the rate of fourteen percent (14%) per annum payable semi-annually in arrears in cash or common shares at the option of the Company and are secured against all personal property and assets of the Company. The security interests are structurally subordinated to the first lien security interest of Avidbank. The secured notes can be prepaid in all or a part of the principal plus accrued and unpaid interest without penalty or bonus,except for the case of repayment within the twelve months following the issue date, the holder will be entitled to receive a repayment amount that is equal to the principal amount and interest calculated for a period of twelve months from the issue date.

- On October 10, 2023, the Company entered into a strategic partnership with Mediahub U.S., an award-winning global media agency, across both companies' portfolio of brands. The relationship reinforces Mediahub's commitment and support of minority-owned media and a focus on diverse audience insights, leveraging Sabio's unique data sets so their clients can effectively reach growing US multicultural audiences.

- On October 11, 2023, the Company launched SabioTV, a free, creator-first content streaming platform built to promote diverse voices and increase representation among the greater streaming industry.

- On October 20, 2023, 2,500 share options of the Company were granted to certain officers and 85,000 share options of the Company were granted to certain employees, at an exercise price of CAD $0.4 and 270,000 restricted stock units ("RSUs") of the Company were granted to certain independent directors of the Company at the grant-date fair-value of the Company's common shares of CAD $0.4. 65,000 of the options will vest quarterly over thirty-six months, while the remaining 22,500 of the options will vest quarterly over 1 year. The RSUs will vest on the first anniversary of the grant date.

- On October 24, 2023, the Company entered into a share exchange agreement with certain shareholders (the "participating shareholders") whereby the Company agreed to purchase from the participating shareholder for fair market value, on the terms and conditions contained in the Share Exchange Agreement, 1,271,127 exchanged shares. The Company satisfied the purchase price for the exchange shares by issuing to the participating shareholder an equivalent number of convertible restricted voting shares in the capital of the Company.

- On October 30, 2023, the Company disclosed that it won over US$9.0 million in upfront commitments for 2024 from major agencies and was continuing to negotiate further commitments. Subsequent to the release, the Company has won over $1.0 million in additional upfront commitments, for an aggregate of over $10 million.

- On November16, 2023, the Company and Avidbank agreed on an extension of up to six-months (May 2024) for the bank's credit facility. The bank will assess for a longer-term renewal by February 21, 2024. The current extension maintains a $500,000 increase in credit available, as amended for during the third quarter of 2023, and provides an Accounts Receivable Line of Credit, with $7,500,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% to 4%, with a floor between 9.5% to 12.5%.

- On November 20, 2023, arrangements were agreed to between the Company and certain Canadian, arms-length parties, pursuant to which, and subject final execution of definitive documentation, would effect the

exercise of an aggregate of 2,804,702 share purchase warrants at an exercise price of CAD$0.21 previously issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes (the "Notes") between the Company and warrant holders. The principal amount outstanding under the 3 year-term would bear interest at the Prime Rate and mature on December 31, 2026, subject to the terms of the Note which provide, in certain limited circumstances, accommodations including potential forgiveness and/or share cancellation qualifications, should the exercise price exceed public market values at the date of maturity.

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, 2023, and 2022. This information should be read together with the Consolidated Financial Statements.

	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
	$	$	**$**	$
Revenues	**8,814,642**	11,919,696	**23,283,896**	24,698,971
By source:				
Mobile	**2,573,641**	5,027,119	**8,018,509**	12,149,974
Connected TV/OTT Streaming	**6,145,443**	6,669,802	**14,908,519**	12,164,746
Other	**95,558**	222,775	**356,868**	384,251
Gross Profit	**5,195,694**	7,312,802	**14,030,554**	14,992,060
Adjusted EBITDA (1)	**68,942**	1,195,187	**(3,876,843)**	(1,037,434)
Loss from Operations	**(438,502)**	797,560	**(5,174,566)**	(2,250,209)
Net loss	**(738,411)**	657,774	**(5,896,950)**	(2,862,965)

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

Revenue:

Three-month periods ended September 30, 2023, and 2022.

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 to the 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 September 30, 2023, composed primarily of Connected TV and OTT streaming and mobile sales, was $8,814,642, a decrease of $3,105,054 from $11,919,696 for the three months ended September 30, 2022. The 26% decrease in sales was primarily driven by pronounced declines in political and advocacy spending compared with the prior year's quarter, which benefited from the U.S. mid-term election cycle. Mobile display sales were also impacted by category-specific events, such as the auto workers strike, that impacted short-term advertising budgets. Connected TV and OTT streaming sales represented 70% of our sales

mix for the quarter, compared to 56% 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.

By segment, Connected TV/OTT streaming sales for the three months ended September 30, 2023, decreased by 8% to $6,145,443, a decrease of $524,359 from $6,669,802 for the three months ended September 30, 2022. The decrease was driven by a decline in political and advocacy spend compared to the same quarter last year, where the category benefited from the U.S. mid-term election cycle. Excluding political and advocacy sales, CTV/OTT revenues were up 29% as we continued to see strength across several verticals, including CPG, Finance, Agriculture, Food & Beverage and Quick-service Restaurants. During the three-months ended September 30, 2023, Vidillion also generated $679,781 in sales to Sabio, which were eliminated on consolidation, compared to $370,138 of sales in the prior year's quarter. Vidillion continues to add new demand and supply sources, increasing on a sequential basis, its demand-side integrations by 32% and supply-side integrations by 10% from the second quarter. Connected TV advertising remains one of digital advertising's fastest-growing channels, and in 2023, the Company has continued 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 analytics. 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 September 30, 2023, App Science generated $155,407 in sales, of which $60,000 in sales were to Sabio, and eliminated on consolidation. A sequential increase is expected in the fourth quarter as revenue is recognized with the conclusion of final service deliverables. In the prior year, App Science generated $222,623 direct sales, with an additional $5,000 in sales to Sabio that were eliminated on consolidation.

For the three months ended September 30, 2023, mobile display sales were $2,573,641, a decrease of $2,453,478, or 49%, from $5,027,119 for the three months ended September 30, 2022. 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. Additionally, category-specific events, such as the auto workers strike, led certain mobile display customers to shift campaign launches to the fourth quarter of 2023.

Nine-month periods ended September 30, 2023, and 2022.

Consolidated revenues for the nine-month period ended September 30, 2023, composed primarily of Connected TV and OTT streaming, and mobile display, was $23,283,896, a decrease of $1,415,075, or 6%, from $24,698,971 for the nine months ended September 30, 2022. The 6% decrease in sales was primarily driven by pronounced declines in political and advocacy spending compared with the prior year's period, which benefited from the U.S. mid-term election cycle. Mobile display sales were also impacted by category-specific events, such as the auto workers strike, that impacted short-term advertising budgets. Connected TV and OTT streaming sales represented 64% of our sales mix for the nine-month period, compared to 49% in the prior year's period.

By segment, Connected TV/OTT streaming sales for the nine months ended September 30, 2023, increased to $14,908,519, an increase of $2,743,773, or 23%, from $12,164,746 for the nine months ended September 30, 2022. The year-over-year growth was partially offset by a decline in political and advocacy spending. Excluding political

and advocacy, Connected TV/OTT sales grew grew 59% from the prior period, driven by increased spending across several verticals, including CPG, Finance, Food & Beverage and Quick-service Restaurants.

For the nine-months ended September 30, 2023, App Science generated $535,846 in sales, of which $180,000 in sales were to Sabio, and eliminated on consolidation, compared to $530,348 of sales, of which $146,550 in sales were to Sabio, and eliminated on consolidation in prior year's nine-month period. Demand for unique analytic capabilities that App Science provides has continued to increase, and the business has emerged as a key driver of the Company's sales growth. Approximately 37% of Sabio's consolidated revenue during the nine-month period September 30, 2023, had an App Science component, compared to 26% for the nine-month period September 30, 2022. Revenues in the nine months ended September 30, 2023 also included a recurring revenue contract with an agency representing a top 10 automotive brand. During the nine-month period, the business worked with an agency representing a top global automotive brand to integrate App Science with 20 new Connected TV/OTT publishers. Management believes these integrations will not only solidify recurring revenues from the partner agency but will enhance App Science's overall value proposition to source recurring, third-party direct revenues.

For the nine months ended September 30, 2023, mobile display sales were $8,018,509, a decrease of $4,131,465, or 34%, from $12,149,974 for the nine months ended September 30, 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. Additionally, category-specific events, such as the auto workers strike, led certain mobile display customers to shift third quarter campaign launches to the fourth quarter of 2023.

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, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
	$	$	**$**	$
Revenues	**8,814,642**	11,919,696	**23,283,896**	24,698,971
Cost of sales	**3,618,948**	4,606,894	**9,253,342**	9,706,911
Gross profit	**5,195,694**	7,312,802	**14,030,554**	14,992,060

Three-month periods ended September 30, 2023, and 2022.

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 September 30, 2023, cost of sales was $3,618,948 compared to $4,606,894 for the three months ended September 30, 2022. The decrease of $987,946 was attributable to the decrease in revenue during the period. Gross profit margin was 59% for the three months ended September 30, 2023, compared to 61% for the three months ended September 30, 2022. Competitive pricing pressures were largely offset through our continued use of Vidillion CTV supply.

Nine-month periods ended September 30, 2023, and 2022.

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 nine-month period ended September 30, 2023, cost of sales was $9,253,342 compared to $9,706,911 for the nine-month period ended September 30, 2022. The decrease of $453,569 was attributable to the decrease in revenue

during the period. Gross profit margin remained flat at 60% for the nine months ended September 30, 2023, compared to 61% for the nine months ended September 30, 2022. Competitive pricing pressures were countered through Sabio's expanded use of Vidillion CTV supply, our ability to continue to shift legacy mobile customers into CTV/OTT, and direct sales generated by our App Science business, which included a recurring revenue contract with an agency representing a top 10 automotive brand.

Reconciliation of net loss to Adjusted EBITDA for the three and nine months ended September 30, 2023, and 2022:

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

	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
	$	$	**$**	$
Net loss for the period	**(738,411)**	657,774	**(5,896,950)**	(2,862,965)
Adjustments				
Finance costs	**294,425**	139,048	**705,933**	453,330
Transaction costs	**-**	975	**-**	156,752
Amortization of intangible assets	**42,169**	88,732	**115,134**	322,392
Stock-based compensation	**145,791**	160,086	**468,214**	570,681
Amortization of lease	**181,558**	94,813	**443,420**	224,274
Income taxes	**5,484**	(237)	**16,451**	2,674
Foreign exchange differences	**4,145**	-	**4,145**	-
State and local taxes	**(1,806)**	996	**42,842**	36,206
Loss on disposal of intangibles	**-**	-	**-**	6,222
Severance expenses	**135,587**	53,000	**223,968**	53,000
Total adjustments	**807,353**	537,413	**2,020,107**	1,825,531
Adjusted EBITDA (1)	**68,942**	1,195,187	**(3,876,843)**	(1,037,434)

Three-month periods ended September 30, 2023, and 2022.

Adjusted EBITDA for the three-month period ended September 30, 2023, was $68,942, compared to $1,195,187 for the three months ended September 30, 2022. The quarter-over-quarter decrease in profit of $1,126,245 was primarily driven by a $3,105,054 decrease in revenue, that was partially offset through several cost and operational efficiency initiatives implemented during the second and third quarters of 2023. Normalized for commissions, these initiatives resulted in a 12% reduction in third quarter operating expenses compared with the prior year's period, and on a sequential basis, an 18% decrease third quarter operating expenses in comparison to the second quarter of 2023.

For the quarter ended September 30, 2023, non-recurring adjustments included severance expenses of $135,587 the resulted from cost reduction and operational efficiency initiatives undertaken by management.

Nine-month periods ended September 30, 2023, and 2022.

Adjusted EBITDA for the nine-month period ended September 30, 2023, was a loss of $3,876,843, an increase in loss of $2,839,409, compared to a loss of $1,037,434 for the nine months ended September 30, 2022. The year-over-year decrease was primarily driven by a 6% the decrease in revenues, the full cost impact of Company's investments in our sales and marketing apparatus made in the prior year, and costs associated with transitioning our workforce back to the office. These increases were partially offset with cost reductions and operational efficiencies implemented by management during the third quarter, whose full benefit is expected to be realized in the fourth quarter and into 2024. Additionally, overhead from the Vidillion business, which was acquired on April 1,

2022, and did not impact the prior year's first quarter, was recognized from the start of the current nine month-period.

For the nine-month period ended September 30, 2023, non-recurring adjustments included severance expenses of $223,968 resulted from cost reduction and operational efficiency initiatives undertaken by management. In the comparative period in 2022, non-recurring adjustments included transaction costs of $156,752 that were primarily attributable to legal and professional fees for the Acquisition of Vidillion Inc.

Operating Expenses:

The following table summarizes various expenses for the three and nine months ended September 30, 2023, and 2022:

	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
	$	$	**$**	$
Sales and marketing	**3,086,850**	3,142,337	**10,496,989**	8,250,212
General and administrative	**1,086,040**	1,450,649	**3,491,727**	3,708,399
Occupancy cost	**159,573**	162,893	**497,033**	404,081
Finance costs	**294,425**	139,048	**705,933**	453,330
Transaction costs	**-**	975	**-**	156,752
Research and technology costs	**932,215**	1,415,732	**3,692,603**	3,762,230
Stock-based compensation	**145,791**	160,086	**468,214**	570,681
Amortization of intangible assets	**42,169**	88,732	**115,134**	322,392

Three-month periods ended September 30, 2023, and 2022.

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 September 30, 2023, were $3,086,850, a decrease of $55,487 or 2% from $3,142,337 for the three months ended September 30, 2022. Increased labor costs were offset by reductions in marketing-related expenditures and lower sales commissions, in comparison to prior year's period. Management notes that several of its cost and operational efficiency initiatives, which included headcount reductions in sales and marketing, did not take effect until the beginning of September 2023 and are expected to largely benefit the fourth quarter and into 2024. On a sequential basis, sales and marketing expenses, normalized for sales commissions, declined by 21% in comparison to the second quarter 2023. While our operating infrastructure continues to become more efficient, the Company is benefiting from its targeted investments in key markets, with sales from our growing New York office composing 35.5% of our quarterly sales.

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 September 30, 2023, were $1,086,040, a decrease of $364,609 from $1,450,649 in the same quarter of the prior year. The 25% decrease was, driven through Management's cost-efficiency initiatives. On a sequential basis, general and administrative costs also decreased by 10.3% in comparison to the second quarter of 2023.

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 September 30, 2023, were $159,573, a decrease of $3,320 from $162,893 in the same quarter of the prior year.

Finance costs

Finance costs for the three months ended September 30, 2023, were $294,425, an increase of $155,377 from $139,048 in the comparable period of fiscal 2022. The increase was primarily attributable to increases in the Wall Street Journal prime rate, increased loan balances on the Company's credit facility with Avidbank, and the closure of the Company's convertible note offering. As at September 30, 2023, the company had an outstanding loan balance of $6,460,363 under an accounts receivable line of credit with Avidbank, an increase of $2,596,753 from $3,863,610 as at December 31, 2022.

On August 16, 2023, the Company closed a non-brokered private placement financing of secured notes in the aggregate principal of $890,328 (CAD$1,200,000) and unsecured notes for aggregate gross proceeds of $399,052 (CAD$537,850) for total gross proceeds of $1,289,380 (CAD$1,737,850). Both secured and unsecured notes bear interest at the rate of 14% per annum.

Transaction costs

There were no transaction costs for the three months ended September 30, 2023. Transaction costs of $975 incurred during the three months ended September 30, 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 September 30, 2023, were $932,215, a decrease of $483,517, or 34%, from $1,415,732 compared to the same period of the prior year. On a sequential basis, research and technology costs decreased by 30%. Since its acquisition of Vidillion, Management has implemented several operational synergies and economies of scale that have resulted in cost reductions, including within our cloud storage and data analytics processes, which contributed to the declines.

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 September 30, 2023, was $145,791, a decrease of $14,295 from $160,086 in the same period of the prior year. The stock-based compensation granted in fiscal 2023 year-to-date is related to executive and non-executive and consultant compensation in the ordinary course of business.

Nine-month periods ended September 30, 2023, and 2022.

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 nine-month period ended September 30, 2023, were $10,496,989, an increase of $2,246,777 from $8,250,212 in the same period in the prior year. The year-over-year increase is primarily attributed to increases in sales and marketing headcount. The Company's heavy investment period in our sales and marketing apparatus continued through second quarter of 2022 (the full burden of which was felt in the current year's nine-month period), while the nine months ended September 30, 2023 also included sales and marketing costs from the Vidillion business, which was acquired in the second quarter of 2022. The Company continues to benefit from its investments in key markets, with sales from our growing New York office composing 28% of our sales for the nine months ended September 30, 2023. Furthermore, management notes that several of its cost and operational efficiency initiatives, which included headcount reductions in sales and marketing, did not take effect until the beginning of September 2023 and are expected to largely benefit the fourth quarter and into 2024. On a sequential basis, sales and marketing expenses, normalized for sales commissions, declined by 21% in comparison to the second quarter 2023

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, and administrative salaries and wages, employee meetings and office supplies. General and administrative costs for the nine months ended September 30, 2023 were $3,491,727, a decrease of $216,672 or 6% from $3,708,399 in the same period of the prior year. The year-over-year decrease was driven by Management's cost and operational efficiency initiatives.

Occupancy

Occupancy costs include short-term leases, utilities and incidental costs incurred throughout the Company's operating footprint. Occupancy costs for the nine months ended September 30, 2023, were $497,033, an increase of $92,952 from $404,081 in the same quarter of the prior year. The current year's nine-month period included short-term leases costs in Los Angeles, California, that was exited in the second quarter in favor of a longer-term lease commitment. Utility costs and incidental costs were also impacted by the return to office work in New York, Detroit, Los Angeles Surat, India and Hyderabad, India, where the Company holds long-term leases.

Finance costs

Finance costs for the nine months ended September 30, 2023, were $705,933, an increase of $252,603 from $453,330 compared to the same period of the prior year. The increase was primarily attributable to increases in the Wall Street Journal prime rate, increased loan balances on the Company's credit facility with Avidbank, and the closure of the Company's convertible note offering. As at September 30, 2023, the company had an outstanding loan balance of $6,460,363 under an accounts receivable line of credit with Avidbank, an increase of $2,596,753 from $3,863,610 as at December 31, 2022.

On August 16, 2023, the Company closed a non-brokered private placement financing of secured notes in the aggregate principal of $890,328 (CAD$1,200,000) and unsecured notes for aggregate gross proceeds of $399,052 (CAD$537,850) for total gross proceeds of $1,289,380 (CAD$1,737,850). Both secured and unsecured notes bear interest at the rate of 14% per annum which contributed towards increase in finance cost for the nine months ended September 30, 2023.

During the nine months ended September 30, 2023, 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 nine months ended September 30, 2023. Transaction costs of $156,752 incurred during the nine-month period ended September 30, 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, and costs associated with housing the required computer equipment and technologies. Research and technology costs for the nine months ended September 30, 2023, were $3,692,603, a decrease of $69,627, or 2%, from $3,762,230 compared to the same period of the prior year. Additional overhead acquired from through the acquisition of Vidillion, which was acquired on April 1, 2022 and did not impact the prior year's first quarter, were offset through Management's ongoing focus on cost optimization and efficiencies. Since its acquisition of Vidillion, Management has implemented several operational synergies and economies of scale that have resulted in cost reductions, including within our cloud storage and data analytics processes.

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, 2023, was $468,214, a decrease of $102,467 from $570,681 in the same period of the prior year. The stock-based compensation granted in fiscal 2023 year-to-date is related to executive and non-executive and consultant compensation in the ordinary course of business.

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 September 30, 2023, the Company capitalized $58,450 to Intangible Assets, compared to $73,681 in the comparable period in fiscal 2022. During the nine-month period ended September 30,

2023, the Company capitalized $100,679 to Intangible Assets, compared to $124,652 in the comparable period in fiscal 2022.

During the three months ended September 30, 2023, the Company amortized a total of $28,890 in development expenses, compared to $75,002 in the comparable period in fiscal 2022. During the nine-month period ended September 30, 2023, the Company amortized a total of $74,847 in development expenses, compared to $295,832 in the comparable period in fiscal 2022.

OUTLOOK

Despite facing challenging comparatives with the 2022 U.S. election cycle, the Company continued its expansion into the Connected TV/OTT market by delivering 23% revenue growth in the category for the nine months ended September 30, 2023, notwithstanding a material decline in political and advocacy CTV/OTT spend from the prior year's period. The decline was offset through continued strength across several verticals, including CPG, finance, and quick-service restaurant, as our core, non-political/advocacy CTV/OTT business continues to take market share during off-election cycles, growing 59% for the nine-month period compared to last year. The majority of Sabio's CTV impressions delivered are through direct supply gained via the acquisition of Vidillion, making Sabio one of the highest direct supply options amongst OpenWeb platforms in the CTV/OTT space, and supporting strong gross margins.

Moreover, during the nine months ended September 30, 2023, approximately 78% of consolidated revenues came from repeat customers as Sabio retained 90% of its top 20 customers, bringing more stability and larger deal sizes to its revenue model and gaining cost efficiencies. Additionally, our customer mix continues to become less transitory and more predictable. Approximately 22% of the revenues in the nine months ended September 30, 2023 were generated from top logos that did not spend with Sabio previously, further diversifying our sales mix.

While the macro headwinds impacting overall advertising spend were pronounced in the third quarter, Sabio was able to deliver Adjusted EBITDA profitability for the three-month period, aided through cost and operational initiatives to optimize our operating infrastructure. Management remains optimistic as we enter not only the strongest quarter of the year, but more significantly, the 2024 U.S. election cycle ahead. Category-specific events including the auto workers strike that impacted third quarter performance, came to positive resolutions subsequent to quarter-end. Ahead of 2024, Sabio has already secured over $10 million in non-political, upfront commitments, representing close to 25% of 2022's annual revenues. For comparison, during the fourth quarter of 2021, the Company had not secured any upfront endeavor to spend commitments for 2022 – a year in which annual revenues eventually reached a Company record, propelled by the U.S. mid-term elections. As political and advocacy budgets once again increase in the leadup to the U.S. Presidential election and down-ticket ballot races, Sabio is well-positioned for meaningful Adjusted EBITDA gains in 2024, benefiting from a more diversified sales mix, strong gross margins and a reduced break-even point. OPEX spend in the third quarter of 2023, normalized for sales commissions, decreased by 18% compared to the second quarter of 2023, with further efficiency gains anticipated in the quarters ahead as the full benefit of our reductions are realized.

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.

	Sep 30, 2023	June 30, 2023	March 31, 2023	Dec 31, 2022	Sep 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021
Revenue	8,814,642	7,987,682	6,481,572	17,606,761	11,919,696	7,200,957	5,578,318	10,590,624
Net Income (Loss)	(738,411)	(2,378,891)	(2,779,648)	2,016,200	657,774	(1,877,069)	(1,643,670)	548,824
Assets	16,374,906	15,180,650	14,756,666	21,790,734	16,375,042	12,476,313	11,650,424	13,449,690
Liabilities	19,223,875	17,584,489	14,971,383	19,442,680	16,337,049	13,288,109	12,245,695	12,653,916
Basic EPS	(0.02)	(0.05)	(0.06)	0.04	0.01	(0.04)	(0.04)	0.02

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.

In recent years, the Company has incurred substantial losses in the first half of the year before returning to profitability in the second half, where approximately 70% of annual revenues were generated. As of September 30, 2023, the Company had cash and cash equivalents of $2,201,089 as compared to $3,999,402 as at December 31, 2022, to settle current liabilities of $15,571,512 (December 31, 2022 - $17,833,811). We ended the third quarter with a net working capital deficit of $4,432,090, compared to a net working capital deficit of $355,257 at December 31, 2022. The change was primarily due to decreases in cash and cash equivalents, and draws on our credit facility with Avidbank to fund operating losses incurred during the nine months ended September 30, 2023. Sequentially, our net working capital improved from a deficit of $5,149,783 at June 30, 2023, driven primarily by the closure of the Company's convertible note offering during the third quarter.

The Avidbank credit facility was originally due to mature in the fourth quarter of 2023. Subsequent to quarter-end, the Company and Avidbank agreed on an extension of up to six-months (May 2024) for the bank's credit facility. The bank will assess for a longer-term renewal by February 21, 2024. The current extension maintains a $500,000 increase in credit available under the line, as amended during third quarter, in lieu of a $3 million increase contemplated under a previously executed term sheet based on higher anticipated receivable balances, and that management estimates would likely have resulted in a larger unused facility fee being incurred. Upon expiration, management intends to negotiate a longer renewal term. While there are no assurances that the Company will be successful in these endeavors, Management believes it has alternative sources of capital should the need arise to manage its operational requirements and meet its objectives over the next 12 months.

On August 16, 2023, the Company entered into agreement for issue of secured convertible notes (the "secured notes") and unsecured convertible notes (the "unsecured notes" and together with the "secured notes", the "notes") to raise aggregate gross proceeds of $1,289,380 (CAD $1,737,850) which comprises of the issuance of secured notes in the aggregate principal amount of $890,328 (CAD $1,200,000) and unsecured notes in the aggregate principal amount of $399,052 (CAD $537,850). The notes issued have a maturity date of August 16, 2025. The notes will be convertible in whole or in part, at the option of the holder, into common shares of the Company at a price of CAD $1.00 per common share at any time before or on the maturity date. The secured notes bear interest at the rate of 14% per annum payable semi-annually in arrears in cash or common shares at the option of the Company and are secured against accounts receivable, deposit account, intellectual property including general intangibles, notes receivable and other assets of the Company, as more particularly described in the security agreement between the Company and Pathfinder Asset Management Ltd., the lead investor acting as collateral agent for the benefit of itself and for the other secured note holders. The security interests are structurally subordinated to the first lien security interest of Avidbank. The Company may, at any time, prepay all or part of the principal amount of the secured notes plus accrued and unpaid interest without penalty or bonus, except for the case of repayment within the twelve months following the issue date, the holder will be entitled to receive a repayment amount that is equal to the principal amount and interest calculated for a period of twelve months from the issue date. The unsecured notes bear interest at the rate of 14% per annum payable monthly in cash. The Company may prepay the unsecured notes issued at any time after twelve months from the issuance date.

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, 2023	September 30, 2022
	$	$
Cash flows used in operating activities	**(4,954,023)**	1,352,270
Cash flows used in investing activities	**(100,679)**	(1,399,555)
Cash flows from financing activities	**3,256,389**	377,569
Net decrease in cash and cash equivalents	**(1,798,313)**	330,284
Cash and cash equivalents, beginning of period	**3,999,402**	3,280,335
Cash and cash equivalents, end of period	**2,201,089**	3,610,619

Cash provided by (used in) operating activities:

Our operating activities used $4,954,023 in cash for the nine months ended September 30, 2023, which resulted from $5,896,950 in net losses and $331,243 attributable to movements in non-cash working capital, that were

offset by $1,274,170 of non-cash adjustments. Decreases in deferred revenue, accounts receivable and in accounts payable and accrued liabilities primarily contribute to the movements in non-cash working capital.

Cash provided by (used in) investing activities:

For the nine months ended September 30, 2023, cash used in investing activities was $100,679, which consisted of development costs related to internally generated intangible assets, compared to cash used for development costs of $124,652 for the nine months ended September 30, 2022. The prior year's nine-month period also included cash consideration of $1,250,000 paid for the acquisition of Vidillion Inc. and share issuance costs of $24,903 incurred for the issuance of 1,685,079 common shares as share consideration for the Vidillion acquisition.

Cash provided by (used in) financing activities:

Cash provided by financing activities for the nine months ended September 30, 2023, was $3,256,389 which was primarily due to:

- The Company drew a net amount of $2,596,753 on its credit facility with Avidbank.
- The Company received net proceeds of $1,239,158 from issuance of secured and unsecured convertible notes.
- 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 $52,349 from the exercise of 432,886 stock options.

The proceeds received from the Company's financing activities were also partially offset by lease payments during the current nine-month period.

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 September 30, 2023, the Company was entitled to issue a maximum of 4,694,412 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	330,000	0.74
Exercised	(432,886)	0.12
Forfeited	(207,329)	0.62
Balance, September 30, 2023	**2,833,866**	**0.63**

Restricted Stock Units

As at September 30, 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. 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	1.94
Granted	353,793	0.74	2.51
Vested and redeemed	(87,333)	0.76	1.94
Balance, September 30, 2023	**923,773**	**0.67**	**1.62**

Warrants

There were no warrants issued during the nine months ended September 30, 2023, and the year ended December 31, 2022. A summary of changes in warrants during the nine months ended September 30, 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	(365,672)	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 Transaction	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 September 30, 2023	**4,178,139**	**0.57**

CONTRACTUAL OBLIGATIONS

The following are the contractual maturities for the financial liabilities as at September 30, 2023:

September 30, 2023	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**8,549,575**	8,549,575	-	-	-
Lease liability	**3,396,238**	869,182	1,398,385	1,128,671	-
Loans payable	**8,074,776**	6,460,363	1,140,865	25,468	448,080
	20,020,589	15,879,120	2,539,250	1,154,139	448,080

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

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 September 30, 2023 includes:

(i) $6,460,363 outstanding under an accounts receivable line of credit with Avidbank. The facility, amended on July 31, 2023 to accommodate the Company's convertible debt offering in August 2023, 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 $7,500,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% to 4%, with a floor between 9.5% to 12.5%. Under the facility, the Company can pledge its accounts receivable to Avidbank in order to receive funds up front to improve its cash flows. If a pledged invoice is uncollectible within 120 days to 150 days from the invoice date, the Company would be liable to repay the unpaid amounts along with fees relating to invoice processing stemming from customer disputes, breach of representation or warranty, customer insolvency or unwillingness to pay, or default. At the end of the third quarter of 2023, there was $1.04 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 was originally due to mature in the fourth quarter of 2023. Subsequent to quarter-end, the Company and Avidbank agreed on an extension of up to six-months (May 2024) for the bank's credit facility. The bank will assess for a longer-term renewal by February 21, 2024. The current extension maintains the $500,000 increase in credit available under the line, in lieu of a $3 million increase contemplated under a previously executed term sheet based on higher anticipated receivable balances, and that management estimates would likely have resulted in a larger unused facility fee being incurred. Upon expiration, management intends to negotiate a longer renewal term. While there are no assurances that the Company will be successful in these endeavors, Management believes it has alternative sources of capital should the need arise to manage its operational requirements and meet its objectives over the next 12 months; and

(ii) Secured convertible notes (the "secured notes") in the aggregate principal of CAD$1,200,000 and unsecured convertible notes (the "unsecured notes" and together with the "secured notes", the "notes") for aggregate gross proceeds of CAD$537,850 for total gross proceeds of CAD$1,737,850 that the Company closed on August 16,

2023, through a non-brokered private placement financing. The notes will mature on August 16, 2025. The notes will be convertible in whole or in part, at the option of the holder, into common shares in the capital of the Company ("common shares") at a price of CAD$1.00 ("conversion price") per common share at any time before or on the maturity date. The unsecured notes bear interest at the rate of fourteen percent (14%) per annum payable as of the maturity date, except that: (i) the interest on the unsecured note issued to Mr. Aziz Rahimtoola – the Company's Chief Executive Officer - will be payable monthly; and (ii) the Company may prepay the unsecured note issued to Mr. Aziz Rahimtoola any time after twelve months from the issuance. The secured notes bear interest at the rate of fourteen percent (14%) per annum payable semi-annually in arrears in cash or common shares at the option of the Company and are secured against all personal property and assets of the Company. The security interests are structurally subordinated to the first lien security interest of Avidbank. The secured notes can be prepaid in all or a part of the principal plus accrued and unpaid interest without penalty or bonus,except for the case of repayment within the twelve months following the issue date, the holder will be entitled to receive a repayment amount that is equal to the principal amount and interest calculated for a period of twelve months from the issue date. The carrying amount of the convertible notes as of September 30, 2023 was $1,124,413.

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 non-lease components for maintenance charges and usage charges amounting to $548,097 for the 67-month term.

The future minimum commitment for these contracts as at September 30, 2023 is as follows:

Within one year	$	75,159
Less than one year and not longer than five years		629,202
Thereafter		106,348
	$	**810,709**

RELATED PARTY TRANSACTIONS

At September 30, 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 $61,406 ($60,956 as at December 31, 2022), with the interest rate of 1% per annum receivable from Simon Wong, an Officer of the Company. During the second quarter of 2023, the loan was extended for two (2) additional years and is due on July 15, 2025.

On August 16, 2023, the Company entered into an agreement for issue of secured convertible notes and unsecured convertible notes. As a part of this offering, Aziz Rahimtoola, Chief Executive Officer of the Company, subscribed for an unsecured note in the aggregate principal amount of $399,052 (CAD $537,850). The unsecured Notes will be

convertible in whole or in part, at the option of the holder, into common shares of the Company at a price of CAD$1.00 per common share at any time before or on the maturity date. The unsecured notes bear interest at the rate of 14% per annum payable monthly in cash. The Company may prepay the unsecured notes issued at any time after twelve months from the issuance.

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 nine months ended September 30, 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 nine months ended September 30, 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 September 30, 2023, there were (i) 46,944,115 common shares issued and outstanding, (ii) 2,833,866 stock options outstanding with a weighted average exercise price per common share of $0.63 and a weighted average contractual life of 7.82 years, (iii) 4,178,139 warrants outstanding with a weighted average exercise price per warrant of $0.57 and a weighted average contractual life of 0.91 year and (iv) 923,773 RSUs outstanding with a weighted average grant price of $0.67 and a weighted average contractual life of 1.62 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) 4,178,139 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 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 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 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 and Canada. The movement of foreign currencies, such as the Sterling Pound, 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 October 20, 2023, 2,500 share options of the Company were granted to certain officers and 85,000 share options of the Company were granted to certain employees, at an exercise price of CAD $0.4 and 270,000 restricted stock units ("RSUs") of the Company were granted to certain independent directors of the Company at the grant-date fair-value of the Company's common shares of CAD $0.4. 65,000 of the options will vest quarterly over thirty-six months, while the remaining 22,500 of the options will vest quarterly over 1 year. The RSUs will vest on the first anniversary of the grant date.

On October 24, 2023, the Company entered into a share exchange agreement with certain shareholders (the "participating shareholders") whereby the Company agreed to purchase from the participating shareholder for fair market value, on the terms and conditions contained in the Share Exchange Agreement, 1,271,127 exchanged shares. The Company satisfied the purchase price for the exchange shares by issuing to the participating shareholder an equivalent number of convertible restricted voting shares in the capital of the Company.

On November 16, 2023, the Company and Avidbank agreed on an extension of up to six-months (May 2024) for the bank's credit facility. The bank will assess for a longer-term renewal by February 21, 2024. The current extension maintains a $500,000 increase in credit available, as amended for during the third quarter of 2023, and provides an Accounts Receivable Line of Credit, with $7,500,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% to 4%, with a floor between 9.5% to 12.5%.

On November 20, 2023, arrangements were agreed to between the Company and certain Canadian, arms-length parties, pursuant to which, and subject to final execution of definitive documentation, would effect the exercise of an aggregate of 2,804,702 share purchase warrants at an exercise price of CAD$0.21 previously issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes (the "Notes") between the Company and warrant holders. The principal amount outstanding under the 3 year-term would bear interest at the Prime Rate and mature on December 31, 2026, subject to the terms of the Note which provide, in certain limited circumstances, accommodations including potential forgiveness and/or share cancellation qualifications, should the exercise price exceed public market values at the date of maturity.