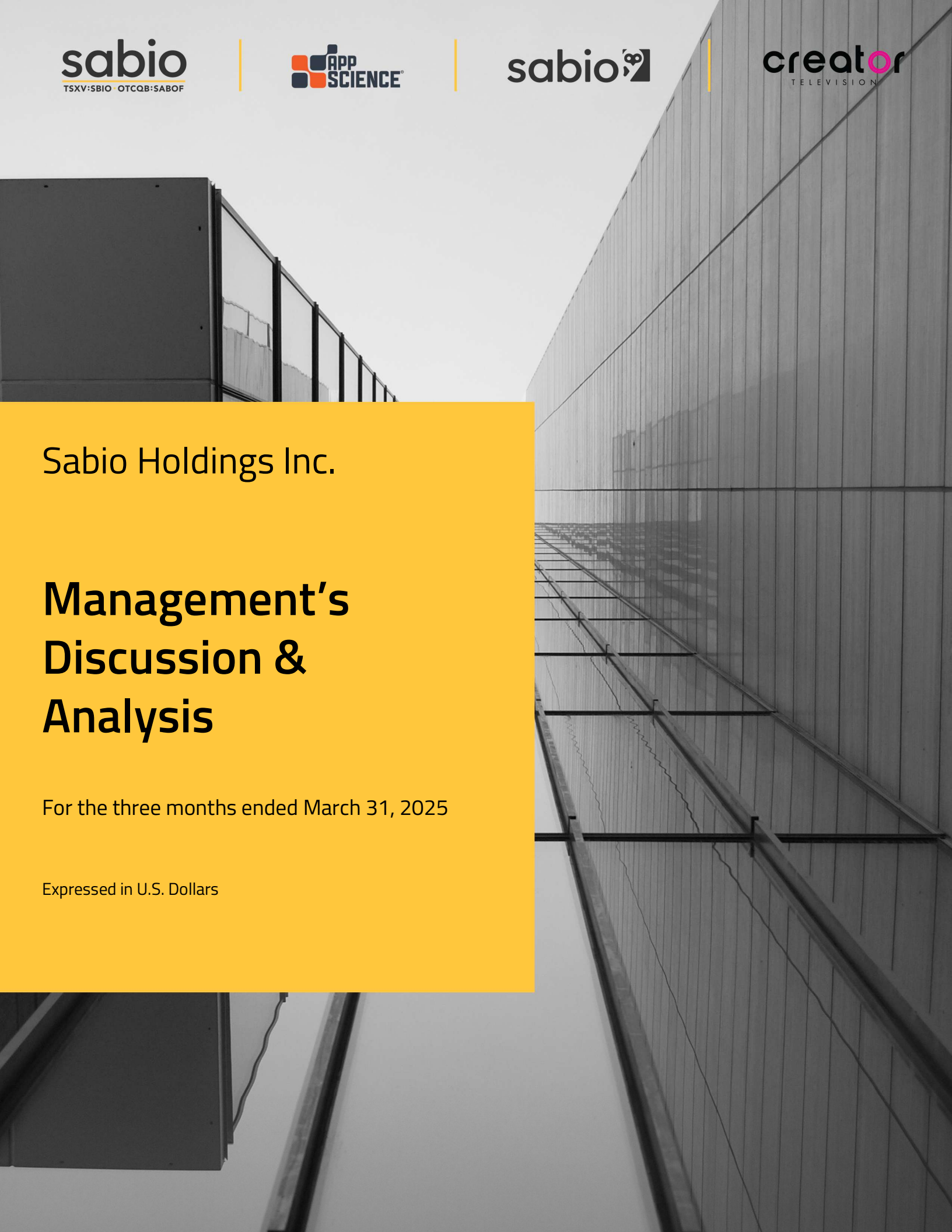


Sabio Holdings Inc.

Management's Discussion & Analysis

For the three months ended March 31, 2025

Expressed in U.S. Dollars

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

The Management's Discussion and Analysis ("MD&A") explains the variations in the consolidated operating results and financial position and cash flows of Sabio Holdings Inc. ("Sabio" or the "Company") (formerly Spirit Banner II Capital Corp., hereafter referred to as "Spirit") as at and for the three months ended March 31, 2025. References in this MD&A to "us", "we" and "our" mean Sabio unless otherwise stated.

This analysis should be read in conjunction with Sabio's Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2025, 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 IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), 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 ("Management") is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made herein. The Company's Board of Directors ("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 Condensed Interim Consolidated Financial Statements.

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

This MD&A is dated and approved by the Board of Directors as of May 27, 2025.

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

Non-IFRS Measures

The Company prepares its Condensed Interim Consolidated Financial Statements in accordance with IFRS. Non-IFRS measures are used by management to provide additional insight into Sabio's performance and financial condition. The Company believes non-IFRS measures are an important part of the financial reporting process and are useful in communicating information that complements and supplements the Condensed Interim Consolidated Financial Statements. This MD&A also includes certain measures which have not been prepared in accordance with IFRS, such as Adjusted EBITDA. To evaluate the Company's operating performance as a complement to results provided in accordance with IFRS, the term "Adjusted EBITDA", as defined by Management, refers to net income (loss) before adjusting earnings for finance costs, interest earned, transaction costs, gain or loss on loan forgiveness, income taxes, state and local taxes (recovery), stock-based compensation, amortization, gain or loss on lease modification, impairment loss, settlement fees, foreign exchange differences, severance costs, and gain (loss) on disposal of intangibles. Management believes that the items excluded from Adjusted EBITDA are not connected with and do not represent the operating performance of the Company.

Management believes 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, impairment, restructuring costs, other expense (income), and foreign exchange (gain) loss. Accordingly, Management believes 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 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 was incorporated under the Business Corporations Act of Ontario, Canada on September 29, 2017. The registered corporate office is located at 150 King Street West, Suite 200, Toronto, Ontario, M5H 1J9. The corporate head office of the Company is located at 315 Culver Boulevard, Playa Del Rey, California, 90293.

Sabio is a technology and services leader in the fast-growing ad-supported streaming space. Since 2015, the Company has enabled brands and their agencies to enhance advertising effectiveness on streaming TV and mobile apps. Sabio's core differentiation involves leveraging its continuously updated database of 80 million U.S. households, collected in App Science—a non-cookie-based software-as-a-service (SaaS) analytics and insights platform featuring AI-powered natural language capabilities, with continuously updated mobile and streaming TV device user data to precisely reach, engage, and validate target audiences.

Sabio's customers include many of the most significant U.S. brands and advertising agencies. Led by a team of experienced ad-tech executives and media professionals, the Company employs more than 100 individuals across the U.S., Canada, India and the United Kingdom.

On November 19, 2021, Sabio successfully completed a reverse takeover transaction with Spirit, resulting in the acquisition of all securities of Spirit by Sabio's U.S.-based subsidiary, Sabio, Inc. The company was renamed "Sabio Holdings Inc." and began trading on the TSX Venture Exchange on November 26, 2021 under the ticker "SBIO" as a Tier 2 technology issuer.

Significant developments during the three months ended March 31, 2025, and to the date of this report include the following:

- On May 16, 2025, 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 May 24, 2025 and ending May 23, 2026, purchase up to 883,550 shares in total, being 5% of the total number of 17,671,006 shares outstanding as at April 30.

- The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention tax credit ("ERTC") which was a refundable tax credit against certain employment taxes. The Consolidated Appropriations Act extended and expanded the availability of the ERTC through December 31, 2021. Subsequent to quarter-end (April 2025), the Company received payments from the U.S. Internal Revenue Service ("IRS") aggregating to $583,069 from ERTC claims covering the first and second quarters of 2021, inclusive of accrued interest. Note: As this payment was received subsequent to Q1 2025, it is not included in the reported cash balance.

- On March 21, 2025, 617,456 share options of the Company were granted to certain directors and employees of the Company and 25,000 share options were granted to a consultant at an exercise price of CAD $0.62 ($0.43). The options granted to directors and employees will vest quarterly from the grant date over a three-year vesting period while the options granted to the consultant will vest quarterly from the grant date over one-year vesting period.

- On March 3, 2025, the Company entered into a new office lease on the second floor of 10 Crosby (also known as 444 Broadway), New York with Madison Capital Madison 444 Realty LLC. The lease commences on April 1, 2025 and expires on June 30, 2028. The total lease payments over the term amount to $1,476,992, including non-lease components for maintenance and usage charges.

- On February 20, 2025, the Company announced a partnership with Sling TV, a leading streaming service and subsidiary of EchoStar Corporation, for distribution of its Creator Television (Creator TV) Free Ad-Supported Television (FAST) channel on its platform, Sling Freestream. This partnership marks a significant step in the expansion of Creator TV's reach, ensuring that the diverse and authentic voices it showcases can connect with the broad audiences on Sling Freestream, particularly Gen Z and millennial audiences. Creator TV spotlights multi-talented creators, bridging the gap between social media storytelling and today's streaming TV content. With Creator TV now available on Sling Freestream, audiences can gain access to a unique lineup of programming from the vibrant creator community. Combined with Plex's international audience, Creator TV's potential reach is now available to over 20 million U.S. and international viewers.

- On February 14, 2025, the Company announced that Computershare Investor Services Inc. has replaced TSX Trust Company as the registrar and transfer agent of the Company effective February 14, 2025.

- On February 11, 2025, the Company announced that its App Science platform's household graph (a specialized database) now comprises 80 million households, representing 70% of all U.S. streaming households. This milestone highlights the platform's ability to track and analyze streaming TV audiences through a vast dataset that includes mobile devices, connected TVs, and other streaming platforms. The household graph is a privacy-compliant, continuously updated database that captures rich consumer behavior data while adhering to evolving regulatory standards, enabling advertisers to precisely target audience segments.

- On January 30, 2025, the Company launched Creator TV, its owned-and-operated Free Ad-Supported Television (FAST) channel that targets the valuable Gen Z and millennial audiences. Creator TV spotlights multi-talented, diverse creators, bridging the gap between social media storytelling and today's streaming TV content. As part of this launch, global streaming media company, Plex, will distribute Creator TV internationally. Creator TV is pivotal to the Company's strategy to expand into large international markets such as India.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

The following table provides selected financial information for the Company's recent operations for the three months ended March 31, 2025, and 2024. This information should be read together with the Condensed Interim Consolidated Financial Statements.

	For the three months ended	
	March 31, 2025	March 31, 2024
	$	$
Revenues	**9,087,266**	6,351,533
By source:		
Mobile display	**1,987,290**	1,257,365
Ad-Supported Streaming	**6,844,175**	4,878,119
Other	**255,801**	216,049
Gross Profit	**5,556,419**	3,762,004
Adjusted EBITDA (1)	**(1,601,577)**	(1,308,784)
Loss from operations	**(1,984,876)**	(1,685,812)
Net loss	**(2,293,202)**	(2,012,107)

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

Revenue:

Sabio generates most of its revenue by reaching, engaging, and validating streaming (R.E.V.) audiences in a highly fragmented media ecosystem. In addition, through its proprietary, end-to-end technology stack, its AppScience, Inc. subsidiary provides unique, ROI-focused analytics and insights to help its clients validate and optimize their ad spend. Sabio's supply-side platform ("SSP") and newly launched streaming channel, Creator TV, leverage direct relationships with streaming platforms for both pricing and margin efficiency. This ecosystem also leads to a high reoccurring business model, as evidenced by Sabio's 91% reoccurring revenue rate in the first quarter of 2025.[1] Overall, Sabio tracks 110 million connected TV devices and 280 million mobile devices in 80 million validated U.S. households that use platforms such as Roku, Amazon Fire, Plex, Sling, Apple TV+, Samsung TV, Vizio, and LG, amongst others, reaching approximately 70% of U.S. streaming households.

Sabio sells to brands through their respective advertising agencies. Revenue from advertising is largely generated through video and display advertising delivered through ad impressions, which are typically sold on a cost-per-

[1] Excluding Sabio's new international business, Sabio London Limited, which generated its first material revenues in Q4 2024.

thousand (CPM) basis. Revenue is recognized as ad impressions are delivered. On the Company's newly launched Creator TV streaming channel, revenue on delivered ad impressions is recognized net of any applicable revenue-sharing arrangements. Revenue for AppScience, Inc. is generated via the sales of insights reports and brand study reports and licenses to use the App Science platform.

Consolidated revenues for the three months ended March 31, 2025, composed primarily of ad-supported streaming and mobile display sales, increased 43% to $9,087,266 from $6,351,533 for Q1 2024, an increase of $2,735,733. This was the fourth consecutive quarter of double-digit topline growth, while holding gross margins above 60%. The increase in revenues was fully organic, and across a diversified set of geographies, led by double-digit growth rates from the Company's Chicago, New York, Washington, DC, and Detroit offices, as well as triple-digit growth from its growing European footprint.

By segment, ad-supported streaming sales for the three months ended March 31, 2025 increased by 40% to $6,844,175 from $4,878,119 for Q1 2024, an increase of $1,966,056. This was the fifth consecutive quarter of double-digit ad-supported streaming sales growth. The increase in revenues was spread across several verticals, including telecom, quick-service restaurants, travel & tourism, automotive, technology, finance, and legal & professional services.

Ad-supported streaming TV, one of digital advertising's fastest-growing arenas, is the Company's dominant sales category. Notably, the sales model for streaming TV advertising offers inherent cost efficiencies versus mobile display advertising (where campaign parameters often require more customization). Ad-supported streaming TV represented 75% of its sales mix for the quarter. Sabio's rapid growth in this category reflects the Company's ability to leverage its proprietary data to deliver marketable insights in an increasingly fragmented media landscape – without the use of increasingly obsolete cookie-based tracking methods. These insights drive a more powerful connection to target audiences, helping brands and political advertisers effectively reach, engage, and validate ("R.E.V.") audiences in a fragmented media ecosystem. In Management's view, Sabio's ability to reach increasingly diverse cord-cutters—wherever they stream content—positions the Company well as its ad-supported streaming business continues to outpace industry trends.[2]

Through its demand-side platform ("DSP") and ad server, Sabio provides targeted campaigns solutions to top agencies and brands by monetizing the Sabio SSP ad slots, as well as via other third-party ad-supported streaming apps.

With its expertise in using mobile device user data for precise audience targeting, the Company is uniquely positioned to provide next-level consumer behavior analytics for a wide range of consumer marketers. To this end, Sabio has established a wholly-owned subsidiary, AppScience, Inc., to more broadly commercialize the App Science platform's analytics and validation capabilities.

For the three months ended March 31, 2025, mobile display ad sales increased 58% to $1,987,290 from $1,257,365 for the three months ended March 31, 2024, an increase of $729,925. The increase was primarily driven by cross-selling the Company's ad supported streaming offerings.

[2] Interactive Advertising Bureau (IAB), "US CTV advertising forecast to grow 13% to $26.6B in 2025", https://www.streamtvinsider.com/advertising/us-ctv-advertising-forecast-grow-13-266b-2025.

Cost of Sales and Gross Margins:

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

	For the three months ended	
	March 31, 2025	March 31, 2024
	$	$
Revenues	**9,087,266**	6,351,533
Cost of sales	**3,530,847**	2,589,529
Gross profit	**5,556,419**	3,762,004

Cost of sales consists of purchased ad inventory, production, and technical service costs and fees, in addition to data center, bandwidth, and cloud hosting costs connected to our revenue-producing platforms. For the three months ended March 31, 2025, cost of sales was $3,530,847 compared to $2,589,529 for Q1 2024. The 36% increase of $941,318 was attributable to the revenue growth and cost of sales efficiencies realized during the period. Gross profit margin improved to 61% for the three-months ended March 31, 2025, compared to 59% for Q1 2024, as Sabio continued to leverage its end-to-end technology stack, including the App Science platform's audience segments and analytics, and Sabio SSP ad slots.

Reconciliation of Net income (loss) to Adjusted EBITDA for the three months ended March 31, 2025, and 2024:

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

	For the three months ended	
	March 31, 2025	March 31, 2024
	$	$
Net loss for the period	**(2,293,202)**	(2,012,107)
Adjustments		
Finance costs	**295,561**	314,346
Interest earned	**(9,899)**	(8,092)
Amortization of intangible assets	**44,860**	51,147
Stock-based compensation	**54,685**	46,177
Loss on lease termination	**20,275**	-
Gain on lease modification	**(7,317)**	-
Amortization of lease	**141,449**	179,552
Income taxes	**12,765**	11,949
Foreign exchange differences	**2,881**	2,043
State and local taxes	**29,105**	19,868
Severance expenses	**107,260**	86,333
Total adjustments	**691,625**	703,323
Adjusted EBITDA (1)	**(1,601,577)**	(1,308,784)

Adjusted EBITDA for the three-month period ended March 31, 2025, was a loss of $1,601,577, an increase of $292,793, compared to a loss of $1,308,784 for Q1 2024. A $771,920 increase in cloud computing costs over the prior year's first quarter included one-time investments that will enhance the Company's data security and facilitate a robust data platform for continued growth. Going forward, Management expects its cloud costs to normalize (see "Research and technology" section below).

For the three months ended March 31, 2025, non-recurring adjustments included:

- A gain of $7,317 resulting from the adjustment of lease liabilities and a related loss on lease termination of $20,275 to associated right-of-use assets connected to the early termination of its office lease in Surat, India; and
- Severance expenses of $107,260 resulted from operational efficiency initiatives undertaken by Management.

Operating Expenses:

The following table summarizes various expenses for the three months ended March 31, 2025, and 2024:

	For the three months ended	
	March 31, 2025	March 31, 2024
	$	$
Sales and marketing	**3,688,689**	2,838,658
General and administrative	**1,462,547**	1,139,307
Occupancy cost	**197,066**	175,120
Finance costs	**295,561**	314,346
Research and technology costs	**1,939,661**	1,017,855
Stock-based compensation	**54,685**	46,177
Amortization of intangible assets	**44,860**	51,147

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 Sabio's sales, marketing, and account management teams. Sales and marketing expenses for the three months ended March 31, 2025, were $3,688,689, an increase of $850,031 (30%) from $2,838,658 for Q1 2024, or 32% normalized for commissions and bonuses. The increase is primarily attributable to investments in Sabio's domestic and international salesforce since Q1 2024, and costs in support of the Company's new programmatic, performance, and Creator TV offerings. The Company has increased its sales force by nearly 50% in the last 12 months, with the majority of hires added within the last 6 months. While the substantial benefits of these investments are expected to be realized in the second half of the year and into 2026, the Company has already realized a meaningful, early return on these initiatives, as demonstrated by its industry-leading 43% organic, consolidated revenue growth rate during the quarter.

General and administrative

General and administrative costs include legal and professional fees, employee training, bank charges, contractors, administrative salaries and wages, employee meetings and office supplies. General and administrative costs for the three months ended March 31, 2025, were $1,462,547, an increase of $323,240 (28%) from $1,139,307 in Q1 2024 The increase was primarily attributable to increase in audit & taxation fees, and headcount additions since the first quarter of 2024 to support the Company's continued growth, both domestically and abroad.

Occupancy

Occupancy costs include short-term leases, utilities and incidental costs incurred throughout the Company's operating footprint. Occupancy costs for the three months ended March 31, 2025, were $197,066, an increase of $21,946 (13%) from $175,120 in Q1 2024.

Finance

Finance costs for the three months ended March 31, 2025, were $295,561, a decrease of $18,785 (6%) from $314,346 for Q1 2024.

As at March 31, 2025, the company had an outstanding loan balance of $5,050,339 under an accounts receivable line of credit with SLR Digital Finance, a decrease of $169,048, from the balance of $5,219,387 as at December 31, 2024, as the Company used a portion of free cash flow generated by its operations to reduce its debt load.

Research and technology

Research and technology costs consist primarily of cloud storage costs associated with running and maintaining Sabio's proprietary ad-server, App Science analytics platform, and related headcount costs. The majority of such costs are comprised of cloud computing, salaries & wages and data and analytics costs. Research and technology costs for the three months ended March 31, 2025, were $1,939,661, an increase of $921,806 (91%) compared to Q1 2024, primarily due to cloud storage costs (84% of the increase). To enhance security and facilitate the robust growth, Sabio continues to see in its existing and new product offerings, during the quarter, the Company performed a one-time migration of legacy Sabio SSP (formerly known as "Vidillion") and new direct supply integrations into Sabio's secure and scalable AWS platform. This led to higher-than-normal infrastructure costs, with cloud computing costs increasing by $771,910 compared to the first quarter of 2024. Going forward, Management anticipates its cloud costs – which included bandwidth costs related to the one-time transfer of data – will normalize.

Stock-based compensation

The Company uses its Omnibus Equity Incentive Plan for employee compensation, retention, and incentives. Stock-based compensation for the three months ended March 31, 2025, was $54,685, an increase of $8,508 (18%) from $46,177 in Q1 2024. Stock-based compensation granted in the quarter was related to executive and non-executive compensation in the ordinary course of business.

Research and Development Expenditures:

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

During the three months ended March 31, 2025, the Company capitalized $7,325 to Intangible Assets, compared to $35,274 in Q1 2024.

During the three months ended March 31, 2025, the Company amortized a total of $31,581 in development expenses, compared to $37,868 in Q1 2024.

OUTLOOK

In the first quarter, Sabio continued its double-digit revenue growth for the fourth consecutive quarter with 43% year-over-year revenue growth. This success was driven by strong advertiser demand, broader client adoption in key verticals, and expansion into new geographies in combination with product offerings introduced in 2024 and previous investments made. The Company's ad-supported streaming business surged 40% during the quarter, highlighting Sabio's ability to capture market share - significantly outpacing the forecasted 13% growth rate in the U.S. Connected TV market at-large. Management believes that, with brands and marketers increasingly moving away from linear TV and traditional marketing, ad-supported streaming is becoming more central to their advertising strategies.

As the Company enhances its operating infrastructure, management believes its sales trajectory is becoming increasingly predictable, helping mitigate risks in Sabio's revenue model, as illustrated by:

- A robust 39% compound annual growth rate (CAGR) since 2020;
- Remarkable rates of reoccurring revenue - 91% of Q1 2025 consolidated revenues (excluding political & advocacy ad sales) came from repeat customers, up from 85% in Q1 2024 and 79% in Q1 2023, reflecting the unique capabilities of the App Science platform and its increasingly rich data set;
- Increased sales pipeline visibility - securing approximately $15 million in upfront media commitments for 2025 (vs $12 million in 2024);
- The ongoing addition of top-tier clients - 25% of the brands spending in Q1 2025 were new to Sabio; and
- The most diversified vertical revenue mix in Sabio's history, with no vertical representing more than 19% of sales.

The Company has begun applying its sales model to geographies outside the U.S., including the United Kingdom, whose revenues continues to compound revenues at triple-digit growth rates, while expanding its global product offerings. Sabio plans to continually assess new product channels and verticals, as well as other potential opportunities that will add value or complement its market position and product mix within the ad-supported streaming space.

Looking ahead, Sabio is currently on track to surpass its record-setting 2024 sales performance. Due to the seasonal nature of the Company's business, revenue generation in the first half of the fiscal year is expected to be lower than in the second half(In 2024, consolidated revenues for the third and fourth quarters were 125% higher than those of the first and second quarters.). Similar to the strong 2024 reported results, Management anticipates that the investments made to support year-over-year growth may marginally offset incremental revenues in the first half of the year, with a turn to Adjusted EBITDA profitability in the latter half. In spite of this cost cyclicality, Sabio's double-digit growth in Q1 2025 indicates strong momentum as it moves toward the second half of the fiscal year. In the near term, Management remains cautious due to the broader economic environment and uncertainties concerning potential tariffs and other factors that may impact customer spending. Nonetheless, with an expanded Sales Force and improved IT infrastructure in place, Sabio expects double-digit consolidated revenue gains to continue into Q2 2025.

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.

	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	June 30, 2023
Revenue	9,087,266	18,301,162	16,052,759	8,897,431	6,351,533	12,671,038	8,814,642	7,987,682
Net Income (Loss)	(2,293,202)	1,194,528	1,749,633	(1,042,929)	(2,012,107)	1,132,414	(738,411)	(2,378,891)
Assets	16,219,624	23,110,312	19,962,987	15,875,407	14,861,763	20,181,393	16,374,906	15,180,650
Liabilities	19,393,652	24,081,959	22,159,200	19,886,480	17,892,887	21,262,110	19,223,875	17,584,489
Basic EPS	(0.05)	0.02	0.03	(0.02)	(0.04)	0.02	(0.02)	(0.05)

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.

Sabio intends to use its operating income and funds on hand to meet funding requirements for the development and commercialization of its products and services, based on anticipated market demand and working capital purposes. Actual funding requirements will vary depending on a variety of factors, including Sabio's success in executing its business plan, the progress of research and development efforts, commercial sales, and the Company's ability to manage working capital requirements.

While Sabio 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 its liquidity. If 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 it raises additional funds by issuing equity or equity-linked securities, the ownership of existing stockholders will be diluted. If it raises additional financing by incurring additional indebtedness, Sabio may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on its ability to incur further debt, and other operating restrictions that could adversely impact the Company's ability to conduct its business. Any further indebtedness 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.

The three-year credit facility between the Company and SLR Digital Finance provides for a $10 million senior-secured revolving credit facility at an interest rate of the greater of: (i) Prime rate plus 2.15%, or (ii) 8.5%, and is secured against all assets of the Company. The facility is used to borrow against eligible accounts receivable of the Company before they are collected on, which have historically experienced nominal loss rates and is reflective of a customer base largely composed of the most significant U.S. brands and advertising agencies. When accounts receivables are collected on, the amounts received are first directly paid towards the outstanding loan balance, which the Company can then use for working capital purposes through subsequent withdrawals, subject to availability under the facility. As a result, the facility is continuously being repaid as accounts receivables on sales are collected on.

As of March 31, 2025, the Company had cash of $3,820,492 as compared to $3,300,439 as at December 31, 2024, to settle current liabilities of $17,787,377 (December 31, 2024 - $22,377,617). The Company ended the first quarter with a net working capital deficit of $5,910,658, compared to a net working capital deficit of $3,800,993 at December 31, 2024. Included in the working capital deficit is the Company's revolving credit facility with SLR Digital Finance, with a balance at quarter-end of $5,050,339. Outstanding balances under the revolving facility are classified in full as a current liability, although Management believes the facility in substance provides long-term stability through its multi-year term.

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 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 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. They are secured against the Company's accounts receivable, deposit account, intellectual property (including general intangibles), notes receivable and other assets, as more particularly described in its security agreement with Pathfinder Asset Management Ltd., the lead investor acting as collateral agent for the benefit of itself and for the other secured note holders. These security interests are structurally subordinated to the first lien security interest held by SLR Digital Finance. 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 cash provided by (used in) operating, investing, and financing activities for the periods indicated:

	For the three months ended	
	March 31, 2025	March 31, 2024
	$	$
Cash flows from operating activities	**971,888**	2,323,724
Cash flows used in investing activities	**(7,325)**	(35,274)
Cash flows used in financing activities	**(444,510)**	(2,580,566)
Net increase (decrease) in cash	**520,053**	(292,116)
Cash, beginning of period	**3,300,439**	2,612,112
Cash, end of period	**3,820,492**	2,319,996

Cash provided by (used in) operating activities:

Operating activities generated $971,888 in cash for the three months ended March 31, 2025, which primarily resulted from $2,293,202 in net losses, which were offset by $2,962,760 attributable to movements in non-cash working capital and $322,055 of non-cash adjustments. The decrease in accounts receivable and accounts payable and accrued liabilities was the primary contributor to the movements in non-cash working capital.

Cash provided by (used in) investing activities:

For quarter ended March 31, 2025, cash used in investing activities was $7,325, which consisted of development costs related to internally generated intangible assets, compared to cash used for development costs of $35,274 for Q1 2024.

Cash provided by (used in) financing activities:

Cash used in financing activities for the quarter ended March 31, 2025, was $444,510, which was primarily due to the Company's:

- Use of $169,048 in cash generated from its operations to reduce the principal balance under its credit facility with SLR Digital Finance to $5,050,339 from $5,219,387; and
- Payments of $269,422 toward its lease liabilities.

Security-based compensation:

On June 29, 2022, shareholders of the Company approved a replacement Omnibus Equity Incentive Plan. Under the plan, the Company issues security-based compensation, including options and restricted stock units.

Stock options:

As at March 31, 2025, the Company was entitled to issue a maximum of 5,058,280 share options outstanding under the Omnibus Equity Incentive Plan, compared to 5,054,949 as at December 31, 2024.

The following table summarizes the continuity of stock options issued by the Company under the Omnibus Equity Incentive Plan:

Measurement date	Number of Options	Weighted average exercise price
	#	$
Balance, December 31, 2023	2,841,731	0.63
Granted	350,000	0.24
Exercised	(33,359)	0.17
Forfeited	(652,207)	0.66
Balance, December 31, 2024	2,506,165	0.57
Granted	642,456	0.43
Forfeited	(39,999)	0.88
Balance, March 31, 2025	**3,108,622**	**0.54**
Options exercisable, December 31, 2024	1,947,588	0.60
Options exercisable, March 31, 2025	**2,044,438**	**0.57**

Restricted stock units (RSUs):

As at March 31, 2025, 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 RSUs issued by the Company under the Omnibus Equity Incentive Plan:

Measurement date	Number of RSUs	Weighted average grant price
	#	$
Balance, December 31, 2023	778,627	0.59
Granted	320,585	0.36
Forfeited	(131,668)	0.74
Vested and redeemed	(479,548)	0.49
Balance, December 31, 2024	487,996	0.49
Forfeited	(8,335)	0.74
Vested and redeemed	(38,817)	0.75
Balance, March 31, 2025	**440,844**	**0.47**

CONTRACTUAL OBLIGATIONS

The following are the contractual maturities for the financial liabilities as at March 31, 2025:

March 31, 2025	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**11,161,811**	11,161,811	-	-	-
Lease liability	**1,897,264**	504,574	1,026,314	366,376	-
Loans payable	**6,680,991**	6,240,991	25,873	29,333	384,794
	19,740,066	17,907,376	1,052,187	395,709	384,794

The following are the contractual maturities for the financial liabilities as at December 31, 2024:

December 31, 2024	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	**15,424,579**	15,424,579	-	-	-
Lease liability	**2,176,107**	644,687	1,057,760	473,660	-
Loans payable	**6,855,377**	6,415,377	22,359	29,060	388,581
	24,456,063	22,484,643	1,080,119	502,720	388,581

The loans payable balance as at March 31, 2025 includes:

(i) $5,050,339 outstanding under the credit facility with SLR Digital Finance, which provides for a three-year $10 million senior-secured revolving credit facility at an interest rate of the greater of: (i) Prime rate plus 2.15%, or (ii) 8.5%, and is secured against all assets of the Company.

(ii) Secured convertible notes (the "secured notes") in the aggregate principal of CAD $1,200,000 and unsecured convertible notes for aggregate gross proceeds of CAD $537,850 for total gross proceeds (the "unsecured notes"

and together with the "secured notes", the "notes") 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 an annual 14% interest rate payable as of the maturity date, except that: (i) the interest on the unsecured note issued to Mr. Aziz Rahimtoola – the Company's CEO - 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 an annual 14% interest rate 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 held by SLR Digital Finance. 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, when 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 March 31, 2025 was $1,190,652.

COMMITMENTS

On August 8, 2022, the Company entered a lease for an 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 22,589,800) 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, excluding lease payments identified in Note 9 of the Condensed Interim Consolidated Financial Statements, as at March 31, 2025 is as follows:

Within one year	$	112,745
Less than one year and not longer than five years		407,237
Thereafter		-
	$	**519,982**

RELATED PARTY TRANSACTIONS

As of March 31, 2025, the related party loan balances include a loan principal plus interest of $62,307 ($62,156 as at December 31, 2024), with the interest rate of 1% per annum receivable from Simon Wong, an Officer of the Company and is due on July 15, 2025.

On August 16, 2023, the Company entered into an agreement for the issuance of secured convertible notes and unsecured convertible notes. As a part of this offering, Aziz Rahimtoola, Sabio's CEO, 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. At the date of issue, $314,767 (net of transaction costs of $12,757) was classified as a liability

component and $71,528 was classified as equity component. The balance of the unsecured convertible note due to Aziz Rahimtoola as at March 31, 2025 classified as a liability component was $339, 827 and classified as an equity component was $71,528.

On November 20, 2023, several arrangements were agreed to between the Company and certain Canadian parties, including Liam Farrell (an immediate relative of a director of the Company) for exercising an aggregate of 2,804,702 share purchase warrants (including 182,136 share purchase warrants held by Liam Farrell) at an exercise price of CAD$0.21 ($0.17). The share purchase warrants were originally issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes between the Company and warrant holders. As at March 31, 2025, the balance of promissory note due from Liam Farrell, including accrued interest, was $29,306.

OFF-BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Condensed Interim Consolidated Financial Statements and application of IFRS often involve Management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. Significant assumptions and estimates used in preparing the financial statements include those related to credit quality of accounts receivable, income tax credits receivable, share-based 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 from different judgments or using different assumptions or estimates, and events may occur that could require material adjustment. Material accounting policies and estimates under IFRS are found in Note 2 and Note 3 of the Company's Condensed Interim Consolidated Financial Statements.

CHANGES IN ACCOUNTING POLICIES

For the three months ended March 31, 2025, the Company adopted one amendment for the first time, but the adopted amendments do not have a material impact on the Condensed Interim Consolidated Financial Statements. Sabio's material accounting policies are provided in Note 2 of the Condensed Interim Consolidated Financial Statements.

INTERNAL CONTROLS

Effective internal controls are necessary for Sabio to provide reliable financial reports and to help prevent fraud. Management 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 Sabio's CEO and to 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 Sabio's CEO, as at December 31, 2024. Based on that evaluation, the CEO concluded that the design and operation of the system of disclosure controls and procedures were adequate as at December 31, 2024.

There have been no changes to Sabio's internal controls over financial reporting during the three months ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, Sabio's internal control over financial reporting.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value.

As at March 31, 2025, there were (i) 50,582,802 common shares issued and outstanding, (ii) 3,108,622 stock options outstanding with a weighted average exercise price per common share of $0.54 and a weighted average contractual life of 7.59 years, and (iii) 440,844 RSUs outstanding with a weighted average grant price of $0.47 and a weighted average contractual life of 0.64 years. As at December 31, 2024, there were (i) 50,549,485 common shares issued and outstanding, (ii) 2,506,165 stock options outstanding with a weighted average exercise price per common share of $0.57 and a weighted average contractual life of 7.22 years, (iii) 487,996 RSUs outstanding with a weighted average grant price of $0.49 and a weighted average contractual life of 0.90 years, and (iv) 5,500 treasury shares pending cancellation, with an average purchase price of $0.33.

No shares were repurchased during the three months ended March 31, 2025.

For the year ended December 31, 2024, the Company repurchased a total of 39,500 shares, under a Normal Course Issuer Bid (NCIB) accepted by the TSX Venture Exchange on March 26, 2024, at a total cost of CAD $18,895 ($13,560). These shares were purchased at a price ranging from CAD $0.42 to CAD $0.50 per share ($0.30 to $0.36). Of these shares, 34,000 shares were cancelled in 2024, and 5,500 shares were canceled on January 3, 2025. The total cost of 34,000 repurchased shares cancelled in 2024 and 5,500 repurchased shares cancelled during the quarter ended March 31, 2025, was CAD $16,332 ($11,751) and CAD $2,563 ($1,809), respectively. These amounts were recorded as a reduction in common shares.

RISK FACTORS

Sabio is exposed to a variety of business, financial and industry risks in the normal course of operations. A detailed description of risk factors associated with the Company's business is given in the "Risk Factors" section of the Annual Information Form for the year ended December 31, 2024, which is available under the Company's profile on SEDAR+ at sedarplus.ca.

SUBSEQUENT EVENTS

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention tax credit ("ERTC") which was a refundable tax credit against certain employment taxes. The Consolidated Appropriations Act extended and expanded the availability of the ERTC through December 31, 2021. Subsequent to quarter-end (April 2025), the Company received payments from the U.S. Internal Revenue Service ("IRS") aggregating to $583,069, inclusive of accrued interest, from ERTC claims covering the first and second quarters of 2021.

On May 16, 2025, 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 May 24, 2025 and ending May 23, 2026, purchase up to 883,550 shares in total, being 5% of the total number of 17,671,006 shares outstanding as at April 30, 2025.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF, is posted on SEDAR+ at sedarplus.ca.