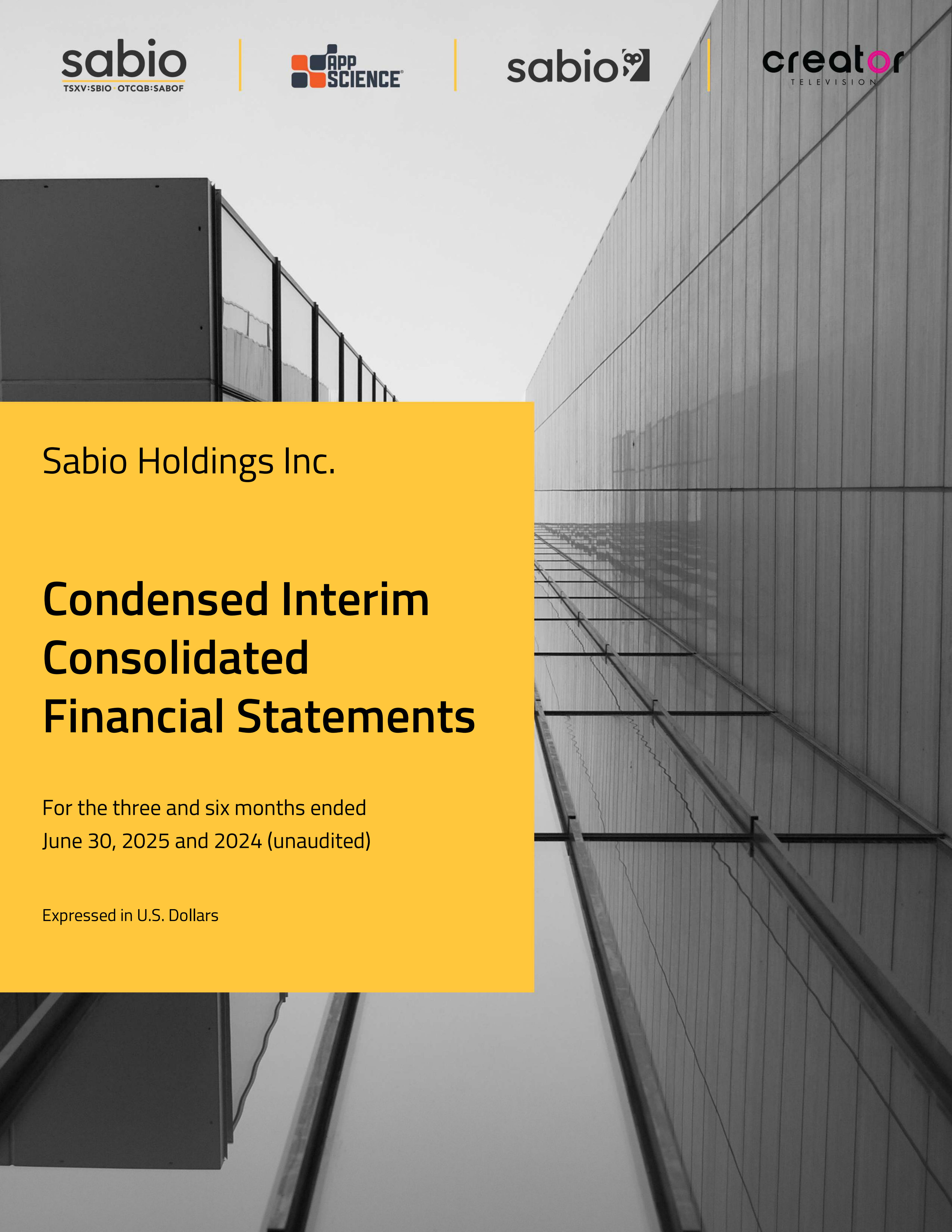

Sabio Holdings Inc.

Condensed Interim Consolidated Financial Statements

For the three and six months ended
June 30, 2025 and 2024 (unaudited)

Expressed in U.S. Dollars

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sabio
TSXV:SBIO · OTCQB:SABOF

	June 30, 2025	December 31, 2024
	$	$
Assets		
Current assets		
Cash	2,179,928	3,300,439
Accounts receivable, net of expected credit losses (Note 6)	8,823,231	14,732,197
Due from related parties (Note 12)	62,457	62,156
Prepaid expenses and other current assets	396,757	481,832
	11,462,373	18,576,624
Due from related parties (Note 12)	31,351	28,755
Right of use asset (Note 9)	2,264,304	1,351,893
Intangible assets (Note 7)	200,763	260,222
Promissory notes receivable (Note 12)	451,420	414,044
Goodwill	2,478,774	2,478,774
	16,888,985	23,110,312
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	10,167,498	15,424,579
Deferred revenue	238,500	42,204
Current income tax liabilities	70,135	46,575
Lease liability (Note 9)	710,086	448,882
Loans payable (Note 10)	7,724,848	6,415,377
	18,911,067	22,377,617
Lease liability (Note 9)	1,975,620	1,264,342
Loans payable (Note 10)	438,052	440,000
	21,324,739	24,081,959
Shareholders' Equity (Deficiency)		
Common shares (Note 11)	13,363,051	13,307,749
Treasury shares (Note 11)	-	(1,809)
Equity component of convertible notes (Note 10)	99,060	99,060
Share-based benefits reserve (Note 11)	1,772,020	1,672,778
Deficit	(19,601,157)	(15,930,297)
Foreign currency translation reserve	(68,728)	(119,128)
	(4,435,754)	(971,647)
	16,888,985	23,110,312

Events after the reporting period (Note 17)

Approved by Directors:

'Aziz Rahimtoola' — Director

'Muizz Kheraj' — Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

	For the three months ended		For the six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
	$	$	**$**	$
Revenues	**11,157,319**	8,897,431	**20,244,585**	15,248,964
Cost of sales	**4,339,945**	3,447,637	**7,870,792**	6,037,166
Gross profit	**6,817,374**	5,449,794	**12,373,793**	9,211,798
Expenses				
Sales and marketing	**4,285,373**	3,352,604	**7,974,062**	6,277,595
General and administrative	**1,914,350**	1,224,016	**3,376,897**	2,276,990
Research and technology costs	**1,697,295**	1,156,129	**3,636,956**	2,173,984
Amortization of intangible assets (Note 7)	**44,754**	49,874	**89,614**	101,021
Occupancy (Note 9)	**198,154**	146,092	**395,220**	321,212
Amortization of lease (Note 9)	**183,047**	179,551	**324,496**	359,103
Share-based compensation (Note 11)	**96,634**	58,145	**151,319**	104,322
	8,419,607	6,166,411	**15,948,564**	11,614,227
Loss from operations	**(1,602,233)**	(716,617)	**(3,574,771)**	(2,402,429)
Other income (Note 16)	**583,799**	-	**591,736**	-
Loss on lease termination (Note 9)	**-**	-	**20,275**	-
Loss before finance costs and income taxes	**(1,018,434)**	(716,617)	**(3,003,310)**	(2,402,429)
Finance costs	**346,838**	313,482	**642,399**	627,828
Loss before income taxes	**(1,365,272)**	(1,030,099)	**(3,645,709)**	(3,030,257)
Income tax expense	**12,386**	12,830	**25,151**	24,779
Net loss for the period	**(1,377,658)**	(1,042,929)	**(3,670,860)**	(3,055,036)
Other comprehensive gain (loss)				
Foreign currency translation gain	**14,858**	3,615	**50,400**	17,440
Comprehensive loss	**(1,362,800)**	(1,039,314)	**(3,620,460)**	(3,037,596)
Income (loss) per share				
Basic	**(0.03)**	(0.02)	**(0.07)**	(0.06)
Diluted	**(0.03)**	(0.02)	**(0.07)**	(0.06)
Weighted average number of shares outstanding				
Basic	**50,602,702**	50,106,686	**50,584,363**	50,091,548
Diluted	**50,602,702**	50,106,686	**50,584,363**	50,091,548

The accompanying notes are an integral part of these condensed interim consolidated financial statements

	Number of Common Shares	Common shares	Treasury shares	Equity component of convertible notes	Share-based benefits reserve	Deficit	Foreign currency translation reserve	Total shareholders' equity (deficiency)
	#	$	$	$	$	$	$	$
Balance, December 31, 2023	50,070,578	13,074,238	-	99,060	1,692,009	(15,819,422)	(126,602)	(1,080,717)
Share-based compensation	-	-	-	-	107,240	-	-	107,240
Shares issued due to vesting of restricted stock units	53,665	40,693	-	-	(40,693)	-	-	-
Common stock issuable	-	-	54,913	-	(54,913)	-	-	-
Net loss and total comprehensive loss	-	-	-	-	-	(3,055,036)	17,440	(3,037,596)
Balance, June 30, 2024	**50,124,243**	**13,114,931**	**54,913**	**99,060**	**1,703,643**	**(18,874,458)**	**(109,162)**	**(4,011,073)**
Balance, December 31, 2024	50,549,485	13,307,749	(1,809)	99,060	1,672,778	(15,930,297)	(119,128)	(971,647)
Share-based compensation (Note 11)	-	-	-	-	156,353	-	-	156,353
Shares issued due to vesting of restricted stock units (Note 11)	75,967	57,111	-	-	(57,111)	-	-	-
Repurchased shares cancellation (Note 11)	(5,500)	(1,809)	1,809	-	-	-	-	-
Net loss and total comprehensive loss	-	-	-	-	-	(3,670,860)	50,400	(3,620,460)
Balance, June 30, 2025	**50,619,952**	**13,363,051**	**-**	**99,060**	**1,772,020**	**(19,601,157)**	**(68,728)**	**(4,435,754)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

	For the six months ended	
	June 30, 2025	June 30, 2024
	$	$
Cash flows (used in) from operating activities		
Net loss	**(3,670,860)**	(3,055,036)
Adjustments for:		
Share-based compensation to employees (Note 11)	**151,319**	104,322
Share-based compensation to contractors (Note 11)	**5,034**	2,918
Finance costs (Note 9)	**129,915**	156,574
Gain on lease modification (Note 9)	**(7,317)**	-
Foreign exchange	**50,400**	17,440
Amortization of intangible assets (Note 7)	**89,614**	101,021
Amortization of lease (Note 9)	**324,496**	359,103
Loss on lease termination (Note 9)	**20,275**	-
	(2,907,124)	(2,313,658)
Changes in non-cash working capital items:		
Accounts receivable	**5,908,966**	3,141,254
Prepaid expenses and other current assets	**47,699**	(178,159)
Deferred revenue	**196,296**	(16,459)
Accounts payable and accrued liabilities	**(5,233,521)**	430,024
	(1,987,684)	1,063,002
Cash flows used in investing activities		
Development costs (Note 7)	**(30,155)**	(57,819)
	(30,155)	(57,819)
Cash flows from (used in) financing activities		
Advances (payments) of loan payable	**1,307,523**	(1,501,798)
Advances to related parties	**(2,897)**	(31,253)
Lease payments (Note 9)	**(407,298)**	(443,971)
	897,328	(1,977,022)
Net decrease in cash	**(1,120,511)**	(971,839)
Cash, beginning of period	**3,300,439**	2,612,112
Cash, end of period	**2,179,928**	1,640,273

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. Description of business

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 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.

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.

On January 14, 2022, Sabio Canada Inc., a wholly owned subsidiary of the Company, was incorporated in Ontario, Canada for the Company's operation in Canada.

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 European markets.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with IFRS® Accounting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2024.

These unaudited condensed interim consolidated financial statements of the Company were authorized for issuance by the Board of Directors on August 26, 2025.

Basis of preparation

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All financial information is presented in United States dollars ("U.S. dollars" or "USD"), the Company's reporting currency, except share and per share amounts or as otherwise noted.

2. Basis of presentation *(continued from previous page)*

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The condensed interim consolidated financial statements of the Company include Sabio Holdings Inc. and its wholly owned subsidiaries Sabio, Inc, AppScience, Inc., FWD Tech Inc. (formerly, Vidillion Corp.), Sabio Canada Inc., Sabio London Limited and Sabio Mobile India Private Limited.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency translation

The condensed interim consolidated financial statements are presented in U.S. dollars. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the U.S. based entities, including Sabio Inc., AppScience, Inc., FWD Tech Inc. (formerly, Vidillion Corp.), Sabio Canada Inc. (a Canadian entity) and Sabio Mobile India Private Limited (an Indian entity) is U.S dollars. The functional currency of Sabio Holdings Inc. (a Canadian entity) is Canadian dollars. The functional currency of Sabio London Limited (a U.K. entity) is British pounds.

Assets and liabilities of entities having a functional currency other than the U.S. dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in foreign currency translation reserve, one component of the Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit). Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in the statement of operations and comprehensive loss.

3. Material accounting policies

3.1 New standards, interpretations and amendments adopted from January 1, 2025

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of 1 January 2025. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024.

3. Material accounting policies *(continued from previous page)*

3.1 New standards, interpretations and amendments adopted from January 1, 2025 *(continued from previous page)*

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the condensed interim consolidated financial statements of the Company.

Amendments to IAS 21: *Lack of exchangeability*

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Company's financial statements.

3.2 Summary of other material accounting policies

Revenue recognition

The Company recognizes revenue in accordance with IFRS 15 Revenue from Contracts with Customers.

Revenue represents the fair value of consideration received or receivable from customers for goods and services provided by the Company, net of discounts and sales taxes. The Company generates revenue from managed service, programmatic sales, connected TV, and App Science™ insights.

The Company sells digital advertising directly to marketers or through advertising agencies. Revenue from advertising is mostly generated through video and display advertising delivered through advertising impressions. Advertising is typically sold on a cost-per-thousand ("CPM") basis and is evidenced by an Insertion Order, ("IO"). Revenue is recognized as the number of impressions are delivered. IOs may include multiple performance obligations as they contain distinct advertising products or services. For such arrangements, the Company allocates revenue to each distinct performance obligation based on their relative standalone selling price ("SSP"). Advertising arrangements comprised of multiple performance obligations are recognized either at a point in time or over time depending on the nature of the distinct performance obligation.

3. Material accounting policies *(continued from previous page)*

3.2 Summary of other material accounting policies *(continued from previous page)*

Contracts with multiple products or services

The Company enters into contracts that contain multiple products and services such as campaign management, insights, and studies. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors and management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the directors and management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements.

<u>Selecting the option pricing model to estimate the fair value of equity instruments granted</u>

The Company uses the Black-Scholes Merton formula to estimate the fair value of equity instruments granted in connection with equity-settled share-based payments. Management considers factors that knowledgeable, willing market participants would consider when selecting the option pricing model to apply.

4. Critical accounting judgments and key sources of estimation uncertainty *(continued from previous page)*

Critical judgments in applying accounting policies (continued from previous page)

Determination of functional currency

In determining its functional currency, the Company considers factors related to its primary economic environment. These include the currency which mainly influences the Company's sales prices for goods and services, the country whose competitive forces and regulations mainly determine sale prices of its services, and the currency which mainly influences costs related to providing its services. The Company also considers secondary factors including the currency in which funds from financing activities are generated, and the currency in which operating activities are usually retained.

Determination of rate used to estimate the fair value of the liability component of the convertible notes

The rate used in determining the appropriate value of the liability component of the convertible notes and to appropriately apply the effective interest rate method to the convertible notes is subject to management estimation.

CGU Identification

A cash generating unit ("CGU") is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The identification of which assets or groups of assets constitute CGUs of the company requires significant judgment.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Expected credit losses

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

4. Critical accounting judgments and key sources of estimation uncertainty *(continued from previous page)*

Key sources of estimation uncertainty (continued from previous page)

Expected credit losses *(continued from previous page)*

The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Valuation of common share purchase options and equity-settled share-based payments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of common share purchase options/warrants and equity-settled share-based payments. The valuation techniques require the input of subjective assumptions including expected volatility, dividend yield and expected life of the instrument. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of these instruments.

Amortization of intangible assets

The Company applies the straight-line method to recognize amortization of intangible assets. Management is satisfied that the straight-line method best reflects the pattern in which the assets' future economic benefits are expected to be consumed by the Company.

Internally generated development costs

Management monitors the progress of internal research and development projects and uses judgment to distinguish research from the development phase. Expenditures during the research phase are expensed as incurred. Development costs are recognized as an intangible asset when the Company can demonstrate certain criteria listed in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2024. Otherwise, they are expensed as incurred.

4. Critical accounting judgments and key sources of estimation uncertainty *(continued from previous page)*

Key sources of estimation uncertainty (continued from previous page)

Impairment of intangible assets and goodwill

IAS 36 requires that the Company ensures that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired, and the standard requires the entity to recognize an impairment loss. In assessing impairment, management uses judgment to allocate goodwill to each of the Company's cash-generating units (CGUs) and estimates recoverable amount for each CGU based on expected future cash flows and discount rates. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future.

5. Standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning on or after January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).

The following amendments are effective for the period beginning on or after January 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

6. Accounts receivable

	June 30, 2025	December 31, 2024
	$	$
Trade receivables	**8,975,121**	14,805,810
Expected credit loss provision	**(151,890)**	(73,613)
Net carrying value	**8,823,231**	14,732,197

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7. Intangible assets

	Internally Generated Intangible Assets	Acquired Technology and Patents	Acquired Customer/Publisher Relationships	Acquired Brand Name	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2024	3,624,109	129,000	83,000	75,000	3,911,109
Additions	7,325	-	-	-	7,325
Balance at March 31, 2025	3,631,434	129,000	83,000	75,000	3,918,434
Additions	22,830	-	-	-	22,830
Balance at June 30, 2025	**3,654,264**	**129,000**	**83,000**	**75,000**	**3,941,264**
Accumulated amortization and impairment losses					
Balance at December 31, 2024	3,503,820	71,952	45,650	29,465	3,650,887
Amortization expense	31,581	6,450	4,150	2,679	44,860
Balance at March 31, 2025	3,535,401	78,402	49,800	32,144	3,695,747
Amortization expense	31,474	6,451	4,150	2,679	44,754
Balance at June 30, 2025	**3,566,875**	**84,853**	**53,950**	**34,823**	**3,740,501**
Net book value as at:					
December 31, 2024	120,289	57,048	37,350	45,535	260,222
Balance at June 30, 2025	**87,389**	**44,147**	**29,050**	**40,177**	**200,763**

8. Accounts payable and accrued liabilities

	June 30, 2025	December 31, 2024
	$	$
Trade accounts payable and accrued liabilities	**10,056,195**	15,312,299
Interest payable	**111,303**	112,280
	10,167,498	15,424,579

9. Right of use asset and lease liabilities

Right-of-use asset

	Office premises
Cost	$
Balance, December 31, 2024 (*)	3,168,025
Adjustment due to early lease termination (**)	(20,275)
Balance, March 31, 2025	3,147,750
Additions (***)	1,257,182
Balance, June 30, 2025	**4,404,932**
Accumulated amortization	
Balance, December 31, 2024	1,816,132
Amortization	141,449
Balance, March 31, 2025	1,957,581
Amortization	183,047
Balance, June 30, 2025	**2,140,628**
Carrying amount	
December 31, 2024	1,351,893
June 30, 2025	**2,264,304**

Lease Liability

Cost	**$**
Balance, December 31, 2024 (*)	1,713,224
Finance Costs	52,242
Lease payments	(269,422)
Adjustment due to lease modification (**)	(7,317)
Balance, March 31, 2025	1,488,727
Additions (***)	1,257,182
Finance Costs	77,673
Lease payments	(137,876)
Balance, June 30, 2025	**2,685,706**
Current	710,086
Non-current	1,975,620
Balance, June 30, 2025	**2,685,706**

The following table provides the remaining lease commitments in 2025 and onward. The amounts disclosed in the maturity analysis are the contractual undiscounted cash flows before deducting interest or finance charges.

9. Right of use asset and lease liabilities *(continued from previous page)*

	$
Less than 1 year	984,102
1-2 years	1,012,777
2-3 years	978,857
3-4 years	259,091
After 4 years	-
	3,234,827

The Company has certain short-term office leases which are not capitalized in accordance with IFRS 16 due to their short-term nature. The Company recorded occupancy expenses of $198,154 for the three months ended June 30, 2025 (2024 - $146,092) related to these short-term office leases in the condensed interim consolidated statements of operations and comprehensive loss. During the six months ended June 30, 2025, the Company recorded occupancy expenses of $395,220 (2024 - $321,212) related to these short-term office leases in the condensed interim consolidated statements of operations and comprehensive loss.

(*) During the fourth quarter of 2024, the Company received an early termination notice from Crosbyview L.P., the successor-in-interest to 43 Crosby Street Property Owner LLC, following its purchase of the building at 43 Crosby St, New York, NY 10012, USA, along with the underlying land and the landlord's interest in the lease. In accordance with Section 70 of the leases for the 3rd, 5th, and 6th floors of the building, Crosbyview L.P. notified the Company that the lease termination date for these leases was March 30, 2025. As a result, the lease liabilities and right-of-use assets associated with these leases were adjusted to reflect the shortened lease term. The Company vacated the property and relocated to the newly leased office on the second floor of 10 Crosby Street (also known as 444 Broadway), New York, on March 28, 2025. The Company recognized right-of-use assets and corresponding lease liabilities related to this lease during the quarter, as disclosed in Note 9 (***) above.

(**) During the quarter ended March 31, 2025, the Company early terminated a lease agreement for its office in Surat, India. The lease was originally scheduled to expire in November 2025 but was mutually terminated with the lessor effective February 18, 2025. In accordance with IFRS 16, the Company adjusted the associated lease liabilities and right-of-use assets to reflect the early termination. This modification resulted in a reduction of lease liabilities of $7,317, which was recognized under other income in the condensed interim consolidated statements of operations and comprehensive loss. Additionally, the Company recorded a loss on lease termination of $20,275 related to the right-of-use assets.

(***) 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 with lease commencement date of April 1, 2025 and expiry on June 30, 2028. The Company recognized right-of-use assets and lease liabilities for the lease entered during the quarter, which were initially measured at the present value of the future lease payments, discounted at rate of 10%. As at June 30, 2025, the Company has provided Madison Capital with an irrevocable standby letter of credit in the amount of $160,075 with the expiry date of August 14, 2026, as security for obligations under the lease agreement. No amounts have been drawn on the letter of credit as at June 30, 2025. There was no new lease entered during the year ended December 31, 2024.

10. Loans payable

	Note	June 30, 2025	December 31, 2024
		$	$
U.S. Small Business Administration promissory note	(a)	**440,000**	440,000
SLRDF Revolving Credit Facility	(b)	**6,414,152**	5,219,387
Convertible notes	(c)	**1,308,748**	1,195,990
		8,162,900	6,855,377
Current portion of loans payable		**7,724,848**	6,415,377
SLRDF Revolving Credit Facility	(b)	***6,414,152***	*5,219,387*
Convertible notes	(c)	***1,308,748***	*1,195,990*
U.S. Small Business Administration promissory note	(a)	***1,948***	-
Long-term portion of loans payable		**438,052**	440,000
U.S. Small Business Administration promissory note	(a)	***438,052***	440,000
		8,162,900	6,855,377

Future principal repayments are as follows:

Less than 1 year	**7,724,848**
1-2 years	**13,479**
2-3 years	**13,993**
3 years and beyond	**410,580**
	8,162,900

a) On April 1, 2020, the Company closed on an unconditional guarantee disaster loan from the U.S. Small Business Administration in the amount of $500,000. The Loan is intended to alleviate economic injury caused by disaster occurring in the month of January 2020. The loan bears interest at a fixed rate of 3.75% per annum, with a maturity date of thirty years from the date of the Loan. Interest and principal payments were deferred for the first 30 months. During the three months ended June 30, 2025, the Company paid $nil (2024 - $nil) in principal and recognized $4,125 (2024 - $4,594) of interest expense. During the six months ended June 30, 2025, the Company paid $nil (2024 - $nil) in principal and recognized $8,250 (2023 - $9,188) of interest expense.

(b) On July 31, 2024, the Company closed a new credit facility pursuant to the terms of a credit agreement between its U.S. operating subsidiaries, including Sabio, Inc., AppScience, Inc. and FWD Tech Inc., and SLR Digital Finance ("SLRDF").

The facility has replaced the Company's previous credit facility with Avidbank and provides for a US$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%. The facility has a three (3)-year term and is secured against all of the assets of the Company. Advances made under the facility will be available up to an amount equal to: (a) 85% of eligible accounts receivable of the Company's U.S. operating subsidiaries; plus (b) the lesser of (i) 70% of the aggregate outstanding amount of eligible unbilled receivables or (ii) $3,000,000.

When accounts receivables are collected, 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-

10. Loans payable *(continued from previous page)*

-to availability under the facility. During the three months ended June 30, 2025, the Company withdrew $12,052,286 (2024 - $ nil) and paid $10,688,473 (2024 - $ nil) in principal and recognized $194,249 (2024 - $ nil) of interest expense. During the six months ended June 30, 2025, the Company withdrew $27,362,982 (2024 - $ nil) and paid $26,168,217 (2024 - $ nil) in principal and recognized $368,601 (2024 - $ nil) of interest expense.

c) 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 held by SLRDF. 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.

In accordance with IFRS, the convertible notes have been bifurcated into a liability and an equity component using residual method. The equity component represents the value of the conversion feature and is the difference between the estimated fair value of the liability component and the proceeds received.

Management has estimated the value of the liability component of the secured and unsecured convertible notes using a discount rate of 18% and 25% respectively. The directly attributable transaction costs were allocated to the liability and equity components proportionately. The convertible notes, net of equity component and transaction costs, are accreted such that the carrying amount of convertible notes will equal the $1,289,380 (CAD $1,737,850) principal balance at maturity.

The discount rate of 18% (for secured notes) and 25% (for unsecured notes) used in determining the appropriate value of the liability component of the convertible notes and to appropriately apply the effective interest rate method to the convertible security is based on significant management estimation. The breakdown of convertible notes by components upon issuance is as follows:

10. Loans payable *(continued from previous page)*

	Proceeds	Secured notes	Unsecured notes	Equity component
	$	$	$	$
Convertible security upon issuance	1,289,380	821,687	327,524	140,169
Transaction cost - cash	(50,222)	(32,005)	(12,757)	(5,460)
Deferred tax impact	-	-	-	(35,649)
Net balance upon issuance	**1,239,158**	**789,682**	**314,767**	**99,060**

A summary of changes in convertible notes during the six months ended June 30, 2025, and the year ended December 31, 2024, is as follows:

	June 30, 2025	December 31, 2024
	$	$
Convertible notes, beginning of period	1,195,990	1,202,849
Interest expense (*)	134,568	263,604
Interest paid	(86,330)	(174,322)
Foreign exchange fluctuation	64,520	(96,141)
Convertible notes, end of period	**1,308,748**	**1,195,990**

The breakdown of convertible notes into secured and unsecured categories as of June 30, 2025, is as follows:

	Secured notes	Unsecured notes	Total
Balance as on December 31, 2024	866,659	329,331	1,195,990
Interest expense (*)	86,402	48,166	134,568
Interest paid	(58,330)	(28,000)	(86,330)
Foreign exchange fluctuation	44,317	20,203	64,520
Balance as on June 30, 2025	**939,048**	**369,700**	**1,308,748**

(*) Interest expense is calculated by applying the effective interest rate of 30.37% to the liability component of unsecured notes and 22.17% to the liability component of secured notes.

During the three months ended June 30, 2025, the effective interest on the convertible notes recorded in finance costs was $69,802 (2024: $65,272). The actual interest paid during the three months ended June 30, 2025 was $14,000 (2024: $14,000). During the six months ended June 30, 2025, the effective interest on the convertible notes recorded in finance costs was $134,568 (2024: $129,625). The actual interest paid during the six months ended June 30, 2025 was $86,330 (2023: $85,570).

All interest accrued related to these loans have been recorded under accounts payables and accrued liabilities.

11. Share capital

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with a nominal par value.

11. Share capital *(continued from previous page)*

a) Authorized share capital *(continued from previous page)*

	#	$
Balance, December 31, 2023	50,070,578	13,074,238
Issuance of common shares due to vesting of restricted stock units	479,548	235,164
Issuance of common shares due to exercise of stock options	33,359	10,098
Repurchased shares cancellation	(34,000)	(11,751)
Balance December 31, 2024	**50,549,485**	**13,307,749**
Balance, December 31, 2024	50,549,485	13,307,749
Issuance of common shares due to vesting of restricted stock units	75,967	57,111
Repurchased shares cancellation	(5,500)	(1,809)
Balance June 30, 2025	**50,619,952**	**13,363,051**

On March 26, 2024, 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 April 2, 2024, and ending April 1, 2025, purchase up to 852,184 shares in total, being 5% of the total number of 17,043,687 shares outstanding as at March 19, 2024. For the year ended December 31, 2024, the Company repurchased a total of 39,500 shares under this bid 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). Out 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.

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. There were no share repurchases under this bid for the three-month period ended June 30, 2025.

During the six months ended June 30, 2025, nil (2024 – nil) stock options and 75,967 (2024 – 53,665) restricted stock units were redeemed, for net proceeds of nil and nil respectively. The total share-based benefits reserve reclassified to common shares was nil for stock options and $57,111 (2024 - $40,693) for restricted stock units.

b) Treasury shares

The reserve for the Company's treasury shares represents the cost of its own common shares held by the Company, awaiting cancellation. As of June 30, 2025, the Company held nil of its own common shares (December 31, 2024: 5,500), with a total repurchase cost of CAD $nil (2024 – CAD $2,563 ($1,809)).

c) Escrow shares

Subject to certain permitted exemptions, all securities of the Company held by principals of the Company were also subject to escrow. As of June 30, 2025 and December 31, 2024, no such securities remained in escrow.

In connection with the Qualifying Transaction, 7,343,838 shares held by principals of the Company and founders of Sabio Inc. were deposited into escrow at closing of the Qualifying Transaction (the "Value Escrow Shares"), of which 10% of the Value Escrow Shares were released upon the date of issuance of the Final Exchange Bulletin, 15% were released-

11. Share capital *(continued from previous page)*

c) Escrow shares *(continued from previous page)*

-on May 24, 2022, 15% were released on November 24, 2022, 15% were released on May 24, 2023, 15% were released on November 24, 2023, 15% were released on May 24, 2024, and 15% were released on November 24, 2024.

d) Share based compensation and share based payment reserve

The Company has established an omnibus incentive plan for its employees, directors, officers and consultants under which the Company may grant security-based compensation, including options and restricted stock units, from time-to time to acquire a maximum of 10% of the issued and outstanding common shares. The grant of security-based compensation and the exercise price of each option granted under the plan shall be determined by the Board of Directors.

Stock options

Options may be exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire after 30 days to 90 days of termination of employment.

A summary of changes in share-based compensation during the six months ended June 30, 2025, and the year ended December 31, 2024, is as follows:

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	(137,964)	0.60
Balance, June 30, 2025	**3,010,657**	**0.54**
Options exercisable, December 31, 2024	1,947,588	0.60
Options exercisable, June 30, 2025	**2,070,842**	**0.60**

The following tables summarize information about the Company’s share options outstanding as at June 30, 2025:

11. Share capital *(continued from previous page)*

d) Share based compensation and share based payment reserve *(continued from previous page)*

Stock options *(continued from previous page)*

Range of exercise prices	Number of options	Weighted average exercise price	Weighted average remaining contractual life in years
	#	$ USD	#
0.09	3,656	0.09	2.27
0.17	841,711	0.17	5.53
0.18	210,000	0.18	8.93
0.29	57,500	0.29	8.31
0.32	140,000	0.32	9.48
0.43	642,456	0.43	9.73
0.58	98,334	0.58	7.30
0.74	195,000	0.74	7.77
1.10	822,000	1.10	6.54
	3,010,657	**0.54**	**7.38**

The following tables summarize information about the Company's share options outstanding as at December 31, 2024:

Range of exercise prices	Number of options	Weighted average exercise price	Weighted average remaining contractual life in years
	#	$	#
0.09	3,656	0.09	2.76
0.17	896,560	0.17	6.03
0.18	210,000	0.18	9.43
0.29	57,500	0.29	8.81
0.32	140,000	0.32	9.97
0.58	104,998	0.58	7.79
0.74	234,998	0.74	8.26
1.10	858,453	1.10	7.04
	2,506,165	**0.57**	**7.22**

During the three and six months ended June 30, 2025, a total of 642,456 share options (2024 – 210,000) were granted with a weighted average fair value of $0.43 per option at the grant date (2024 – $0.16). Of these, 617,456 options were issued to directors, officers and employees, and 25,000 options were issued to a consultant. The options granted to directors, officers and employees vest quarterly over a three-year period from the grant date, while the options granted to the consultant vest quarterly over a one-year period from the grant date.

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11. Share capital *(continued from previous page)*

d) Share based compensation and share based payment reserve *(continued from previous page)*

Stock options *(continued from previous page)*

The fair value of the share options granted during the periods was determined using the Black-Scholes-Merton option pricing model with the following weighted average assumptions:

	June 30, 2025	December 31, 2024
Estimated fair value per common share	**$0.37**	$0.16 to $0.28
Exercise price of the option	**$0.43**	$0.18 to $0.32
Expected volatility of the underlying common share	**87.0%**	88.1%-89.2%
Expected life of the option (in years)	**10 years**	10 years
Expected dividend yield	**0.00%**	0.00%
Risk-free rate of interest	**4.2%**	4.3%-4.5%

During the three months ended June 30, 2025, the Company recognized stock-based compensation for granted options of $62,147 (2024 - $20,819) under share-based compensation expense and $4,440 (2024 - $1,220) under contractor and corresponding expenses. During the six months ended June 30, 2025, the Company recognized stock-based compensation for granted options of $84,101 (2024 - $39,639) under share-based compensation expense and $5,034 (2024 - $2,918) under contractor and corresponding expenses.

Restricted stock units

On June 29, 2022, shareholders of the Company approved a replacement omnibus equity incentive plan that permits the granting of certain compensation securities, including restricted stock units. Restricted stock units are automatically converted into the Company's common shares upon vesting and when the common shares are issued upon redemption, the shares will be fully paid and non-assessable shares in the share capital of the Company.

A summary of changes in restricted stock units during the six months ended June 30, 2025, and the year ended December 31, 2024, is as follows:

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	(75,967)	0.75
Balance, June 30, 2025	**403,694**	**0.44**

The following tables summarize information about the Company's restricted stock units outstanding as at June 30, 2025:

11. Share capital *(continued from previous page)*

d) Share based compensation and share based payment reserve *(continued from previous page)*

Restricted stock units *(continued from previous page)*

Range of grant prices	Number of RSUs	Weighted average grant price	Weighted average remaining contractual life in years
	#	$	#
0.76	21,834	0.76	0.19
0.74	61,275	0.74	0.76
0.37	270,585	0.37	0.30
0.32	50,000	0.32	0.47
	403,694	**0.44**	**0.39**

The following tables summarize information about the Company's restricted stock units outstanding as at December 31, 2024:

Range of grant prices	Number of RSUs	Weighted average grant price	Weighted average remaining contractual life in years
	#	$	#
0.76	65,502	0.76	0.68
0.74	101,909	0.74	1.26
0.37	270,585	0.37	0.80
0.32	50,000	0.32	0.97
	487,996	**0.49**	**0.90**

There were no restricted stock units issued during the three and six months ended June 30, 2025 (2024 – Nil).

During the three months ended June 30, 2025, 37,150 (2024 – 31,832) restricted stock units were redeemed for the same number of common shares upon vesting in accordance with the terms of the omnibus incentive plan. The total share-based benefits reserve reclassified to common shares was $27,942 (2024 – $24,027). During the six months ended June 30, 2025, 75,967 (2024 – 53,665) restricted stock units were redeemed for the same number of common shares upon vesting in accordance with the terms of the omnibus incentive plan. The total share-based benefits reserve reclassified to common shares was $57,111 (2023 – $40,693).

During the three months ended June 30, 2025, the Company recognized stock-based compensation for granted restricted stock units of $34,487 (2024 - $37,326) under share-based compensation expense. During the six months ended June 30, 2025, the Company recognized stock-based compensation for granted restricted stock units of $67,218 (2024 - $64,682), under share-based compensation expense and $nil (2024 - $nil) under contractor expenses.

12. Related Party Transactions

Amounts due from related parties as at June 30 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
	$	$
Simon Wong	**62,457**	62,156
Liam Farrell	**31,351**	28,755
	93,808	90,911

The balance from Simon Wong, an Officer of the Company, is a loan principal of $60,076 (bearing an interest rate of 1% per annum) plus accrued interest and had a maturity date of July 15, 2025. Subsequent to quarter end, the loan was further extended to December 31, 2025.

On August 16, 2023, the Company entered into agreements for issue of secured convertible notes and unsecured convertible notes. As a part of this offering, Aziz Rahimtoola, the CEO of the Company, subscribed for an unsecured note in the aggregate principal amount of $399,052 (CAD $537,850). At the date of issue, $314,767 (net of transaction costs of $12,757) were 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 June 30, 2025 classified as a liability component was $369,700 (2024 - $329,331) and classified as equity component was $71,528 (2024 - $71,528). Refer Note 10(c) above for further details.

On November 20, 2023, several arrangements were agreed to between the Company and certain Canadian parties (including one related party), for the exercise of an aggregate of 2,804,702 share purchase warrants (including 182,136 share purchase warrants held by Liam Farrell, a related party of the Company) at an exercise price of CAD$0.21 ($0.17) previously issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes between the Company and warrant holders. The principal amount outstanding under the 3 year-term bears interest at the prime rate as published by the Bank of Canada and matures on December 31, 2026, and the interest is due on maturity. The Company agreed that (ii) no interest shall be due and payable by the promissory notes holders in the event the proceeds from the sale of the Company's common shares held by the notes holders are not sufficient to satisfy in whole the obligations to pay the principal amount outstanding and the accrued interest on the maturity date and (ii) the remaining obligation of the notes holders to repay the balance of the principal amount outstanding subsequent to the sale of the Company's common shares will be forgiven. In the circumstance where the notes holders seek to sell their common shares for proceeds insufficient to satisfy in whole their respective promissory note principal and interest obligations, the Company may elect to repurchase the common shares from the note holders, subject to applicable securities law, for cancellation in consideration of forgiving the principal amount outstanding. The balance of promissory notes including accrued interest as at June 30, 2025 comprised $31,351 (2024 - $28,755) due from Liam Farrell and $451,420 (2024 - $414,044) due from other parties.

13. Risk management arising from financial instruments

a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's principal financial assets that expose it to credit risk are trade receivables and promissory note receivables. The Company mitigates this risk by monitoring the credit worthiness of its customers and promissory notes holders.

13. Risk management arising from financial instruments *(continued from previous page)*

a) Credit risk *(continued from previous page)*

The Company recognizes a provision for expected credit losses based on its assessment of the probability of specific losses, estimates of future individual exposures and provisions based on historical experience.

The following is the breakdown of the aging of trade receivables:

	June 30, 2025	December 31, 2024
Trade receivables aging		
0-30 days	**7,021,357**	10,900,959
31-60 days	**1,027,953**	1,819,076
61-90 days	**445,053**	1,765,685
Greater than 90 days	**480,758**	320,090
	8,975,121	14,805,810
Allowance for expected credit losses	**(151,890)**	(73,613)
Net trade receivables	**8,823,231**	14,732,197

At June 30, 2025, of the Company's trade receivables, two customers accounted for 26.4% (2024 – one customer for 28.3%).

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking factors, where appropriate. The provision matrix below shows the expected credit loss rate for each aging category of trade receivables as at June 30, 2025 and December 31, 2024.

June 30, 2025	**Total**	**0-30 days**	**31-60 days**	**61-90 days**	**>90 days**
Default rates		0.13%	0.97%	1.15%	26.56%
Trade receivables	**$ 8,975,121**	$ 7,021,357	$ 1,027,953	$ 445,053	$ 480,758
Expected credit loss	**$ 151,890**	$ 9,128	$ 9,971	$ 5,118	$ 127,673

December 31, 2024	**Total**	**0-30 days**	**31-60 days**	**61-90 days**	**>90 days**
Default rates		0.11%	1.01%	1.59%	4.74%
Trade receivables	**$ 14,805,810**	$ 10,900,959	$ 1,819,076	$ 1,765,685	$ 320,090
Expected credit loss	**$ 73,613**	$ 11,997	$ 18,373	$ 28,074	$ 15,169

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's revolving demand facility has variable interest rates. Changes in the lending institution's prime lending rates can cause fluctuations in interest payments and cash flows.

13. Risk management arising from financial instruments *(continued from previous page)*

c) Liquidity risk

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.

June 30, 2025	**Contractual cash flows**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Trade and other payables	**10,167,498**	10,167,498	-	-	-
Lease liability	**3,234,827**	984,102	1,991,634	259,091	-
Loans payable	**8,162,900**	7,724,848	27,472	29,609	380,971
	21,565,225	18,876,448	2,019,106	288,700	380,971

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

d) Foreign currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company is exposed to currency risk through its operations in Indian rupees and in British pounds and through maintaining cash in Canadian dollars and purchasing services in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A change of 1% in the INR/USD, CAD/USD and GBP/USD exchange rates on the June 30, 2025, would have had an impact on the Company's cash in Indian rupees of $1,160, on the Company's cash and promissory notes receivable in Canadian dollars of $578 and $4,781 respectively, on the Company's cash and accounts receivable in British pounds of $3,394 and $3,933 respectively, on the Company's accounts payable and accrued liabilities in Canadian dollars of $811, on the Company's accounts payable and accrued liabilities in British pounds of $1,266, on the Company's lease liabilities in Indian rupees of $796 and of $12,960 on the Company's convertible notes in Canadian dollars.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	June 30, 2025	December 31, 2024
	INR	INR
Cash	**10,033,049**	16,367,195
Net financial assets	**10,033,049**	16,367,195

13. Risk management arising from financial instruments *(continued from previous page)*

c) Foreign currency risk *(continued from previous page)*

	June 30, 2025	December 31, 2024
	CAD $	CAD $
Cash	**79,753**	56,408
Promissory notes receivable	**659,176**	636,446
Net financial assets	**738,929**	692,854

	June 30, 2025	December 31, 2024
	GBP $	GBP $
Cash	**249,971**	378,000
Accounts receivable	**289,567**	760,111
Net financial assets	**539,538**	1,138,111

	June 30, 2025	December 31, 2024
	CAD $	CAD $
Accounts payable and accrued liabilities	**111,830**	226,049
Net financial liabilities	**111,830**	226,049

	June 30, 2025	December 31, 2024
	GBP $	GBP $
Accounts payable and accrued liabilities	**93,227**	150,306
Net financial assets	**93,227**	150,306

	June 30, 2025	December 31, 2024
	INR	INR
Lease liabilities	**6,887,886**	10,185,365
Net financial liabilities	**6,887,886**	10,185,365

	June 30, 2025	December 31, 2024
	CAD $	CAD $
Convertible notes	**1,786,966**	1,719,023
Net financial liabilities	**1,786,966**	1,719,023

d) Management of capital

The Company's objective of managing capital, comprising of shareholder's equity, is to ensure its continued ability to operate as a going concern. The Company manages its capital structure and makes changes to it based on economic conditions. With approval from the Board of Directors, management will adjust its capital structure through the issue of new shares, debt or other activities deemed appropriate under specific circumstances. Management and the Board of Directors review the Company's capital management approach on an ongoing basis and believe this approach, given the relative size of the Company, is reasonable. The Company is subject to capital requirements from SLRDF for the use of the granted credit facility. There were no material changes in the Company's capital management objectives, policies and processes during the six months ended June 30, 2025.

14. Segmented Information

The Company has identified one operating segment that is a technology provider in the high-growth advertising areas of connected TV ("CTV") and over-the-top ("OTT") streaming. The Company sells services in the United States of America ("USA") and Europe, the Middle East and Africa ("EMEA") with Sabio Inc. and Sabio London Limited providing targeted campaign solutions to top agencies and the brands they represent by filling the ad slots in Sabio SSP and other non-Sabio SSP CTV/OTT apps.

AppScience, Inc. provides an agnostic platform to track, measure and analyze media buys across multiple partners, while Sabio Mobile India Private Limited and Sabio Canada Inc. work as operational extensions of the Company for data engineering, data science activities and administration activities.

In accordance with IFRS 8 – Operating Segments, the Company reports revenue based on customer location as follows:

	For the three months ended		**For the six months ended**	
Geographic Region	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
	$	$	**$**	$
North America	**10,774,990**	8,804,649	**19,617,959**	15,095,436
EMEA	**382,329**	92,782	**626,626**	153,528
Total Revenue	**11,157,319**	8,897,431	**20,244,585**	15,248,964

Since EMEA revenue represents less than 10% of total revenue, it does not meet the threshold for separate segment reporting. The Company's decision makers review information on a consolidated basis, confirming that the Company has one reportable segment under IFRS 8.

15. 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 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, as at June 30, 2025 is as follows:

Within one year	$	151,406
Less than one year and not longer than five years		330,842
Thereafter		-
	$	**482,248**

16. Other Income

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. In April 2025, the Company received payments from the U.S. Internal Revenue Service ("IRS") totaling $583,145, including accrued interest, related to ERTC claims for the first and second quarters of 2021. This amount was included other income in the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss.

17. Subsequent Events

Pursuant to the terms of its convertible debt agreement, on July 31, 2025, the Company announced a shares-for-debt transaction to settle CAD $84,000 ($61,529) of interest due on secured convertible notes issued on August 16, 2023. The settlement will be completed through the issuance of 162,477 common shares at a deemed price of CAD $0.517 ($0.38) per share, based on the 20-day volume weighted average price ending June 25, 2025. The convertible notes as disclosed in Note 10 c) bear interest at 14% per annum, payable semi-annually in cash or shares at the Company's option. All shares issued will be subject to a statutory holding period of four months and one day from the date of issuance in accordance with applicable securities laws.

On August 25, 2025, the Company announced the completion of a non-brokered, private placement offering of 15% subordinated and unsecured, non-convertible debentures of the Company for gross proceeds of CAD $1,802,850. The Company used the debenture proceeds to retire the entire CAD $1,737,850 in aggregate principal, plus accrued interest, under the secured and unsecured convertible notes issued on August 16, 2023. As a part of this offering, Aziz Rahimtoola, Sabio's CEO, subscribed to the new debenture note in the aggregate principal amount of CAD $537,850; an amount equal to the principal portion of his unsecured convertible note retired. The new debentures have a six-month term and bear a simple interest at a rate of 15% per annum (calculated as 7.5% on a 6-month period), payable in arrears on maturity. In connection with the offering, the Company issued an aggregate of 170,066 common shares (each, a "Bonus Share") in the capital of the Company at a price of CAD $0.53 per Bonus share, including 50,740 Bonus Shares issued to Mr. Rahimtoola. The Bonus Shares will be subject to hold periods under applicable Canadian securities laws. Prior to maturity, the Company has the option to extend the debt instrument for an additional 6-month term in return for Bonus Shares equal to 10% of the principal amount extended.