sabio
TSXV:SBIO · OTCQB:SABOF

Sabio Holdings Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended
September 30, 2025 and 2024 (unaudited)

Expressed in U.S. Dollars

Table of Contents

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	September 30, 2025	December 31, 2024
	$	$
Assets		
Current assets		
Cash	**1,976,770**	3,300,439
Accounts receivable, net of expected credit losses (Note 6)	**7,721,404**	14,732,197
Due from related parties (Note 12)	**62,607**	62,156
Prepaid expenses and other current assets	**479,715**	481,832
	10,240,496	18,576,624
Due from related parties (Note 12)	**31,285**	28,755
Right of use asset (Note 9)	**2,079,244**	1,351,893
Intangible assets (Note 7)	**199,919**	260,222
Promissory notes receivable (Note 12)	**450,465**	414,044
Goodwill	**2,478,774**	2,478,774
	15,480,183	23,110,312
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	**13,324,648**	15,424,579
Deferred revenue	**219,000**	42,204
Current income tax liabilities	**53,000**	46,575
Lease liability (Note 9)	**737,022**	448,882
Loans payable (Note 10)	**6,491,879**	6,415,377
	20,825,549	22,377,617
Lease liability (Note 9)	**1,817,660**	1,264,342
Loans payable (Note 10)	**434,730**	440,000
	23,077,939	24,081,959
Shareholders' Equity (Deficiency)		
Common shares (Note 11)	**13,501,059**	13,307,749
Treasury shares (Note 11)	**-**	(1,809)
Equity component of convertible notes (Note 10)	**-**	99,060
Share-based benefits reserve (Note 11)	**1,824,414**	1,672,778
Deficit	**(22,849,211)**	(15,930,297)
Foreign currency translation reserve	**(74,018)**	(119,128)
	(7,597,756)	(971,647)
	15,480,183	23,110,312

Events after the reporting period (Note 17)

Approved by Directors:

'Aziz Rahimtoola'	*'Muizz Kheraj'*
Director	Director

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

	For the three months ended		For the nine months ended	
	September 30, 2025	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
Net Revenues (Note 3)	**8,208,049**	16,052,759	**28,452,634**	31,301,723
Cost of sales	**3,391,058**	5,923,923	**11,261,850**	11,961,089
Gross profit	**4,816,991**	10,128,836	**17,190,784**	19,340,634
Expenses				
Sales and marketing	**4,166,260**	4,129,942	**12,140,322**	10,407,537
General and administrative	**1,355,015**	1,649,637	**4,731,912**	3,926,627
Research and technology costs	**1,778,017**	1,804,425	**5,414,973**	3,978,409
Amortization of intangible assets (Note 7)	**43,508**	47,594	**133,122**	148,615
Occupancy (Note 9)	**222,440**	163,806	**617,660**	485,018
Amortization of lease (Note 9)	**185,060**	181,525	**509,556**	540,628
Share-based compensation (Note 11)	**77,901**	58,586	**229,220**	162,908
	7,828,201	8,035,515	**23,776,765**	19,649,742
(Loss) gain from operations	**(3,011,210)**	2,093,321	**(6,585,981)**	(309,108)
Other income (Note 16)	**646**	-	**592,382**	-
Other expense	**7,735**	-	**7,735**	-
Loss on lease termination (Note 9)	**-**	-	**20,275**	-
(Loss) gain before finance costs and income taxes	**(3,018,299)**	2,093,321	**(6,021,609)**	(309,108)
Finance costs	**309,447**	335,461	**951,846**	963,289
(Loss) gain before income taxes	**(3,327,746)**	1,757,860	**(6,973,455)**	(1,272,397)
Income tax expense	**19,368**	8,227	**44,519**	33,006
Net (loss) gain for the period	**(3,347,114)**	1,749,633	**(7,017,974)**	(1,305,403)
Other comprehensive gain (loss)				
Foreign currency translation gain	**(5,290)**	4,392	**45,110**	21,832
Comprehensive (loss) gain	**(3,352,404)**	1,754,025	**(6,972,864)**	(1,283,571)
Income (loss) per share				
Basic	**(0.07)**	0.03	**(0.14)**	(0.03)
Diluted	**(0.07)**	0.03	**(0.14)**	(0.03)
Weighted average number of shares outstanding				
Basic	**50,794,808**	50,223,072	**50,654,900**	50,135,509
Diluted	**50,794,808**	50,767,877	**50,654,900**	50,135,509

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

Condensed Interim Consolidated Statements of Changes In Shareholder's Equity (Deficit) (unaudited)

For the nine months ended September 30, 2025 and 2024

	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	-	-	-	-	220,161	-	-	220,161
Shares issued due to vesting of restricted stock units	479,548	235,164	-	-	(235,164)	-	-	-
Shares issued due to exercise of stock options	33,359	10,098	-	-	(4,228)	-	-	5,870
Repurchased shares cancellation	(34,000)	(11,751)	-	-	-	-	-	(11,751)
Treasury shares pending cancellation	-	-	(1,809)	-	-	-	-	(1,809)
Net loss and total comprehensive loss	-	-	-	-	-	(110,875)	7,474	(103,401)
Balance, December 31, 2024	**50,549,485**	**13,307,749**	**(1,809)**	**99,060**	**1,672,778**	**(15,930,297)**	**(119,128)**	**(971,647)**
Balance, December 31, 2024	50,549,485	13,307,749	(1,809)	99,060	1,672,778	(15,930,297)	(119,128)	(971,647)
Issuance of bonus shares as part of debenture offering (Note 10)	170,066	49,373	-	-	-	-	-	49,373
Issurance of shares to settle interest payable on secured convertible notes (Note 11)	162,477	60,692	-	-	-	-	-	60,692
Repayment of convertible notes	-	-		(99,060)	-	99,060	-	-
Share-based compensation (Note 11)	-	-	-	-	236,690	-	-	236,690
Shares issued due to vesting of restricted stock units (Note 11)	113,117	85,054	-	-	(85,054)	-	-	-
Repurchased shares cancellation (Note 11)	(5,500)	(1,809)	1,809	-	-	-	-	-
Net loss and total comprehensive loss	-	-	-	-	-	(7,017,974)	45,110	(6,972,864)
Balance, September 30, 2025	**50,989,645**	**13,501,059**	**-**	**-**	**1,824,414**	**(22,849,211)**	**(74,018)**	**(7,597,756)**

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

	For the nine months ended	
	September 30, 2025	September 30, 2024
	$	$
Cash flows (used in) from operating activities		
Net loss	**(7,017,974)**	(1,305,403)
Adjustments for:		
Share-based compensation to employees (Note 11)	**229,220**	162,908
Share-based compensation to contractors (Note 11)	**7,470**	3,718
Loss on extinguishment of convertible notes (Note 10)	**7,529**	-
Finance costs (Note 9)	**206,323**	228,203
Gain on lease modification (Note 9)	**(7,317)**	-
Foreign exchange	**45,110**	21,832
Amortization of intangible assets (Note 7)	**133,122**	148,615
Amortization of lease (Note 9)	**509,556**	540,628
Loss on lease termination (Note 9)	**20,275**	-
	(5,866,686)	(199,499)
Changes in non-cash working capital items:		
Accounts receivable	**7,010,793**	149,874
Prepaid expenses and other current assets	**(34,304)**	(184,194)
Deferred revenue	**176,796**	120,354
Accounts payable and accrued liabilities	**(2,032,814)**	2,768,075
	(746,215)	2,654,610
Cash flows used in investing activities		
Development costs (Note 7)	**(72,819)**	(75,518)
	(72,819)	(75,518)
Cash flows used in financing activities		
Advances (payments) of loan payable	**113,076**	(1,563,628)
Advances to related parties	**(2,981)**	(101,225)
Lease payments (Note 9)	**(614,730)**	(655,914)
Issuance of common shares upon exercise of stock options (Note 11)	**-**	2,245
Acquisition of treasury shares	**-**	(796)
	(504,635)	(2,319,318)
Net (decrease) increase in cash	**(1,323,669)**	259,774
Cash, beginning of period	**3,300,439**	2,612,112
Cash, end of period	**1,976,770**	2,871,886

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 November 24, 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.

The Company determines whether it is acting as a principal or an agent for each performance obligation in a contract based on whether it controls the specified service before it is transferred to the customer.

- Principal: When the Company is determined to be the principal (i.e., it obtains control of the advertising service), revenue is recognized on a gross basis at the amount of consideration to which the Company expects to be entitled. Related platform costs, including payments to publishers or other intermediaries, are recognized as a corresponding expense (Cost of Sales).

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

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

- Agent: When the Company acts as an agent (i.e., its performance obligation is to arrange for the provision of services by another party without obtaining control of the underlying service), revenue is recognized on a net basis in the amount of any commission or fee the Company expects to be entitled to for facilitating the transaction. Related platform costs are not presented as revenue or expense on a gross basis but rather form part of the net revenue calculation.

For managed services, Connected TV, and App Science™ insights, the Company determines it acts as a principal and revenue is recorded on a gross basis. For programmatic advertising services facilitated through third-party platforms, the Company acts as an agent, and revenue is recognized net of commissions, platform costs, and other deductions. Gross programmatic revenue, a supplemental non-IFRS measure, represents the total dollar value of advertising impressions sold through the Company's programmatic platforms, including amounts billed to advertisers and agencies, before deducting third-party platform costs, commissions, and other pass-through charges.

The following table presents our disaggregated revenue for the three and nine months ended September 30, 2025, and September 30, 2024:

	For the three months ended		**For the nine months ended**	
	September 30, 2025	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
Gross Revenues	**9,282,638**	16,052,759	**30,091,212**	31,301,723
Platform costs	**1,074,589**	-	**1,638,578**	-
Net Revenues	**8,208,049**	16,052,759	**28,452,634**	31,301,723

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.

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.

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.

<u>Determination of functional currency</u>

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.

<u>Determination of rate used to estimate the fair value of the liability components of convertible notes/non-convertible debentures and related derivative liabilities</u>

The rate used in determining the appropriate value of the liability components of the convertible notes/non-convertible debentures, as well as the derivative liability associated with the issuance of non-convertible debentures and to appropriately apply the effective interest rate method to these instruments is subject to management estimation.

<u>CGU Identification</u>

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.

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

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

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.

Assessment of acting as a principal or an agent in a transaction

The determination of whether revenue should be presented on a gross or net basis is based on an assessment of whether the Company acts as the principal or as an agent in the transaction. In making this assessment, the Company applies the accounting guidance on principal–agent considerations. This assessment requires judgment and is based on an evaluation of the specific terms and conditions of each arrangement, with no single factor being solely determinative.

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.

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.

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

Key sources of estimation uncertainty (continued from previous page)

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.

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

	September 30, 2025	December 31, 2024
	$	$
Trade receivables	**7,795,017**	14,805,810
Expected credit loss provision	**(73,613)**	(73,613)
Net carrying value	**7,721,404**	14,732,197

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
Additions	42,664	-	-	-	42,664
Balance at September 30, 2025	**3,696,928**	**129,000**	**83,000**	**75,000**	**3,983,928**
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
Amortization expense	30,230	6,450	4,150	2,678	43,508
Balance at September 30, 2025	**3,597,105**	**91,303**	**58,100**	**37,501**	**3,784,009**
Net book value as at:					
December 31, 2024	120,289	57,048	37,350	45,535	260,222
Balance at September 30, 2025	**99,823**	**37,697**	**24,900**	**37,499**	**199,919**

8. Accounts payable and accrued liabilities

	September 30, 2025	December 31, 2024
	$	$
Trade accounts payable and accrued liabilities	**13,239,352**	15,312,299
Interest payable	**85,296**	112,280
	13,324,648	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
Balance, September 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
Amortization	185,060
Balance, September 30, 2025	**2,325,688**
Carrying amount	
December 31, 2024	1,351,893
September 30, 2025	**2,079,244**

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

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
Finance Costs	76,408
Lease payments	(207,432)
Balance, September 30, 2025	**2,554,682**
Current	737,022
Non-current	1,817,660
Balance, September 30, 2025	**2,554,682**

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.

	$
Less than 1 year	989,951
1-2 years	1,072,428
2-3 years	816,452
3-4 years	148,052
After 4 years	-
	3,026,883

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 $222,440 for the three months ended September 30, 2025 (2024 - $163,806) related to these short-term office leases in the condensed interim consolidated statements of operations and comprehensive loss. During the nine months ended September 30, 2025, the Company recorded occupancy expenses of $617,660 (2024 - $485,018) 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, as disclosed in Note 9 (***) below.

(**) 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-

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

-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 September 30, 2025. There was no new lease entered during the year ended December 31, 2024.

10. Loans payable

	Note	**September 30, 2025**	December 31, 2024
		$	$
U.S. Small Business Administration promissory note	(a)	**440,000**	440,000
SLRDF Revolving Credit Facility	(b)	**4,265,616**	5,219,387
Revamp Receivables-Purchase Facility	(c)	**964,719**	-
Convertible notes	(d)	**-**	1,195,990
Debentures	(e)	**1,256,274**	-
		6,926,609	6,855,377
Current portion of loans payable		**6,491,879**	6,415,377
U.S. Small Business Administration promissory note	(a)	***5,270***	-
SLRDF Revolving Credit Facility	(b)	***4,265,616***	*5,219,387*
Revamp Receivables-Purchase Facility	(c)	***964,719***	-
Convertible notes	(d)	***-***	*1,195,990*
Debentures	(e)	***1,256,274***	-
Long-term portion of loans payable		**434,730**	440,000
U.S. Small Business Administration promissory note	(a)	***434,730***	440,000
		6,926,609	6,855,377

Less than 1 year	**6,491,879**
1-2 years	**13,606**
2-3 years	**14,125**
3 years and beyond	**406,999**
	6,926,609

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

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 September 30, 2025, the Company paid $nil (2024 - $50,000) in principal and recognized $4,125 (2024 - $4,281) of interest expense. During the nine months ended September 30, 2025, the Company paid $nil (2024 - $50,000) in principal and recognized $12,375 (2023 - $13,469) 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's U.S. operating subsidiaries. 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 to availability under the facility. During the three months ended September 30, 2025, the Company withdrew $8,121,424 (2024 - $15,604,199) and paid $10,269,960 (2024 - $10,060,787) in principal and recognized $150,447 (2024 - $133,915) of interest expense. During the nine months ended September 30, 2025, the Company withdrew $35,484,406 (2024 - $15,604,199) and paid $36,438,177 (2024 - $10,060,787) in principal and recognized $519,048 (2024 - $133,915) of interest expense.

(c) On September 17, 2025, the Company, through its subsidiary Sabio London Limited, entered into receivables purchase agreement with Revamp Funding Designated Activity Company ("Revamp"). The facility has a minimum term of six months, and it is cancellable at the Company's option with prior written notice. The receivables purchase facility is available for the Company's approved debtors within the United Kingdom and provides for advances of up to 90% of eligible accounts receivable, subject to an aggregate exposure limit of GBP £3 million. Revamp retains a reserve representing the remaining balance, which is payable to the Company only after the related receivables are fully collected. Advances under the facility bear a discount charge of 0.54% per month and a service fee ranging from 0.99% to 1.01% per month.

Under the terms of the arrangement, certain trade receivables are legally sold to the Revamp in exchange for an upfront cash advance. Although structured as a legal sale, the Company retains substantially all risks and rewards of ownership—including credit risk and exposure to the timing of collection—and is entitled to receive any residual amounts ("Surplus Value") only after Revamp has recovered the full advance and related fees. Accordingly, the Company recognizes interest and related fees payable to Revamp as finance costs in profit or loss.

As a result, the transfers do not meet the derecognition criteria in IFRS 9 Financial Instruments, and the related trade receivables continue to be recognized on the Company's statement of financial position.

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

The table below summarizes the carrying amount of the financial assets that continue to be recognized, as well as the associated liabilities representing the cash received from Revamp:

In $	Sep 30, 2025
Trade receivables subject to transfer arrangements	1,105,437
Liability arising from transferred financial assets	964,719

The liability is presented as "Revamp Receivables-Purchase Facility" – part of the loan payable in the statement of financial position.

The associated liability will be extinguished only as cash flows from the transferred receivables are remitted to Revamp. Revamp has recourse only to the transferred receivables and does not have further claim on other Company assets, except to the extent that the Company is obligated to compensate Revamp for any shortfall arising from customer defaults.

Cash flows collected from customers are remitted directly to Revamp until the full amount of the advance and related finance costs have been recovered. Any residual amounts collected thereafter are returned to the Company. The cash flows from the transferred receivables cannot be used by the Company until Revamp has been fully reimbursed.

During the three and nine months ended September 30, 2025, the Company withdrew $964,719 (2024 - nil) and paid $nil (2024 - $nil) in principal and recognized $2,799 (2024 - $nil) of interest expense.

d) 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 $1,261,645 (CAD $1,737,850) which comprises of the issuance of secured notes in the aggregate principal amount of $872,996 (CAD $1,200,000) and unsecured notes in the aggregate principal amount of $388,649 (CAD $537,850). The notes issued had a maturity date of August 16, 2025. The notes were 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 bore 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 were 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 were structurally subordinated to the first lien security interest held by SLRDF. The Company had the option to 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 was then entitled to receive a repayment amount that was equal to the principal amount and interest calculated for a period of twelve months from the issue date. The unsecured notes bore interest at the rate of 14% per annum payable monthly in cash. The Company had the option to prepay the unsecured notes issued at any time after twelve months from the issuance date.

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

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

Management 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, were accreted such that the carrying amount of convertible notes were equal to the $1,261,645 (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 was based on significant management estimation. The breakdown of convertible notes by components upon issuance was as follows:

	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**

The secured convertible notes were retired at the maturity date by the proceeds from the non-convertible debentures closed on August 25, 2025, while the unsecured convertible notes were rolled over into the non-convertible debentures issued on the same date at an amount equal to their principal at the maturity date. The equity component of the convertible notes of $99,060 previously recorded as a separate component in shareholders' equity was reclassified to retained earnings upon the maturity date of the convertible notes.

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

	September 30, 2025	December 31, 2024
	$	$
Convertible notes, beginning of period	1,195,990	1,202,849
Repayment of convertible notes	(872,996)	-
Rollover into non-convertible debentures	(388,649)	-
Interest expense (*)	176,410	263,604
Interest paid	(163,337)	(174,322)
Foreign exchange fluctuation	52,582	(96,141)
Convertible notes, end of period	**-**	**1,195,990**

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

A summary of changes in the secured and unsecured convertible notes for the nine months ended September 30, 2025, is as follows:

	Secured notes	Unsecured notes	Total
Balance as on December 31, 2024	866,659	329,331	1,195,990
Repayment of convertible notes	(872,996)	-	(872,996)
Rollover into non-convertible debentures	-	(388,649)	(388,649)
Interest expense (*)	112,713	63,697	176,410
Interest paid	(127,041)	(36,296)	(163,337)
Foreign exchange fluctuation	20,665	31,917	52,582
Balance as on September 30, 2025	**-**	**-**	**-**

(*) Interest expense was 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 September 30, 2025, the effective interest on the convertible notes recorded in finance costs was $41,842 (2024: $66,943). The actual interest paid during the three months ended September 30, 2025 was $77,141 (2024: $74,752). During the nine months ended September 30, 2025, the effective interest on the convertible notes recorded in finance costs was $176,410 (2024: $196,568). The actual interest paid during the nine months ended September 30, 2025 was $163,337 (2024: $160,322) including the payment of interest through a shares-for-debt transaction, under which the Company issued 162,477 common shares at a deemed price of CAD $0.517 to settle interest of $60,692 (CAD $84,000) due on July 31, 2025, on secured convertible notes. Refer to Note 11(a) for details.

(e) On August 25, 2025, the Company closed a non-brokered, private placement offering of 15% subordinated and unsecured, non-convertible debentures of the Company for gross proceeds of $1,302,734 (CAD $1,802,850). The proceeds were used to retire the entire principal amount of $1,261,645 (CAD $1,737,850), together with accrued interest, on the secured and unsecured convertible notes originally issued on August 16, 2023. As part of this offering, Aziz Rahimtoola, Sabio's CEO, subscribed to the new debenture note with an aggregate principal amount of $388,649 (CAD $537,850) by rolling over the principal portion of his previously retired unsecured convertible note (the "debt rollover"). 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. 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 $0.38 (CAD $0.53) per Bonus share, including 50,740 Bonus Shares issued to Mr. Rahimtoola. The Bonus Shares are 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.

The debentures are accounted for as a compound financial instrument under IAS 32, comprising a liability component representing the host debt contract, an equity component representing the Bonus Shares, and a derivative component representing the option to extend the term.

At inception, the Company used the residual value method to allocate the principal amount of the debentures between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 22%, being-

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

-management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity component of the debentures comprises the value of the Bonus Shares, being the difference between the face value of the debentures and the liability element calculated above. Total transaction costs of $22,840 (CAD $31,624) were proportionally allocated between the host debt and the equity component based on their relative

fair values. Based on this calculation, the net liability component is $1,238,050 (CAD $1,713,334) and the residual equity component is $49,373 (CAD $68,310). The option to extend the term of the debentures is not closely related to the host debt contract and meets the definition of a derivative liability under IFRS 9. Accordingly, it is accounted for separately from the debentures and measured at fair value through profit or loss (FVTPL). At inception, the probability of exercising the option was considered remote, and its fair value was determined to be nil.

The liability component is subsequently carried at amortized cost at an effective interest rate of 28.0% while the derivative liability is remeasured at fair value through profit or loss (FVTPL) at the end of each reporting period.

The debt rollover represented a substantial modification of the original terms, as the present value of the cash flows under the new terms differed by more than 10% from the present value of the remaining cash flows of the original liability. Accordingly, the original debt was derecognized, and a new liability was recognized in accordance with IFRS 9. The carrying amount of the liability at the rollover date was $388,649, and the total consideration paid was $396,178. The transaction resulted in a loss on extinguishment of debt of $7,529, recognized in finance costs in profit or loss.

The breakdown of non-convertible debentures by components upon issuance is as follows:

	Proceeds	Debentures liability	Bonus shares	Derivative liability
	$	$		$
Debentures upon issuance	1,302,734	1,252,767	49,967	-
Loss on extinguishment of convertible notes	7,529	7,529	-	-
Transaction cost - cash	(22,840)	(22,246)	(594)	-
Net balance upon issuance	**1,287,423**	**1,238,050**	**49,373**	**-**

A summary of changes in non-convertible debentures during the nine months ended September 30, 2025, and the year ended December 31, 2024, is as follows:

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

	September 30, 2025	December 31, 2024
	$	$
Proceeds from issue of debentures	1,302,734	-
Transaction cost	(22,840)	-
Net proceeds	1,279,894	-
Amount allocated to bonus shares (net of transaction costs)	(49,373)	-
Interest expense (*)	31,342	-
Interest paid	(6,101)	-
Loss on extinguishment of convertible notes	7,529	-
Foreign exchange fluctuation	(7,017)	-
Debentures, end of period	**1,256,274**	**-**

The breakdown of debentures from related and non-related parties as of September 30, 2025, is as follows:

	From related party	**From other parties**	**Total**
Balance as on December 31, 2024	-	-	-
Proceeds from issue of debentures	388,649	914,085	1,302,734
Amount allocated to bonus shares (before transaction costs)	(15,400)	(34,567)	(49,967)
Transaction cost	(6,827)	(15,419)	(22,246)
Interest expense (*)	8,682	22,660	31,342
Interest paid	(6,101)	-	(6,101)
Loss on extinguishment of convertible note	7,529	-	7,529
Foreign exchange fluctuation	(1,923)	(5,094)	(7,017)
Balance as on September 30, 2025	**374,609**	**881,665**	**1,256,274**

During the three months ended September 30, 2025, the effective interest on the debentures recorded in finance costs was $31,342 (2024: nil). This amount is added to the liability component on the statements of financial position and is included in finance cost on the statements of loss and comprehensive loss. The actual interest paid during the three months ended September 30, 2025, was $6,101 (2024: nil).

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.

	#	$
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 bonus shares as part of debenture offering	170,066	49,373
Issurance of shares to settle interest payable on secured convertible notes	162,477	60,692
Issuance of common shares due to vesting of restricted stock units	113,117	85,054
Repurchased shares cancellation	(5,500)	(1,809)
Balance September 30, 2025	**50,989,645**	**13,501,059**

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 up to September 30, 2025.

On July 31, 2025, the Company completed a shares-for-debt transaction to settle $60,692 (CAD $84,000) of interest due on secured convertible notes issued on August 16, 2023. The settlement was completed through the issuance of 162,477 common shares at a deemed price of $0.37354 (CAD $0.517) per share, based on the 20-day volume weighted average price ending July 25, 2025. The secured convertible notes were retired at the maturity date by the proceeds from the non-convertible debentures closed on August 25, 2025, while the unsecured convertible notes were rolled over into the non-convertible debentures issued on the same date at an amount equal to their principal at the maturity date, as disclosed in Note 10(e). All shares issued are 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 closed a non-brokered, private placement offering of 15% subordinated and unsecured, non-convertible debentures of the Company for gross proceeds of $1,302,734 (CAD $1,802,850). In connection with the offering, the Company issued an aggregate of 170,066 common shares (each, a "Bonus Share") in

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

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

the capital of the Company at a price of $0.38 (CAD $0.53) per Bonus share. The Bonus Shares are subject to hold periods under applicable Canadian securities laws. The fair value of the Bonus Shares issued on the issuance date was calculated using the residual method, being the difference between the face value of the debentures and the fair value of the liability component, and was netted off against the related transaction costs, as disclosed in Note 10(e).

During the nine months ended September 30, 2025, nil (2024 – 13,201) stock options and 113,117 (2024 – 168,736) restricted stock units were redeemed, for net proceeds of $nil (2024 – $2,245) and $nil (2024 – $nil) respectively. The total share-based benefits reserve reclassified to common shares was nil (2024 – $1,588) for stock options and $85,054 (2024 - $125,999) 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 September 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 September 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 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 nine months ended September 30, 2025, and the year ended December 31, 2024, is as follows:

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)*

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	(154,632)	0.57
Balance, September 30, 2025	**2,993,989**	**0.54**
Options exercisable, December 31, 2024	1,947,588	0.60
Options exercisable, September 30, 2025	**2,183,134**	0.53

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

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	2.01
0.17	841,711	0.17	5.28
0.18	210,000	0.18	8.68
0.29	57,500	0.29	8.06
0.32	123,332	0.32	9.22
0.43	642,456	0.43	9.48
0.58	98,334	0.58	7.05
0.74	195,000	0.74	7.52
1.10	822,000	1.10	6.29
	2,993,989	**0.54**	**7.11**

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

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
	#	$	#
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**

There were no options granted during the three-months period ended September 30, 2025, and 2024. During the nine months ended September 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.

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:

	September 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 September 30, 2025, the Company recognized stock-based compensation for granted options of $45,796 (2024 - $24,981) under share-based compensation expense and $2,436 (2024 - $800) under contractor and corresponding expenses. During the nine months ended September 30, 2025, the Company recognized stock-based compensation for granted options of $129,897 (2024 - $64,621) under share-based compensation expense and $7,470 (2024 - $3,718) under contractor and corresponding expenses.

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

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

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 nine months ended September 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	(113,117)	0.75
Balance, September 30, 2025	**366,544**	**0.41**

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

Range of grant prices	**Number of RSUs**	**Weighted average grant price**	**Weighted average remaining contractual life in years**
	#	$	#
0.74	45,959	0.74	0.51
0.37	270,585	0.37	0.05
0.32	50,000	0.32	0.22
	366,544	**0.41**	**0.13**

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

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	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 nine months ended September 30, 2025 (2024 – Nil).

During the three months ended September 30, 2025, 37,150 (2024 – 40,478) 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 $27,943 (2024 – $30,393). During the nine months ended September 30, 2025, 113,117 (2024 – 168,736) 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 $85,054 (2023 – $125,999).

During the three months ended September 30, 2025, the Company recognized stock-based compensation for granted restricted stock units of $32,105 (2024 - $33,605) under share-based compensation expense. During the nine months ended September 30, 2025, the Company recognized stock-based compensation for granted restricted stock units of $99,323 (2024 - $98,287), under share-based compensation expense and $nil (2024 - $nil) under contractor expenses.

12. Related Party Transactions

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

	September 30, 2025	December 31, 2024
	$	$
Simon Wong	**62,607**	62,156
Liam Farrell	**31,285**	28,755
	93,892	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. During this quarter, the loan was further extended to December 31, 2025.

12. Related Party Transactions *(continued from previous page)*

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 $388,649 (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 unsecured convertible note due to Aziz Rahimtoola was retired at its maturity date through a rollover into the non-convertible debenture closed on August 25, 2025, at the same principal amount, as disclosed in Note 10(e).

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 September 30, 2025, comprised $31,285 (2024 - $30,052) due from Liam Farrell and $450,465 (2024 - $414,044) due from other parties.

On August 25, 2025, the Company closed a non-brokered, private placement offering of 15% subordinated and unsecured, non-convertible debentures of the Company for gross proceeds of $1,302,734 (CAD $1,802,850). The proceeds were used to retire the entire principal amount of $1,261,645 (CAD $1,737,850), together with accrued interest, on the secured and unsecured convertible notes originally issued on August 16, 2023. As part of this offering, Aziz Rahimtoola, Sabio's CEO, subscribed to the new debenture note with an aggregate principal amount of $388,649 (CAD $537,850) by rolling over the principal portion of his previously retired unsecured convertible note (the "debt rollover"). 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). 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. At the date of issue, $1,238,050 (net of transaction costs of $22,246 and including the associated loss on extinguishment of the convertible notes of $7,529) were classified as a liability component and $49,373 (net of transaction costs of $594) was classified as share capital for the bonus shares issued as a part of the debenture offering. The balance of the non-convertible debenture due to Aziz Rahimtoola as at September 30, 2025 classified as a liability component was $374,609 (2024 - nil) and classified as share capital for the bonus shares issued as a part of the debenture offering was $15,400 (2024 - nil). Refer Note 10(e) above for further details.

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.

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:

	September 30, 2025	December 31, 2024
Trade receivables aging		
0-30 days	**6,199,088**	10,900,959
31-60 days	**1,068,134**	1,819,076
61-90 days	**356,273**	1,765,685
Greater than 90 days	**171,522**	320,090
	7,795,017	14,805,810
Allowance for expected credit losses	**(73,613)**	(73,613)
Net trade receivables	**7,721,404**	14,732,197

At September 30, 2025, of the Company's trade receivables, one customer accounted for 15.0% (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 September 30, 2025 and December 31, 2024.

September 30, 2025	**Total**	**0-30 days**	**31-60 days**	**61-90 days**	**>90 days**
Default rates		0.50%	1.53%	2.58%	9.96%
Trade receivables	**$ 7,795,017**	$ 6,199,088	$ 1,068,134	$ 356,273	$ 171,522
Expected credit loss	**$ 73,613**	$ 30,995	$ 16,342	$ 9,192	$ 17,084

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

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

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 facilities have variable interest rates. Changes in the lending institution's prime lending rates can cause fluctuations in interest payments and cash flows.

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.

September 30, 2025	**Contractual cash flows**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Trade and other payables	**13,324,648**	13,324,648	-	-	-
Lease liability	**3,026,883**	989,951	1,888,880	148,052	-
Loans payable	**6,926,609**	6,491,879	27,731	29,887	377,112
	23,278,140	20,806,478	1,916,611	177,939	377,112

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, British pounds and euros 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, EURO/USD and GBP/USD exchange rates on the September 30, 2025, would have had an impact on the Company's cash in Indian rupees of $1,280, on the Company's cash, accounts receivable and promissory notes receivable in Canadian dollars of $39, $64 and $4,771 respectively, on the Company's cash and accounts receivable in British pounds of $3,796 and $13,597 respectively, on the Company's accounts receivable in euros of $4,361, on the Company's accounts payable and accrued liabilities in Canadian dollars of $1,404, on the Company's accounts payable and accrued liabilities in British pounds of $20,814, on the Company's lease liabilities in Indian rupees of $701 and of $12,440 on the Company's non-convertible debentures 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:

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

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

	September 30, 2025	December 31, 2024
	INR	INR
Cash	**11,477,979**	16,367,195
Net financial assets	**11,477,979**	16,367,195

	September 30, 2025	December 31, 2024
	CAD	CAD
Cash	**5,421**	56,408
Accounts receivable	**8,951**	-
Promissory notes receivable	**670,541**	636,446
Net financial assets	**684,913**	692,854

	September 30, 2025	December 31, 2024
	GBP	GBP
Cash	**285,208**	378,000
Accounts receivable	**1,021,509**	760,111
Net financial assets	**1,306,717**	1,138,111

	September 30, 2025	December 31, 2024
	EURO	EURO
Accounts receivable	**384,481**	-
Net financial assets	**384,481**	-

	September 30, 2025	December 31, 2024
	GBP	GBP
Accounts payable and accrued liabilities	**1,563,808**	150,306
Net financial assets	**1,563,808**	150,306

	September 30, 2025	December 31, 2024
	CAD	CAD
Accounts payable and accrued liabilities	**197,287**	226,049
Net financial liabilities	**197,287**	226,049

	September 30, 2025	December 31, 2024
	INR	INR
Lease liabilities	**6,290,328**	10,185,365
Net financial liabilities	**6,290,328**	10,185,365

	September 30, 2025	December 31, 2024
	CAD	CAD
Convertible notes	**-**	1,719,023
Debentures	**1,748,589**	-
Net financial liabilities	**1,748,589**	1,719,023

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

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 nine months ended September 30, 2025.

14. Segmented Information

The Company 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.

The Company has identified two operating segments based on geography: North America and Europe, the Middle East and Africa ("EMEA"). Management reviews revenue and segment profit for resource allocation and performance assessment. During the third quarter of 2025, the EMEA segment became reportable as revenue from this segment exceeded 10% of the Company's total revenue for the first time. In accordance with IFRS 8 – Operating Segments, revenue and profit are reported by geographic location of the customers.

The following tables presents revenue and profit/loss by reportable segment, together with a reconciliation to consolidated profit/loss.

	For the three months ended		For the nine months ended	
Geographic Region	**September 30, 2025**	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
North America	**6,420,632**	15,527,424	**26,038,591**	30,622,860
EMEA	**1,787,417**	525,335	**2,414,043**	678,863
Total Revenue	**8,208,049**	16,052,759	**28,452,634**	31,301,723

	For the three months ended		For the nine months ended	
Geographic Region	**September 30, 2025**	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
North America	**(3,472,977)**	1,677,872	**(6,508,119)**	(1,117,181)
EMEA	**167,006**	85,185	**(407,595)**	(148,418)
Total Profit (Loss)	**(3,305,971)**	1,763,057	**(6,915,714)**	(1,265,599)

14. Segmented Information *(continued from previous page)*

	For 3 months ended September 30, 2025	For 9 months ended September 30, 2025
	$	$
Total segment profit (loss)	(3,305,971)	(6,915,714)
Less: Inter-segment eliminations	(21,775)	(57,741)
Consolidated profit (loss) before tax	(3,327,746)	(6,973,455)

Comparative segment information for prior periods has been presented where practicable. Segment profit/loss represents the measure used by Management for evaluating performance; segment assets and liabilities are not reviewed separately and therefore are not disclosed.

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 September 30, 2025 is as follows:

Within one year	$	150,127
Less than one year and not longer than five years		290,473
Thereafter		-
	$	**440,600**

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 within other income in the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss.

17. Subsequent Events

On November 12, 2025, the Company announced the closing of a brokered private placement offering of common shares of the Company (each, a "LIFE Share") at a price of CAD $0.43 per LIFE Share. The Offering closed on November 11, 2025, with a total of 2,960,000 LIFE Shares issued for aggregate gross proceeds of CAD $1,272,800. The Offering was led by Canaccord Genuity Corp., together with Beacon Securities Ltd. (collectively, the "Agents"). LIFE Shares issued pursuant to the Listed Issuer Financing Exemption are immediately freely tradeable and are not subject to a hold period under applicable Canadian securities laws. In connection with the Offering, the Company paid cash commissions and advisory fees in the aggregate amount of CAD $38,184 (excluding applicable taxes) and issued an aggregate of 88,800 common shares (each, a "Compensation Share") and 177,600 compensation warrants (each, a "Compensation Warrant") to the Agents, subject to the final approval of the TSX Venture Exchange. Each Compensation Warrant is exercisable to acquire one Common Share (each, a "Compensation Warrant Share") at a price $0.43 per Compensation Warrant Share until November 12, 2027.