

Sabio Holdings Inc.

Consolidated Financial Statements

For the years ended
December 31, 2025 and 2024

Expressed in U.S. Dollars

Independent Auditor's Report

To the Shareholders of Sabio Holdings Inc.:

Opinion

We have audited the consolidated financial statements of Sabio Holdings Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill and Long-Lived Assets

Key Audit Matter Description

We draw attention to Notes 2 and 3 of the consolidated financial statements for the Company's accounting policy and the significant judgements and estimates applied in determining the recoverable amount of the identified cash generating unit (CGU) and Note 7 to the consolidated financial statements which disclosed that the Company has recorded goodwill of \$2,478,774 as of December 31, 2025.

The Company performs impairment testing for goodwill and long-lived assets on an annual basis or more frequently when there is an indication of impairment. An impairment is recognized if the carrying amount of an asset, or its CGU, exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In determining the estimated recoverable amounts using a discounted cash flow model, the Company's significant assumptions include future cash flows based on expected operating results, long term growth rates and the discount rate.

We considered this a key audit matter due to the significant judgment made by management in determination of CGU and estimating the recoverable amount for goodwill and long-lived assets and a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates. This resulted in an increased extent of audit effort, including the involvement of internal valuation specialists.

Audit Response

We responded to this matter by performing procedures over the impairment of goodwill and long-lived assets. Our audit work in relation to this included, but was not restricted to, the following:

- Tested management's key assumptions, including a 'retrospective review' to compare management's assumptions in prior year expected future cash flows to the actual results to assess the Company's budgeting process.
- Assessed management's determination of CGU and the allocation of goodwill to the identified CGU.
- Evaluated the reasonableness of key assumptions in the impairment model, including future cash flows based on expected operating results, long term growth rates and the discount rate.
- Tested the mathematical accuracy of management's impairment model and supporting calculations.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the impairment assessment in the notes to the consolidated financial statements.
- With the assistance of internal valuation specialists, evaluated the reasonableness of the Company's impairment model, which included:
 - Evaluating the reasonableness of the discount rates by comparing the Company's weighted average cost of capital against publicly available market data;
 - Developing a range of independent estimates and comparing those to the discount rate selected by management; and
 - Performing a sensitivity analysis by developing a range of independent estimates of growth rates, forecasted earnings and weighted average cost of capital.

Going Concern

Key Audit Matter Description

The Company had incurred a net loss and had negative cash flows from operations for the year ended December 31, 2025, and had an accumulated deficit as at December 31, 2025. These conditions could indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In accordance with IAS 1 Presentation of Financial Statements, management makes an assessment of the Company's ability to continue as a going concern, by preparing a cash flow forecast, taking into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. When management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. Management in Note 3 estimated that the Company has sufficient cash to allow it to continue as a going concern for the period of at least, but not limited to, twelve months from the end of the reporting period, and accordingly, assessed that there were no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

We identified the assessment of whether there was a material uncertainty that the Company would continue as a going concern as a key audit matter. There was a high degree of auditor judgment required to evaluate the significant assumptions used in management's cash flow forecast including, but not limited to, forecasted revenue, gross margin, operating expenses, cash flows from operating activities, and other factors impacting the Company's financial resources or ability to continue operations over a period of at least twelve months from the end of the reporting period.

Audit Response

We responded to this matter by performing audit procedures in relation to the assessment of whether there was a material uncertainty that the Company would continue as a going concern. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the reasonableness of significant assumptions used in the cash flow forecast, such as forecasted revenue, gross margin, and operating expenses and assessed whether there was adequate evidence for the assumptions underlying the forecast, as well as whether the assumptions were consistent with evidence obtained in other areas of the audit;
- Assessed loan payables covenants and their impacts on the cash flow forecast; and
- Performed a sensitivity analysis on significant assumptions to evaluate whether these changes would impact the Company's ability to continue as a going concern for a period of, at least but not limited to, the next twelve months.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zhi Huang.

MNP LLP

Toronto, Ontario
April 30, 2026

Chartered Professional Accountant
Licensed Public Accountants

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Consolidated Statements of Financial Position
As at December 31, 2025 and December 31, 2024

	December 31, 2025	December 31, 2024
	\$	\$
Assets		
Current assets		
Cash	1,343,131	3,300,439
Accounts receivable, net of expected credit losses (Note 5)	12,969,867	14,732,197
Due from related parties (Note 13)	32,319	62,156
Promissory notes receivable (Note 13)	465,355	-
Prepaid expenses and other current assets	413,936	481,832
	15,224,608	18,576,624
Due from related parties (Note 13)	-	28,755
Right of use asset (Note 9)	1,894,183	1,351,893
Intangible assets (Note 6)	174,375	260,222
Promissory notes receivable (Note 13)	-	414,044
Goodwill (Note 7)	2,478,774	2,478,774
	19,771,940	23,110,312
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	15,394,116	15,424,579
Deferred revenue	199,500	42,204
Current income tax liabilities (Note 12)	71,488	46,575
Lease liability (Note 9)	766,580	448,882
Loans payable (Note 10)	10,935,074	6,415,377
	27,366,758	22,377,617
Lease liability (Note 9)	1,601,593	1,264,342
Loans payable (Note 10)	431,375	440,000
	29,399,726	24,081,959
Shareholders' Equity (Deficiency)		
Common shares (Note 11)	14,360,272	13,307,749
Common stock issuable (Note 11)	5,267	-
Treasury shares (Note 11)	-	(1,809)
Equity component of convertible notes (Note 10)	-	99,060
Share-based benefits reserve (Note 11)	1,778,418	1,672,778
Deficit	(25,666,230)	(15,930,297)
Foreign currency translation reserve	(105,513)	(119,128)
	(9,627,786)	(971,647)
	19,771,940	23,110,312

Events after the reporting period (Note 18)

Approved by Directors:

'Aziz Rahimtoola'

'Muizz Kheraj'

Consolidated Statements of Operations and Comprehensive Loss
For the years ended December 31, 2025 and 2024

	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Net revenues (Note 3)	38,231,397	49,602,885
Cost of sales	15,477,442	18,975,496
Gross profit	22,753,955	30,627,389
Expenses		
Sales and marketing	16,252,421	14,927,110
General and administrative	6,297,807	6,101,389
Research and technology costs	7,362,192	5,761,481
Amortization of intangible assets (Note 6)	172,346	193,668
Occupancy (Note 9)	842,399	672,631
Amortization of lease (Note 9)	694,617	689,255
Share-based compensation (Note 11)	281,791	216,037
	31,903,573	28,561,571
(Loss) gain from operations	(9,149,618)	2,065,818
Other income (Note 16)	819,017	92,824
Loss on loan forgiveness (Note 13)	-	(935,567)
Other expense	(7,735)	-
Loss on lease termination (Note 9)	(20,275)	-
(Loss) gain before finance costs and income taxes	(8,358,611)	1,223,075
Finance costs	1,395,878	1,292,344
Loss before income taxes	(9,754,489)	(69,269)
Income tax expense (note 12)	80,504	41,606
Net loss for the year	(9,834,993)	(110,875)
Other comprehensive gain (loss)		
Foreign currency translation gain	13,615	7,474
Comprehensive loss	(9,821,378)	(103,401)
Loss per share		
Basic	(0.19)	(0.00)
Diluted	(0.19)	(0.00)
Weighted average number of shares outstanding		
Basic	51,201,859	50,222,096
Diluted	51,201,859	50,222,096

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

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

For the years ended December 31, 2025 and 2024

	Number of Common Shares	Common shares	Common stock issuable	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 (Note 11)	-	-	-	-	-	220,161	-	-	220,161
Shares issued due to vesting of restricted stock units (Note 11)	479,548	235,164	-	-	-	(235,164)	-	-	-
Shares issued due to exercise of stock options (Note 11)	33,359	10,098	-	-	-	(4,228)	-	-	5,870
Repurchased shares cancellation (Note 11)	(34,000)	(11,751)	-	-	-	-	-	-	(11,751)
Treasury shares pending cancellation (Note 11)	-	-	-	(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 common shares under LIFE offering (Note 11)	3,048,800	747,937	-	-	-	-	-	-	747,937
Issuance of warrants to agents of LIFE offering (Note 11)	-	-	-	-	-	16,627	-	-	16,627
Issuance of bonus shares as part of debenture offering (Note 10)	170,066	49,373	-	-	-	-	-	-	49,373
Issuance 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)	-	-	-	-	-	290,610	-	-	290,610
Shares issued due to vesting of restricted stock units (Note 11)	399,021	196,330	-	-	-	(196,330)	-	-	-
Common stock issuable (Note 11)	-	-	5,267	-	-	(5,267)	-	-	-
Repurchased shares cancellation (Note 11)	(5,500)	(1,809)	-	1,809	-	-	-	-	-
Net loss and total comprehensive loss	-	-	-	-	-	-	(9,834,993)	13,615	(9,821,378)
Balance, December 31, 2025	54,324,349	14,360,272	5,267	-	-	1,778,418	(25,666,230)	(105,513)	(9,627,786)

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

Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024

	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Cash flows (used in) from operating activities		
Net loss	(9,834,993)	(110,875)
Adjustments for:		
Share-based compensation to employees (Note 11)	281,791	216,037
Share-based compensation to contractors (Note 11)	8,819	4,124
Loss on extinguishment of convertible notes (Note 10)	7,529	-
Finance costs (Note 9)	277,681	289,504
Gain on lease modification (Note 9)	(7,317)	-
Foreign exchange	13,615	7,474
Amortization of intangible assets (Note 6)	172,346	193,668
Loss on loan forgiveness (Note 13)	-	935,567
Amortization of lease (Note 9)	694,617	689,255
Loss on lease termination (Note 9)	20,275	-
	(8,365,637)	2,224,754
Changes in non-cash working capital items:		
Accounts receivable	1,762,330	(3,900,698)
Prepaid expenses and other current assets	16,585	(18,665)
Deferred revenue	157,296	25,745
Accounts payable and accrued liabilities	55,142	5,441,893
	(6,374,284)	3,773,029
Cash flows used in investing activities		
Development costs (Note 6)	(86,499)	(102,861)
	(86,499)	(102,861)
Cash flows from (used in) financing activities		
Advances (payments) of loan payable (Note 10)	4,552,916	(1,908,116)
Advances from (to) related parties (Note 13)	58,592	(148,732)
Issuance of common shares under LIFE offering (Note 11)	764,564	-
Lease payments (Note 9)	(872,597)	(917,303)
Issuance of common shares upon exercise of stock options (Note 11)	-	5,870
Repurchased shares cancellation (Note 11)	-	(11,751)
Treasury shares pending cancellation (Note 11)	-	(1,809)
	4,503,475	(2,981,841)
Net (decrease) increase in cash	(1,957,308)	688,327
Cash, beginning of year	3,300,439	2,612,112
Cash, end of year	1,343,131	3,300,439

The accompanying notes are an integral part of these 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.

The Company became publicly listed in November 2021 following a reverse takeover transaction 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.

2. Material accounting policies

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

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment was applied for the first time in 2025 but did not have a material impact on the 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.

2.2 Summary of other material accounting policies

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements of the Company were authorized for issuance by the Board of Directors on April 30, 2026.

Basis of preparation

The 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.

The material accounting policies are set out below.

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

2.2 Summary of other material accounting policies *(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 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.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in transaction costs.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognized in the statements of operations and comprehensive loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in the statements of operations and comprehensive loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred-,

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

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

Business combinations and goodwill (continued from previous page)

-the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the statements of operations and comprehensive loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated shall:

- (a) represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and
- (b) not be larger than an operating segment as defined by paragraph 5 of IFRS 8 *Operating Segments* before aggregation.

Goodwill is tested for impairment at a level that reflects the way an entity manages its operations and with which the goodwill would naturally be associated. If an entity reorganizes its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The Company operates as one operating segment which is reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for the allocation of resources and assessing the performance of the operating segment and have been identified as the CEO and CFO of the Company.

Foreign currency translation

The 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-

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

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

Foreign currency translation (continued from previous page)

-transaction are used. The resulting foreign currency translation adjustments are recognized in foreign currency translation reserve, one components of the 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.

Financial Instruments

IFRS 9 contains three principle classifications for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL") and eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Classification of financial assets under IFRS 9 is generally based on a business model and its contractual cash flow characteristics.

The following table shows the classification categories under IFRS 9 for each class of the Company's financial assets and financial liabilities.

<u>Asset/liability:</u>	<u>Classification:</u>
Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred revenue	Amortized cost
Due from related parties	Amortized cost
Promissory notes receivable	Amortized cost
Loans payable	Amortized cost
Convertible notes/Debentures	Amortized cost
Derivative liabilities	FVTPL

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

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

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

Financial Instruments (continued from previous page)

Financial assets (continued from previous page)

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of accounts receivable, promissory notes receivable and due from related parties.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash and cash equivalents.
- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss. The entity does not hold any equity investments.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

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

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

Financial Instruments (continued from previous page)

Financial assets (continued from previous page)

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

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 receivable. 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.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

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

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

Financial Instruments (continued from previous page)

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, except for financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for deferred development costs is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, deferred development costs are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Other intangible assets

Brand name, customer/publisher relationships, technology and patents acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

All finite-lived intangible assets are initially recorded at fair value and then amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

Amortization of finite-lived intangible assets has been included in Expenses. Subsequent expenditures to maintain customer/supplier relationship, technology and patents and brand name are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of non-financial assets

Property, equipment and intangible assets (other than goodwill) are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When an indication of impairment is identified, the carrying value of the asset or group of assets is measured against the recoverable amount. The Company evaluates impairments losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled.

The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

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

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

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed using the graded vesting method, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The fair value of the options/warrants granted is measured using the Black-Scholes pricing model ("BSM") taking into account the terms and conditions upon which the options/warrants were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options/warrants that are expected to vest.

The BSM requires management to estimate the expected volatility, term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of similar publicly listed entities. Forfeitures are adjusted for on an actual basis.

The fair value of stock options/warrants is charged to loss and comprehensive loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options/warrants that vest but are not exercised. If, and when, share options/warrants are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

The fair value of restricted stock units granted is the most recent closing trading price of the Company's common shares on the TSX Venture Exchange from the grant date. Compensation expense for each grant is recorded in the Consolidated statements of operations and comprehensive loss with a corresponding increase in Share-based benefits reserve on the Consolidated statements of financial position. The expense is based on the fair values at the time of the grant and is recognized over the vesting period of the respective RSU. The Company settles RSU's by issuing common shares upon redemption and the applicable amount of contributed surplus is transferred to share capital.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity.

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

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

Treasury shares

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from equity. Treasury shares that are acquired and canceled are recognized as a reduction in common shares. Treasury shares that are acquired but not yet canceled are presented as a separate component of equity in the consolidated statement of changes in shareholders' equity.

No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration received when reissued is recognized in the share premium account, which is a component of shareholders' equity.

Convertible notes

Convertible notes denominated in Canadian dollars issued by the Company are compound financial instruments as they can be converted to the Company's common shares at the option of the holders and the number of common shares to be issued is fixed and does not vary with changes in their fair value.

The liability component of a convertible note is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the convertible note as a whole and the fair value of the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible note is measured at amortized cost using the effective interest method until it is extinguished on conversion or redemption. The equity component of a convertible note is not re-measured in subsequent years.

Interest related to the financial liability is recognized as part of finance costs in the Consolidated statements of operations and comprehensive income (loss).

Loss per share

The Company calculates basic loss per share amounts for loss attributable to common shareholders of the parent entity. Basic loss per share is calculated by dividing loss attributable to common shareholders of the parent entity (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period.

For the purpose of calculating diluted loss per share, the Company adjusts the loss attributable to common shareholders of the parent entity, and the weighted average number of common shares outstanding during the period, for the effects of all dilutive potential common shares. Potential common shares are treated as dilutive when, and only when, their conversion to common shares would decrease earnings per share or increase loss per share from continuing operations.

Fair value

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements.

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

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

Fair value (continued from previous page)

- Level 1 inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs that are not based on observable market data (unobservable data).

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. Cash held by the Company is valued at level 1.

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 provides programmatic advertising services, to support customers automated buying and selling of digital advertising inventory through real-time third-party bidding platforms and private marketplaces. These services enable advertisers to deliver targeted advertising impressions across digital channels, including connected TV, over-the-top streaming, mobile and online video. Programmatic revenue includes fees earned for facilitating the placement and delivery of advertising impressions, and data and audience-targeting services. Programmatic revenue is recognized when the related performance obligations are satisfied, generally as the services are provided over the campaign period. Revenue is recognized as the margin between the price paid by the customer for impressions net of commissions, platform costs, and other deductions. Value of advertising impressions delivered, a supplemental non-IFRS measure, represents the total dollar value of advertising impressions delivered, before deducting third-party platform costs.

The following table presents our disaggregated revenue for the year ended December 31, 2025, and 2024:

	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Total dollar value of advertising impressions delivered	41,301,666	49,602,885
Platform costs	3,070,269	-
Net Revenues	38,231,397	49,602,885

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

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

Revenue recognition (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.

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.

Cost of sales

The Company's cost of sales consists of purchased ad inventory, production, and technical service costs and fees, in addition to data center, bandwidth, and cloud hosting costs connected to our revenue-producing platforms.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The amount of a provision is the best estimate of the consideration at the end of the reporting period. Provisions measured using estimated cash flows required to settle the obligation are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions as at December 31, 2025 and 2024.

Research tax credits

The Company is entitled to certain Canadian federal and provincial tax incentives for qualified scientific research and experimental development. These investment tax credits were recorded as a reduction in the related expenditures when there is reasonable assurance that such credits will be realised. Investment tax credits that are related to capitalised expenditures such as deferred development costs are recognized in the statement of financial position as a reduction to the asset that the tax credit relates.

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

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

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the Company's right-of-use office leases, this period is approximately from 3 to 5 years.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

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

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

Leases (continued from previous page)

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

iv) 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.

3. 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 consolidated financial statements.

Selecting the option pricing model to estimate the fair value of equity instruments granted

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.

3. 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 components of convertible notes/non-convertible debentures and related derivative liabilities

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.

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.

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.

Going Concern

The determination of whether the Company has the ability to continue as a going concern depends on its ability to achieve profitable operations. These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. This assessment requires significant judgment, including management's evaluation of forecasted cash flows and available sources of liquidity.

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

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

Going Concern *(continued from previous page)*

Management expects that, based on its current forecasts, the continued scaling of its international and programmatic offerings, access to receivables-based financing, the closing of a material debt financing subsequent to year-end, and the Company's demonstrated ability to access capital markets when required, the Company will be able to continue as a going concern for the foreseeable future. The Company has access to an approximately \$10 million accounts receivable facility in the United States and a £3 million facility in the United Kingdom, which scale with revenue and support working capital needs. In addition, the Company is in advanced stages of securing multi-million dollar political and advocacy commitments for 2026 and has finalized upfront supply arrangements in the United Kingdom, certain of which include upfront payment components expected to support near-term liquidity.

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.

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-

3. 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 *(continued from previous page)*

-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.

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.

Income taxes

At the end of each reporting period, the Company assesses whether the realization of deferred tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realized from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize deferred tax benefits.

The Company's effective income tax rate can vary significantly quarter-to-quarter for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilized. The Company's effective income tax rate can also vary due to the impact of foreign exchange fluctuations.

Revenue recognition - Estimating volume incentive discounts

The Company's expected volume incentive discounts ("incentive") are analysed on a per customer basis for contracts that are subject to multiple tiered volume thresholds. Determining whether a customer is likely to be entitled to a discounted rate will depend on the customer's historical incentive entitlement and accumulated purchases to date.

The Company applies a statistical model to estimate expected volume incentive for these contracts. The model uses the historical purchasing patterns and rebate entitlements of customers to determine the expected incentive percentages-

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

Key sources of estimation uncertainty (continued from previous page)

Revenue recognition - Estimating volume incentive discounts *(continued from previous page)*

-and the expected value of the variable consideration. Any significant changes in a customer's purchasing behavior compared to historical patterns will impact the expected incentive percentages estimated by the Company.

The Company updates its assessment of volume incentive quarterly and the incentive liabilities are adjusted accordingly. Estimates of volume incentive are sensitive to changes in circumstances and the Company's past experience regarding incentive entitlements may not be representative of customers' actual rebate entitlements in the future. Volume incentive discounts are accounted for as variable consideration under IFRS 15 and are reflected in the amount of revenue recognized.

As at 31 December 2025, the amount recognised as incentive liabilities for volume incentives was \$1,462,988 (2024: nil). These incentive liabilities are included within accounts payable and accrued liabilities as disclosed in Note 8.

4. Standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2026 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present new required subtotals, "operating profit" and "profit or loss before financing and income taxes". Entities' net profit will not change.
- Disclosure of certain non-GAAP measures related to the statement of profit or loss referred to as management-defined performance measures ("MPMs") within a single note to the financial statements.
- Enhanced requirements for grouping (aggregation/disaggregation) of financial information in all primary financial statements and notes.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

4. **Standards issued but not yet effective** (continued from previous page)

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Company's consolidated financial statements:

- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*; and
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)*.

5. **Accounts receivable**

	December 31, 2025	December 31, 2024
	\$	\$
Trade receivables	13,128,112	14,805,810
Expected credit loss provision	(158,245)	(73,613)
Net carrying value	12,969,867	14,732,197

The Company sold certain trade receivables of Sabio London Limited with recourse to Revamp Funding Designated Activity Company ("Revamp") for cash proceeds. Because the Company retains substantially all risks and rewards—specifically, the primary credit risk—these receivables remain on the Consolidated Statements of Financial Position. The cash proceeds are recognized as a Receivables-Purchase loan from Revamp. See Note 10(c) for details on transferred receivables and related liabilities.

6. Intangible assets

	Internally Generated Intangible Assets	Acquired Technology and Patents	Acquired Customer/Publisher Relationships	Acquired Brand Name	Total
	\$	\$	\$	\$	\$
Cost					
Balance at December 31, 2023	3,521,248	129,000	83,000	75,000	3,808,248
Additions	102,861	-	-	-	102,861
Balance at December 31, 2024	3,624,109	129,000	83,000	75,000	3,911,109
Additions	86,499	-	-	-	86,499
Balance at December 31, 2025	3,710,608	129,000	83,000	75,000	3,997,608
Accumulated amortization and impairment losses					
Balance at December 31, 2023	3,363,517	45,902	29,050	18,750	3,457,219
Amortization expense	140,303	26,050	16,600	10,715	193,668
Balance at December 31, 2024	3,503,820	71,952	45,650	29,465	3,650,887
Amortization expense	119,230	25,801	16,600	10,715	172,346
Balance at December 31, 2025	3,623,050	97,753	62,250	40,180	3,823,233
Net book value as at:					
December 31, 2024	120,289	57,048	37,350	45,535	260,222
Balance at December 31, 2025	87,558	31,247	20,750	34,820	174,375

7. Goodwill

The Company performed its annual impairment test on December 31, 2025 and 2024. Goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises and is compared to its recoverable value.

In 2024, the Company restructured its operations, cash flow generation, and management approach:

- The Board of Directors and management now focuses on consolidated financial results rather than evaluating the performance of individual entities.
- FWD Tech Inc.'s platforms and infrastructure have been integrated into Sabio Inc.'s scalable technology platform.
- Customer demands are now fulfilled in-house, leading to synergies and consolidated revenue streams.
- The Company aims to position itself as an integrated Demand-Side Platform (DSP) and Supply-Side Platform (SSP), offering customers a comprehensive advertising solution with AppScience, Inc's analytics & insights as part of its proprietary, end-to-end technology ecosystem.
- Vidillion has been legally renamed FWD Tech Inc. and rebranded as Sabio Supply-Side Platform ("Sabio SSP"), now fully integrated into Sabio Inc.'s service offerings.

Due to these structural changes, the goodwill arising from the acquisition of FWD Tech Inc. in 2021 is no longer associated solely with FWD Tech's business. Instead, it is now part of the broader operations of the Company. Since 2024, goodwill has been tested for impairment at the consolidated level, reflecting the Company's current operational structure and cash flow management approach.

Since 2024, the impairment model used is value-in-use to fair value less costs to sell to align with market participant assumptions. This reflects that Sabio now operates at the group level, with Sabio CGU as the sole CGU.

As at 31 December 2025, the recoverable amount of Sabio CGU of \$9,122,283 (2024: \$16,878,026). This was determined based on the fair value less costs to sell of Sabio CGU calculated using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for inventories and services and the strategic decisions made in respect of the associated cash-generating unit. The pre-tax discount rate applied to cash flow projections is at the high of 18.6% and the low of 17% (2024: 20% and 18.4%) and cash flows beyond the five-year period are extrapolated using a 2% growth rate (2024: 2%) that is the same as the long-term average growth rate for the industry. The discount rate ranges reflect appropriate adjustments relating to market risk and specific risk factors of Sabio CGU. It was concluded that the fair value less costs to sell of Sabio CGU of \$9,122,283 (2024: \$16,878,026) did exceed the carrying value of Sabio CGU. At this stage, those assumptions have not resulted in a material impact on the recoverable amount of its non-current assets and no impairment was recognized for fiscal years 2025 and 2024.

Cash inflows are inflows of cash and cash equivalents received from parties external to the entity. In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), an entity considers various factors including how management monitors the entity's operations (such as by product lines, businesses, individual locations, districts or regional areas) or how management makes decisions about continuing or disposing of the entity's assets and operations.

7. **Goodwill** (continued from previous page)

Sensitivity analysis

The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the Company CGU to which goodwill is allocated. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the Company CGU is based on would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the associated CGU.

A one percent decrease in the terminal growth rate to 1% (after incorporating any consequential effects of the change on other inputs used in the recoverable amount estimate), would reduce the headroom in the Company CGU to between \$16,716,946 and \$18,393,858 (in 2024: between \$15,944,007 and \$18,230,764) but would not result in an impairment charge.

A discount rate between 20% to 50% (in 2024: 28% to less than 135%) (after incorporating any consequential effects of the change on other inputs used in the recoverable amount estimate) would significantly reduce the headroom in the Company CGU (in 2024: reduce the headroom to nil) but would not result in an impairment charge.

8. **Accounts payable and accrued liabilities**

	December 31, 2025	December 31, 2024
	\$	\$
Trade accounts payable and accrued liabilities	15,227,328	15,312,299
Interest payable	166,788	112,280
	15,394,116	15,424,579

9. **Right of use asset and lease liabilities**

Right-of-use asset

	Office premises
Cost	\$
Balance, December 31, 2023	3,319,899
Adjustment due to lease reassessment (*)	(151,874)
Balance, December 31, 2024	3,168,025
Adjustment due to early lease termination (**)	(20,275)
Additions (***)	1,257,182
Balance, December 31, 2025	4,404,932
Accumulated amortization	
Balance, December 31, 2023	1,126,877
Amortization	689,255
Balance, December 31, 2024	1,816,132
Amortization	694,617
Balance, December 31, 2025	2,510,749
Carrying amount	
December 31, 2024	1,351,893
December 31, 2025	1,894,183

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

Lease Liability

Cost	\$
Balance, December 31, 2023	2,452,897
Finance costs	289,504
Lease payments	(917,303)
Adjustment due to lease reassessment (*)	(111,874)
Balance, December 31, 2024	1,713,224
Additions (***)	1,257,182
Finance costs	277,681
Lease payments	(872,597)
Adjustment due to lease modification (**)	(7,317)
Balance, December 31, 2025	2,368,173
Current	766,580
Non-current	1,601,593
Balance, December 31, 2025	2,368,173

The following table provides the remaining lease commitments in 2026 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	997,559
1-2 years	1,044,813
2-3 years	688,915
3-4 years	37,013
After 4 years	-
	2,768,300

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 \$842,399 for the year ended December 31, 2025 (2024 - \$672,631) related to these short-term office leases in the 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.

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

(**) 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 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 year, which were initially measured at the present value of the future lease payments, discounted at rate of 10%. As at December 31, 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 December 31, 2025. There was no new lease entered during the year ended December 31, 2024.

10. Loans payable

	Note	December 31, 2025	December 31, 2024
		\$	\$
U.S. Small Business Administration promissory note	(a)	440,000	440,000
SLRDF Revolving Credit Facility	(b)	6,038,272	5,219,387
Revamp Receivables-Purchase Facility	(c)	3,045,859	-
Convertible notes	(d)	-	1,195,990
Debentures	(e)	1,342,318	-
Unsecured promissory notes	(f)	500,000	-
		11,366,449	6,855,377
Current portion of loans payable		10,935,074	6,415,377
U.S. Small Business Administration promissory note	(a)	8,625	-
SLRDF Revolving Credit Facility	(b)	6,038,272	5,219,387
Revamp Receivables-Purchase Facility	(c)	3,045,859	-
Convertible notes	(d)	-	1,195,990
Debentures	(e)	1,342,318	-
Unsecured promissory notes	(f)	500,000	-
Long-term portion of loans payable		431,375	440,000
U.S. Small Business Administration promissory note	(a)	431,375	440,000
		11,366,449	6,855,377

Future principal repayments are as follows:

Less than 1 year	10,935,074
1-2 years	13,734
2-3 years	14,258
3 years and beyond	403,383
	11,366,449

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 year ended December 31, 2025, the Company paid \$nil (2024 - \$50,000) in principal and recognized and paid \$16,500 (2024 - \$17,594) of interest expense.
- (b) On July 31, 2024, the Company closed a 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. Subsequent to the year end, the Company signed a loan addendum with SLR Digital Finance to increase the advance rate applicable to eligible unbilled receivables to 80%, effective March 31, 2026.

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 year ended December 31, 2025, the Company withdrew \$43,235,530 (2024 - \$29,027,153) and paid \$42,416,645 (2024 - \$23,807,766) in principal and recognized \$685,951 (2024 - \$328,194) 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.

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:

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

In \$	December 31, 2025
Trade receivables subject to transfer arrangements	3,661,335
Liability arising from transferred financial assets	3,045,859

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 year ended December 31, 2025, the Company withdrew \$4,425,288 (2024 - nil) and paid \$1,379,429 (2024 - \$nil) in principal and recognized \$105,535 (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 unsecured notes bore interest at the rate of 14% per annum payable monthly in cash.

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.

10. Loans payable (continued from previous page)

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 years ended December 31, 2025 and 2024, is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Convertible notes, beginning of year	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 year	-	1,195,990

A summary of changes in the secured and unsecured convertible notes for year ended December 31, 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 December 31, 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.

10. Loans payable (continued from previous page)

During the year ended December 31, 2025, the effective interest on the convertible notes recorded in finance costs was \$176,410 (2024: \$263,604). The actual interest paid during the year ended December 31, 2025 was \$163,337 (2024: \$174,322) 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 \$0.37 (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 calculated at 5% of the principal amount divided by the greater of: (a) \$0.38 (CAD \$0.53) and (b) the lowest permitted price pursuant to the policies of the TSX Venture Exchange, 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 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 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-

10. Loans payable (continued from previous page)

-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:

	Debentures			Derivative
	Proceeds	liability	Bonus shares	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 years ended December 31, 2025, and 2024, is as follows:

	December 31, 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 (*)	111,519	-
Interest paid	(21,101)	-
Loss on extinguishment of convertible notes	7,529	-
Foreign exchange fluctuation	13,850	-
Debentures, end of year	1,342,318	-

The breakdown of debentures from related and non-related parties as of December 31, 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 (*)	30,414	81,105	111,519
Interest paid	(21,101)	-	(21,101)
Loss on extinguishment of convertible note	7,529	-	7,529
Foreign exchange fluctuation	4,465	9,385	13,850
Balance as on December 31, 2025	387,729	954,589	1,342,318

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

During the year ended December 31, 2025, the effective interest on the debentures recorded in finance costs was \$111,519 (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 year ended December 31, 2025, was \$21,101 (2024: nil).

- (f) On October 1, 2025, the Company issued unsecured, non-convertible promissory notes to its Chief Executive Officer, Mr. Aziz Rahimtoola, for gross proceeds of \$500,000. The notes are payable on demand and bear simple interest at 15% per annum. The Company may repay all or any portion of the principal at any time without penalty.

During the year ended December 31, 2025, the Company paid \$nil (2024 - \$nil) in principal and recognized \$18,750 (2024 - \$nil) of interest expense.

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

11. Share capital

- a) Authorized share capital and common stock issuable

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 common shares under LIFE offering	3,048,800	747,937
Issuance of common shares due to vesting of restricted stock units	399,021	196,330
Issuance of bonus shares in connection with debenture offering	170,066	49,373
Issurance of shares to settle interest payable on secured convertible notes	162,477	60,692
Repurchased shares cancellation	(5,500)	(1,809)
Balance December 31, 2025	54,324,349	14,360,272

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 \$16,333 (\$11,751) and CAD \$2,563 (\$1,809), respectively. These amounts were recorded as a reduction in common shares.

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

a) Authorized share capital and common stock issuable *(continued from previous page)*

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 December 31, 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 \$0.37 (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 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 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).

On November 11, 2025, the Company closed a brokered private placement offering of common shares pursuant to the Listed Issuer Financing Exemption ("LIFE") at a price of \$0.31 (CAD \$0.43) per common share (each, a "LIFE Share"). A total of 2,960,000 LIFE Shares were issued for aggregate gross proceeds of \$908,430 (CAD \$1,272,800). The offering was led by Canaccord Genuity Corp., together with Beacon Securities Ltd. (collectively, the "Agents"). LIFE Shares issued 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 aggregate cash commissions and advisory fees of \$27,252 (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. The fair value of the compensation shares and compensation warrants at the issuance date of \$27,252 (CAD\$38,184) and \$16,627 (CAD\$23,297), respectively, were netted against share capital as share issuance costs. Legal fees and other administrative fees incurred in connection with the offering totaling \$116,614 (CAD \$163,389) were recorded as share issuance costs and netted against share capital.

During the year ended December 31, 2025, nil (2024 – 33,359) stock options and 399,021 (2024 – 479,548) restricted stock units were redeemed, for net proceeds of \$nil (2024 – \$5,870) and \$nil (2024 – \$nil) respectively. The total share-based benefits reserve reclassified to common shares was \$nil (2024 – \$4,228) for stock options and \$196,330 (2024 – \$235,164) for restricted stock units. The share benefits reserve reclassified to Common stock issuable was \$5,267 (2024 – \$nil), which was for 16,666 RSUs vested in December 2025 with common shares issued in January 2026.

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

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 December 31, 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) 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 years ended December 31, 2025, and 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	(265,314)	0.57
Balance, December 31, 2025	2,883,307	0.54
Options exercisable, December 31, 2024	1,947,588	0.60
Options exercisable, December 31, 2025	2,184,744	0.59

The following tables summarize information about the Company's share options outstanding as at December 31, 2025:

11. Share capital (continued from previous page)

c) 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	1.76
0.17	786,861	0.17	5.03
0.18	210,000	0.18	8.43
0.29	55,000	0.29	7.81
0.32	120,000	0.32	8.97
0.43	642,456	0.43	9.22
0.58	98,334	0.58	6.79
0.74	185,000	0.74	7.26
1.10	782,000	1.10	6.04
	2,883,307	0.54	6.90

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 year ended December 31, 2025, a total of 642,456 share options (2024 – 350,000) were granted with a weighted average fair value of \$0.43 per option at the grant date (2024 – \$0.21). 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:

11. Share capital (continued from previous page)

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

Stock options (continued from previous page)

	December 31, 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 year ended December 31, 2025, the Company recognized stock-based compensation for granted options of \$166,750 (2024 - \$78,458) under share-based compensation expense and \$8,819 (2024 - \$4,124) 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 years ended December 31, 2025, and 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
Granted	342,152	0.24
Forfeited	(8,335)	0.74
Vested and redeemed	(399,021)	0.49
Vested pending share issuance	(16,666)	0.32
Balance, December 31, 2025	406,126	0.28

The following tables summarize information about the Company's restricted stock units outstanding as at December 31, 2025:

11. Share capital (continued from previous page)

c) 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
0.74	30,640	0.74	0.26
0.32	33,334	0.32	1.97
0.24	342,152	0.24	0.93
	406,126	0.28	0.96

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

During the year ended December 31, 2025, 342,152 restricted stock units were issued (2024 – 320,585) with a weighted average grant price of \$0.24 per unit at the date of grant (2024 - \$0.36 per unit) to directors of the Company. The RSUs granted vest at the one-year anniversary of the grant.

During the year ended December 31, 2025, 399,021 (2024 – 479,548) 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 \$196,330 (2024 – \$235,164).

During the year ended December 31, 2025, the Company recognized stock-based compensation for granted restricted stock units of \$115,041 (2024 - \$137,579), under share-based compensation expense and \$nil (2024 - \$nil) under contractor expenses.

Compensation warrants

In connection with the LIFE Offering closed on November 11, 2025, the Company issued an aggregate of 177,600 compensation warrants to Canaccord Genuity Corp., together with Beacon Securities Ltd. (collectively, the "Agents"). Each compensation warrant is exercisable to acquire one common share of the Company at a price \$0.31 (CAD\$0.43) per compensation warrant share until November 12, 2027.

11. Share capital (continued from previous page)

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

Compensation warrants (continued from previous page)

The compensation warrants were valued using the Black-Scholes option pricing model with the following assumptions: underlying share price of \$0.34 (CAD\$0.48), exercise price of \$0.31 (CAD\$0.43), expected life of 2.0 years, expected volatility of 35.0%, and a risk-free interest rate of 3.5%. The resulting fair value was \$0.09 (CAD\$0.13) per compensation warrant. An amount of \$16,627 (CAD\$23,297), representing the fair value of the compensation warrants at the issuance date, was netted against share capital as share issuance costs.

During the year ended December 31, 2025, no compensation warrants were exercised.

12. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 – 26.5%) to the effective tax rate is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Net loss before recovery of income taxes	(9,754,489)	(69,269)
Expected tax rate	26.5%	26.5%
Expected tax benefit resulting from loss	(2,584,939)	(18,355)
Difference in foreign tax rates	(101,281)	40,606
Book to filing adjustment	(60,309)	(36,574)
Non-deductible expenses	235,515	119,332
US loss for inverted entity	(437,334)	(470,101)
Change in tax rate	(102,565)	14,367
US state tax	2,850	-
Change in tax benefits not recognized	3,128,567	392,331
	80,504	41,606

The Company's income tax expense (recovery) is allocated as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Current tax expense (recovery)	80,504	46,932
Adjustment in respect of current tax expense (recovery) of prior year	-	(4,969)
Deferred tax expense (recovery)	-	(357)
	80,504	41,606

The following table summarizes the components of deferred tax:

12. Income Taxes (continued from previous page)

	December 31, 2025	December 31, 2024
Deferred income tax assets (liabilities)	\$	\$
Deferred income tax assets		
Canadian losses	5,638	17,468
Lease liabilities	533,614	379,540
Deferred tax liabilities		
Debentures/Convertible notes	(5,638)	(17,468)
Right of use assets and net investment in sublease	(533,614)	(379,540)
Net deferred tax asset (liability)	-	-

Movement in net deferred tax assets (liabilities) is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance at the beginning of the year	-	(370)
Recognized in profit or loss	-	357
Other	-	13
Balance at the end of the year	-	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2025	December 31, 2024
	\$	\$
Intangible assets - research & development	624,665	522,321
Research & development credits	97,200	89,375
Lease liability	473,989	361,330
Net operating loss carried forward	21,863,456	13,011,581
Charitable donations carryforward	16,438	24,359
Stock options	486,244	439,905
Share issuance costs	221,574	149,801
Professional fees	1,926,152	1,065,845
Balance at the end of the year	25,709,718	15,664,517

The Canadian non-capital loss carry forwards expire between 2041 and 2045. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the therefrom.

The Company's Canadian, US and UK non-capital income tax losses, the benefit of which has not been recognized on the consolidated financial statements, expire as follows:

12. Income Taxes (continued from previous page)

	Canada	US	UK
	\$	\$	\$
2041	94,060	-	-
2042	996,862	-	-
2043	876,839	-	-
2044	763,898	-	-
2045	1,655,811	-	-
Indefinite	-	16,914,620	561,366
	4,387,470	16,914,620	561,366

13. Related Party Transactions

Compensation of key management personnel

Key management personnel are individuals responsible for planning, directing, and controlling activities of an entity, and include management executives of the Company. Compensation provided to key management is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Salaries and short-term employee benefits	1,421,432	3,083,181
Forgiveness of note receivable	-	935,567
Stock based compensation	88,515	11,128
	1,509,947	4,029,876

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

	December 31, 2025	December 31, 2024
	\$	\$
Simon Wong	-	62,156
Liam Farrell	32,319	28,755
	32,319	90,911

The balance from Simon Wong, an Officer of the Company, comprised of a loan principal of \$60,076 (bearing an interest rate of 1% per annum) plus accrued interest. The loan was fully repaid on December 30, 2025.

As at December 31, 2023, a balance of \$787,107 was recoverable from a shareholder, Aziz Rahimtoola. These amounts represented non-interest-bearing advances made to the shareholder, payable on demand. During 2024, the Company advanced an additional \$148,460, bringing the total advances outstanding prior to settlement to \$935,567. The balance was fully forgiven in 2024 as incentive compensation to Aziz Rahimtoola for his early funding and ongoing stewardship and was recorded as a loss on loan forgiveness for the year ended December 31, 2024.

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 -

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

- 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 December 31, 2025, comprised \$32,319 (2024 - \$28,755) due from Liam Farrell and \$465,355 (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 December 31, 2025 classified as a liability component was \$387,729 (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.

On October 1, 2025, the Company issued unsecured, non-convertible promissory note to its Chief Executive Officer, Mr. Aziz Rahimtoola, for the Company to borrow gross proceeds of \$500,000. The notes borrowed from Mr. Rahimtoola are payable on demand and bear simple interest at 15% per annum. The Company may repay all or any portion of the principal at any time without penalty. The balance of the non-convertible promissory notes due to Aziz Rahimtoola as at December 31, 2025, was \$500,000 (2024 - nil). Refer Note 10(f) above for further details.

14. 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:

	December 31, 2025	December 31, 2024
Trade receivables aging		
0-30 days	8,373,401	10,900,959
31-60 days	1,953,569	1,819,076
61-90 days	1,638,466	1,765,685
Greater than 90 days	1,162,676	320,090
	13,128,112	14,805,810
Allowance for expected credit losses	(158,245)	(73,613)
Net trade receivables	12,969,867	14,732,197

At December 31, 2025, of the Company's trade receivables, one customer accounted for 16.0% (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 December 31, 2025 and 2024.

December 31, 2025		Total	0-30 days	31-60 days	61-90 days	>90 days
Default rates			0.50%	1.53%	2.58%	3.80%
Trade receivables	\$ 13,128,112	\$ 8,373,401	\$ 1,953,569	\$ 1,638,466	\$ 1,162,676	
Expected credit loss	\$ 158,245	\$ 41,867	\$ 29,890	\$ 42,272	\$ 44,216	

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	

14. 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.

December 31, 2025	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and other payables	15,394,116	15,394,116	-	-	-
Lease liability	2,768,300	997,559	1,733,728	37,013	-
Loans payable	11,366,449	10,935,074	27,992	29,887	373,496
	29,528,865	27,326,749	1,761,720	66,900	373,496

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, Canadian dollars, British pounds and euros. 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 December 31, 2025, would have had an impact on the Company's cash in Indian rupees of \$1,325, on the Company's cash, accounts receivable and promissory notes receivable in Canadian dollars of \$84, \$11 and \$4,927 respectively, on the Company's cash and accounts receivable in British pounds of \$5,500 and \$19,773 respectively, on the Company's accounts receivable in euros of \$20,163, on the Company's Revamp receivables-purchase facility and accounts payable and accrued liabilities in British pounds of \$30,157 and \$21,258 respectively, on the Company's accounts payable and accrued liabilities in Canadian dollars of \$719, on the Company's lease liabilities in Indian rupees of \$624 and of \$13,290 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:

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

d) Foreign currency risk (continued from previous page)

	December 31, 2025	December 31, 2024
	INR	INR
Cash	12,025,193	16,367,195
Net financial assets	12,025,193	16,367,195
	December 31, 2025	December 31, 2024
	CAD	CAD
Cash	11,633	56,408
Accounts receivable	1,470	-
Promissory notes receivable	682,270	636,446
Net financial assets	695,373	692,854
	December 31, 2025	December 31, 2024
	GBP	GBP
Cash	412,826	378,000
Accounts receivable	1,484,189	760,111
Net financial assets	1,897,015	1,138,111
	December 31, 2025	December 31, 2024
	EUR	EUR
Accounts receivable	1,733,497	-
Net financial assets	1,733,497	-
	December 31, 2025	December 31, 2024
	GBP	GBP
Revamp Receivables-Purchase Facility	2,263,737	-
Accounts payable and accrued liabilities	1,595,714	150,306
Net financial assets	3,859,451	150,306
	December 31, 2025	December 31, 2024
	CAD	CAD
Accounts payable and accrued liabilities	99,506	226,049
Net financial liabilities	99,506	226,049
	December 31, 2025	December 31, 2024
	INR	INR
Lease liabilities	5,660,732	10,185,365
Net financial liabilities	5,660,732	10,185,365
	December 31, 2025	December 31, 2024
	CAD	CAD
Convertible notes	-	1,719,023
Debentures	1,840,206	-
Net financial liabilities	1,840,206	1,719,023

14. 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 year ended December 31, 2025.

15. 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. Since the third quarter of 2025, the EMEA segment has become 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.

Geographic Region	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
North America	33,184,561	48,170,200
EMEA	5,046,836	1,432,685
Total Net Revenue	38,231,397	49,602,885

Geographic Region	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
North America	(10,199,499)	(266,538)
EMEA	527,142	264,514
Total Profit (Loss)	(9,672,357)	(2,024)

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

	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Total segment profit (loss)	(9,672,357)	(2,024)
Less: Inter-segment eliminations	(82,132)	(67,245)
Consolidated profit (loss) before tax	(9,754,489)	(69,269)

Identifiable non-current assets

Identifiable non-current assets are attributed to geographic regions based on the location of the assets. Substantially all identifiable non-current assets are located in North America, consisting primarily of intangible assets, goodwill, and right-of-use assets related to our North American operations as disclosed in Note 6, Note 7 and Note 9 respectively. EMEA and other geographic regions do not hold identifiable non-current assets.

The Company has restated comparative segment information for the prior year to reflect the current period's two-segment presentation, where practicable. Where restatement was not practicable, the Company has disclosed segment results on the most comparable basis available. 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.

16. **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 December 31, 2025 is as follows:

Within one year	\$	248,305
Less than one year and not longer than five years		153,800
Thereafter		-
	\$	402,105

17. **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 2025, the Company received payments from the U.S. Internal Revenue Service ("IRS") totaling \$809,063, including accrued interest, related to ERTC claims for the first and second quarters of 2021. This amount was included within other income in the Consolidated Statements of Operations and Comprehensive Loss.

18. Subsequent Events

On February 18, 2026, the Company signed a loan addendum to the credit agreement between its U.S. operating subsidiaries, including Sabio, Inc., AppScience, Inc. and FWD Tech Inc., and SLR Digital Finance ("SLRDF") dated as of July 31, 2025 to increase the advance rate applicable to eligible unbilled receivables to 80%, effective March 31, 2026.

On February 25, 2026, the Company announced a six-month extension of its unsecured non-convertible debentures, moving the maturity date from February 25, 2026 to August 25, 2026. The debentures were originally issued in August 2025, raising CAD\$1,802,850. In connection with the extension, the Company issued 581,561 common shares in the capital of the Company ("Bonus Shares") at a price of CAD \$0.31 per Bonus Share, based on the 10-day volume-weighted average price ("VWAP") of Sabio's shares on the TSXV.

On April 29, 2026, the Company completed a tranche of a non-brokered private placement of 12% subordinated, secured convertible debentures for gross proceeds of CAD \$900,000. The debentures have a 12-month term and bear simple interest at 12% per annum, calculated daily based on a 365-day year, payable in cash semi-annually in arrears and upon the earlier of conversion or maturity. The debentures are convertible, at the holder's option at any time prior to maturity, into common shares of the Company at a conversion price of C\$0.30 per share. The debentures are secured by a general security agreement over all present and after-acquired personal property of the Company. At maturity, any unconverted principal will be repaid in cash at 107% of the principal amount, together with all accrued and unpaid interest. The Company may decide to close further tranches under the offering.