

Sabio Holdings Inc.

# Management's Discussion & Analysis

For the three and twelve months ended  
December 31, 2025

Expressed in U.S. Dollars

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

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

This analysis should be read in conjunction with Sabio's audited Consolidated Financial Statements for the years ended December 31, 2025, and December 31, 2024, and related notes (the "Consolidated Financial Statements"). The Consolidated Financial Statements and extracts of those Consolidated Financial Statements provided in this MD&A, were prepared in U.S. dollars and in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), using the accounting policies described therein. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. All amounts are presented in U.S. dollars unless otherwise indicated. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. (Please see the "Forward Looking Statements" section below for a discussion of the use of such information in this MD&A).

Management of the Company ("Management") is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made herein. The Company's Board of Directors ("Board of Directors") provides an oversight role with respect to all public financial disclosures by the Company and has reviewed this MD&A and the accompanying Consolidated Financial Statements.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, in accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), have both certified that they have reviewed the Consolidated Financial Statements and this MD&A (together, the "Annual Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the Annual Filings do not contain any untrue statements of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the Annual Filings; and (b) the Consolidated Financial Statements together with the other financial information included in the Annual Filings fairly present, in all material respects the financial condition, financial performance, and cash flows of the Company, as of the date of and for the periods presented in the Annual Filings.

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

This MD&A is dated and approved by the Board of Directors as of April 30, 2026.

## **Forward-Looking Statements**

Certain statements in this MD&A may constitute forward-looking statements, including those identified by the expressions such as "may", "will", "intend", "anticipate", "believe", "expect", "foresee", "intend", "plan", or similar expressions to the extent that they relate to the Company or its management. The forward-looking statements are not historical facts but reflect the Company's current assumptions and expectations regarding future events. Forward-looking statements in this MD&A include but are not limited to statements regarding subscriber additions,

the variability of the revenues going forward, anticipated market trends and technology adoption by customers and industry peers, anticipated growth in revenue and expenses, the potential impacts of additional expenditures on revenue growth rates, the sufficiency of cash on hand, the benefits of the App Science™ platform, and the Company's ability to obtain the financing necessary to continue operations. There can be no assurance that such statements will prove to be accurate, and actual results and future events may differ materially from those anticipated in such statements.

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

## **Non-IFRS Measures**

The Company prepares its Consolidated Financial Statements in accordance with IFRS. Non-IFRS measures are used by management to provide additional insight into Sabio's performance and financial condition. The Company believes non-IFRS measures are an important part of the financial reporting process and are useful in communicating information that complements and supplements the Consolidated Financial Statements.

This MD&A also includes certain measures which have not been prepared in accordance with IFRS, such as Adjusted EBITDA. To evaluate the Company's operating performance as a complement to results provided in accordance with IFRS, the term "Adjusted EBITDA", as defined by Management, refers to net income (loss) before adjusting earnings for finance costs, interest earned, transaction costs, gain or loss on loan forgiveness, employee retention tax credit received, income taxes, state and local taxes (recovery), stock-based compensation, amortization, gain or loss on lease modification, impairment loss, settlement fees, foreign exchange differences, severance costs, and gain (loss) on disposal of intangibles. Management believes that the items excluded from Adjusted EBITDA are not connected with and do not represent the operating performance of the Company.

Management believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed as well as expenses related to stock-based compensation, depreciation, amortization, impairment, restructuring costs, other expense (income), and foreign exchange (gain) loss. Accordingly, Management believes that this measure may also be useful to investors in enhancing their understanding of the Company's operating performance. It is a key measure used by the Management and Board of Directors to understand and evaluate the Company's operating performance, to prepare annual budgets and to help develop operating plans.

The Company also reports Gross Revenue (also referred to as "Value of advertising impressions delivered") as a non-IFRS measure to provide additional insight into the scale of its advertising operations, particularly in its programmatic advertising business. Management believes Gross Revenue is a useful supplemental measure for investors as it reflects the total value of advertising transactions delivered through the Company's platform before deducting third party platform costs.

Gross Revenue represents the total dollar value of advertising impressions sold through the Company's programmatic platforms, including amounts billed to advertisers and agencies, prior to deductions for third party platform costs. This measure is not a standardized financial measure under IFRS and may not be comparable to

similar measures used by other companies. Refer Note 2 in the Consolidated Financial Statements for a reconciliation of the Gross Revenues to Net Revenues as reported in the Consolidated Financial Statements.

## **Company Overview**

Sabio was incorporated under the Business Corporations Act of Ontario, Canada on September 29, 2017. The registered corporate office is located at 150 King Street West, Suite 200, Toronto, Ontario, M5H 1J9. The corporate head office of the Company is located at 315 Culver Boulevard, Playa Del Rey, California, 90293.

Sabio is a technology and services leader in the fast-growing ad-supported streaming space. Since 2015, the Company has enabled brands and their agencies to enhance advertising effectiveness on streaming TV and mobile apps. More recently, Sabio has expanded its presence in the creator economy through the launch of Creator TV, its streaming channel designed to showcase creator-led content while providing additional inventory and distribution within the Company's broader advertising platform. Sabio's core differentiation involves leveraging its continuously updated database of 80 million U.S. households. This data is contained in App Science™, a non-cookie-based software-as-a-service (SaaS) analytics and insights platform featuring AI-powered natural language capabilities, with continuously updated mobile phone and streaming TV device user data that enables Sabio's clients to precisely reach, engage, and validate target audiences.

Sabio's customers include many of the most significant U.S. brands and advertising agencies. Led by a team of experienced ad-tech executives and media professionals, the Company employs more than 120 individuals across the U.S., Canada, India, Turkey and the United Kingdom.

On November 19, 2021, Sabio successfully completed a reverse takeover transaction and became publicly listed company. The Company's common shares commenced trading on the TSX Venture Exchange ("TSX-V") on November 26, 2021 under the ticker "SBIO" as a Tier 2 technology issuer.

## **Significant developments during the twelve months ended December 31, 2025, and to the date of this report include the following:**

- On February 25, 2026, the Company announced a six-month extension of its unsecured debentures for aggregate gross proceeds of CAD\$1,802,850 from February 25, 2026 to August 25, 2026. 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 VWAP.
- On January 13, 2026, the Company announced that App Science® audience segments used in Sabio campaigns outperformed CTV averages on key attention metrics, according to independent research by TVision. Specifically, Sabio campaigns exceeded CTV benchmarks for both attention and attention-to-duration, with Sabio-placed inventory delivering an attention-to-duration ratio of up to 3% above CTV averages and demonstrating a higher likelihood of being viewed in co-viewing situations.
- On December 16, 2025, the Company announced that its Creator Television® (Creator TV) free ad-supported television (FAST) channel became available on TCLtv+, TCL's free flagship streaming service offered in North America. The launch expands distribution of Creator TV programming through an additional streaming platform.

- On December 10, 2025, the Company announced that Creator TV, its owned-and-operated streaming network, and World Poker Tour® co-produced the Creator Poker Championship, a live tournament scheduled for December 18, 2025. The event paired competitive poker with purpose-driven play, with six content creators competing on behalf of charitable organizations. The Creator Poker Championship marked Creator TV's expansion into sports and was held during the WPT World Championship at Wynn Las Vegas and was distributed across Creator TV and World Poker Tour streaming platforms.
- On December 5, 2025, the Company granted an aggregate of 342,152 restricted share units ("RSUs") to its independent directors under the Omnibus Equity Incentive Plan. The RSUs vest on the first anniversary of the grant date and represent compensation for services provided by the independent directors during fiscal 2025. The RSUs are subject to the terms of the Plan, the applicable grant agreements and the requirements of the TSX Venture Exchange ("TSXV").
- On November 25, 2025, the Company announced departure of Paula Madison from the Board. As a director since Sabio's public listing in November 2021, Madison had provided dedicated service and valuable contributions to the Board and management team.
- On November 12, 2025, the Company announced the closing of a brokered private placement offering of common shares of the Company (each, a "LIFE Share") at a price of CAD \$0.43 per LIFE Share. The Offering closed on November 11, 2025, with a total of 2,960,000 LIFE Shares issued for aggregate gross proceeds of CAD \$1,272,800. The Offering was led by Canaccord Genuity Corp., together with Beacon Securities Ltd. (collectively, the "Agents"). LIFE Shares issued pursuant to the Listed Issuer Financing Exemption are immediately freely tradeable and are not subject to a hold period under applicable Canadian securities laws.
- On October 23, 2025, the Company announced that its owned and operated streaming network, Creator TV, launched its ad supported video on demand (AVOD) offering on Plex and Xumo Play, expanding availability across desktop, mobile, and connected TV apps. The on-demand service will feature a curated lineup of original formats and storytelling and the AVOD launch is an important step in the Company's distribution strategy, enabling it to grow and significantly expand its premium on demand content offerings in the coming months.
- On October 9, 2025, the Company announced that Creator TV and World Poker Tour® ("WPT") co-produced the "Creator Poker Championship," a first-of-its-kind poker tournament featuring popular content creators. The event took place in Las Vegas on December 18, 2025, and were livestreamed on Creator TV and WPT distribution channels, including Amazon Fire TV Channels, LiveTVx, Plex, Sling Freestream, Xumo Play, and on WPT's YouTube, Twitch, and other streaming platforms.
- On September 22, 2025, the Company announced that Creator TV entered a strategic partnership with content studio MADCOOL Media. Under the agreement, MADCOOL Media will produce scripted and unscripted original series across all genres for Creator TV, with a focus on comedy, entertainment, and culturally resonant storytelling. These original series will be distributed on Creator TV across platforms including Xumo Play, Amazon Fire TV Channels, Sling Freestream, Plex, and LiveTVx, reaching a global audience of over 65 million viewers.
- On August 25, 2025, the Company announced the completion of a non-brokered, private placement offering of 15% subordinated and unsecured, non-convertible debentures of the Company for gross proceeds of \$1,302,734 (CAD \$1,802,850). The Company used the debenture proceeds to retire the entire \$1,261,645

- (CAD \$1,737,850) in aggregate principal, plus accrued interest, under the secured and unsecured convertible notes issued on August 16, 2023. As a part of this offering, Aziz Rahimtoola, Sabio's CEO, subscribed to the new debenture note in the aggregate principal amount of \$388,649 (CAD \$537,850); an amount equal to the principal portion of his unsecured convertible note retired. The new debentures have a six-month term and bear a simple interest at a rate of 15% per annum (calculated as 7.5% on a 6-month period). In connection with the offering, the Company issued an aggregate of 170,066 common shares (each, a "Bonus Share") in the capital of the Company at a price of \$0.38 (CAD \$0.53) per Bonus share, including 50,740 Bonus Shares issued to Mr. Rahimtoola. The Bonus Shares are subject to hold periods under applicable Canadian securities laws. Prior to maturity, the Company had 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.
- On July 31, 2025, Sabio announced a shares-for-debt transaction to settle CAD \$84,000 (\$61,529) of interest due on secured convertible notes issued on August 16, 2023. The settlement was completed through the issuance of 162,477 common shares at a deemed price of CAD \$0.517 (\$0.38) per share, based on the 20-day volume weighted average price ending June 25, 2025. The convertible notes bore interest at 14% per annum, payable semi-annually in cash or shares at the Company's option. All shares issued were subject to a statutory holding period of four months and one day from the date of issuance in accordance with applicable securities laws.
  - In June and July 2025, the Company expanded the distribution of its Creator TVFree Ad-Supported Streaming Television ("FAST") channel. Creator TV is now available on Amazon Fire TV Channels, a free ad-supported service accessible across all Fire TV, Fire Tablet, and Echo Show devices in the U.S. Additionally, Sabio launched Creator TV on Xumo Play, a leading U.S. FAST platform operated by Comcast and Charter Communications. The Company also partnered with Anoki to distribute Creator TV through LiveTVx, Anoki's AI-powered native FAST service on Google TV devices. These launches broaden Creator TV's reach to diverse audiences, aligning with its mission to bring the authenticity and energy of social media storytelling to traditional TV formats.
  - In June 2025, the Company received two prestigious industry awards. Creator TV was named Most Significant Newcomer at the 21st Annual InteractiveTV Today (ITVT) Awards—recognizing its sustainable production, innovative formats, and strong commitment to diversity and inclusivity. Additionally, Sabio earned a Pollie Award from the American Association of Political Consultants (AAPC) for Best Ad Technology Innovation during the 2024 political season. This honor reflects Sabio's use of proprietary ad-tech, including the App Science™ database of 80 million U.S. streaming households, to deliver precise, privacy-compliant targeting of Spanish-dominant U.S. adults—a historically under-represented group in political advertising.
  - 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.
  - The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention tax credit ("ERTC"), a refundable tax credit against certain employment taxes. The Consolidated Appropriations Act extended and expanded the availability of the ERTC through December 31, 2021. During 2025, the Company received payments from the U.S. Internal Revenue Service ("IRS") totaling \$809,063 from ERTC claims covering the first and second quarters of 2021, inclusive of accrued interest.

- On March 21, 2025, 617,456 share options of the Company were granted to certain directors and employees of the Company, and 25,000 share options were granted to a consultant at an exercise price of CAD \$0.62 (\$0.43). The options granted to directors and employees will vest quarterly from the grant date over a three-year vesting period while the options granted to the consultant will vest quarterly from the grant date over a one-year vesting period.
- On March 3, 2025, the Company entered into a new office lease on the second floor of 10 Crosby (also known as 444 Broadway), New York with Madison Capital Madison 444 Realty LLC. The lease commences on April 1, 2025 and expires on June 30, 2028. The total lease payments over the term amount to \$1,476,992, including non-lease components for maintenance and usage charges.
- On February 20, 2025, the Company announced a partnership with Sling TV, a leading streaming service and subsidiary of EchoStar Corporation, for distribution of its Creator TV FAST channel on its platform, Sling Freestream. This partnership marks a significant step in the expansion of Creator TV's reach, ensuring that the diverse and authentic voices it showcases can connect with the broad audiences on Sling Freestream, particularly Gen Z and millennial audiences.
- On February 14, 2025, the Company announced that Computershare Investor Services Inc. has replaced TSX Trust Company as the registrar and transfer agent of the Company effective February 14, 2025.
- On February 11, 2025, the Company announced that its App Science™ database now comprises 80 million households, representing 70% of all U.S. streaming households. This milestone highlights the App Science™ platform's ability to track and analyze streaming TV audiences through a vast dataset that includes mobile devices, connected TVs, and other streaming platforms.
- On January 30, 2025, the Company launched Creator TV, its owned-and-operated FAST channel that targets the valuable Gen Z and millennial audiences. As part of this launch, global streaming media company, Plex, will distribute Creator TV internationally.

## **OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS**

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

	For the three months ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Gross Revenues (1)	<b>11,210,454</b>	18,301,162	<b>41,301,666</b>	49,602,885
By source:				
Mobile ads	<b>2,605,683</b>	3,572,801	<b>10,258,015</b>	10,211,003
Ad-Supported Streaming	<b>8,400,181</b>	14,506,931	<b>30,236,659</b>	38,579,203
Other	<b>204,590</b>	221,430	<b>806,992</b>	812,679
Net Revenues	<b>9,778,763</b>	18,301,162	<b>38,231,397</b>	49,602,885
By source:				
Mobile ads	<b>2,204,486</b>	3,572,801	<b>9,570,002</b>	10,211,003
Ad-Supported Streaming	<b>7,369,687</b>	14,506,931	<b>27,854,404</b>	38,579,203
Other	<b>204,590</b>	221,430	<b>806,991</b>	812,679
Gross Profit	<b>5,563,171</b>	11,286,755	<b>22,753,955</b>	30,627,389
Adjusted EBITDA (1)	<b>(2,100,718)</b>	2,843,977	<b>(7,147,846)</b>	3,832,162
Loss (gain) from operations	<b>(2,337,002)</b>	1,532,183	<b>(8,358,611)</b>	1,223,075
Net loss (gain)	<b>(2,817,019)</b>	1,194,528	<b>(9,834,993)</b>	(110,875)

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

**Revenue:**

*Three-month periods ended December 31, 2025 and 2024.*

Sabio is at a unique cross section of two of the fastest growing categories in advertising, in ad supported -streaming and the Creator economy. Its rapid expansion into the creator economy was driven by the successful 2025 launch of Creator TV, its new streaming channel and distribution network. Creator TV forms an integral part of Sabio's end-to-end technology platform, consistent with its Creator led, data driven, AI-powered approach for a fragmented media ecosystem. Through its AI-powered, App Science offering, Sabio provides proprietary analytics and insights that enable advertisers to validate and optimize the return on their growing streaming advertising spend. The Company also operates a DSP/ ad-server -agnostic model, allowing campaigns to be executed either through its own platform or through leading demand-side platforms such as DV360, The Trade Desk, and Yahoo. Sabio's platform currently validates audiences across approximately 80 million U.S. streaming households, using AI insights trained on its daily stream of terabytes of first and third party data, representing roughly 70% of U.S. streaming households, across platforms including Roku, Amazon Fire, Plex, Slings, Apple TV+, Samsung TV, Vizio, and LG. Together, Creator TV, Sabio's advertising platform, and its data and analytics capabilities position the Company to help brands effectively reach audiences in the fast-growing streaming and creator-led media ecosystem globally.

This diversified ecosystem supports a high reoccurring business model, reflected in Sabio's 90% top-logo retention rate and approximately 80% reoccurring revenues in 2025. At the same time, the Company's expanding product suite and growing international footprint are broadening its' roster of leading global brands. U.S. reoccurring revenues reached 87% while new logos surged 153% in 2025, underscoring strong client retention, durable customer relationships, and continued growth through diversified sales channels, even amid macroeconomic uncertainty. Together, these trends are strengthening the Company's revenue base and setting a durable foundation for sustained long-term growth.

Sabio sells to brands through their respective advertising agencies in parallel to long established relationships with top 50 blue chip brands. Revenue from advertising is largely generated through video and display advertising

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

Consolidated gross revenues for the three months ended December 31, 2025, decreased 39% to \$11,210,454, compared to \$18,301,162 for the same period in 2024, a decrease of \$7,090,708. Sabio consolidated gross, core business revenues grew 10% year-over-year normalized for political and advocacy campaigns that ran during the 2024 U.S. election cycle (U.S. election cycles occur every 2 years), with international and programmatic offerings representing 48% of Q4 2025 sales mix. This is an early validation of Sabio's intentional diversification strategy. Expansion across product mix and geography drove meaningful results. Gross international revenues increased 249% year-over-year, with Sabio London Limited contributing 23% of consolidated gross revenues, up from 4% in the prior-year period. International momentum accelerated sequentially throughout the year, with gross sales increasing from \$244,297 in Q1 (PY – \$60,746), to \$382,329 in Q2 (PY – \$92,782), to \$1,787,417 in Q3 (PY – \$525,335), and to \$2,632,793 in Q4 (PY – \$753,822).

Our newly launched programmatic offering, now the dominant format in ad-supported streaming, also gained strong early traction. Since launching at the beginning of 2025, quarterly programmatic sales scaled rapidly from \$156,204 in Q1, to \$840,138 in Q2, to \$1,879,031 in Q3, and to \$2,730,419 in Q4, where the channel accounted for 24% of consolidated gross sales. Customer engagement strengthened sequentially, with 73% renewal rates amongst all programmatic logos and programmatic-spend from existing customers rising 37%, reinforcing this channel as a key long-term growth driver. Diversification also expanded our branded customer base, with the number of logos spending increasing 181% year-over-year in Q4 2025, including several top global brands. Retention remained strong, with nearly 65% of our top 2024 customers increasing spend year-to-date in 2025, reflecting deeper relationships and growing wallet share.

Taken together, these results demonstrate tangible progress from our deliberate investments and mark a meaningful step toward building a more diversified, resilient, and scalable revenue base across products and markets. Consolidated net revenues for the three months ended December 31, 2025, declined 47% to \$9,778,763, compared to \$18,301,162 for Q4 2024, a decrease of \$8,522,399 that was predominately driven by an \$8.0 million decrease in non-returning political and advocacy spending in an off-election year. After a strong first half where the Company grew consolidated revenues by 33%, second-half advertiser budgets were also impacted by tariff-related uncertainties in key verticals, including automotive and government.

By segment, ad-supported streaming gross revenues for the three months ended December 31, 2025 was \$8,400,181, a 42% decline from \$14,506,931 in the same period a year prior, a decrease of \$6,106,750. Gross ad-supported, core-business streaming revenues increased 29%, or \$1,843,332, year-over-year, rising from \$6,318,904 in Q4 2024 to \$8,162,236 in Q4 2025, when normalized for political and advocacy campaigns that ran during the 2024 election cycle. Sabio's core, streaming TV business continued to take market share and outpace the estimated 15% growth of the broader global streaming TV industry<sup>1</sup>. This normalized growth highlights the durability of Sabio's core streaming platform despite broader budget caution tied to tariff-related uncertainty. It also reflects the impact of deliberate investments made over the past year to expand and diversify the Company's demand base, reinforcing execution of Sabio's strategy to drive sustained growth across products, brands, and geographies. Net

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<sup>1</sup> [WPP Media, December 09, 2025](#)

ad-supported revenues declined 49% to \$7,369,687 from \$14,506,931 in Q4 2024, driven by the anticipated reduction of political and advocacy spending in an off-election year.

Ad-supported streaming TV, one of digital advertising's fastest-growing arenas, is the Company's dominant sales category. Notably, the sales model for streaming TV advertising offers inherent cost efficiencies versus mobile display advertising (where campaign parameters often require more customization). Ad-supported streaming TV remained Sabio's primary contributor, making up 75% of the quarterly sales mix versus 79% in the prior year's period. Sabio's momentum in this space is underpinned by its proprietary data capabilities, which enable the Company to surface actionable audience insights across an increasingly fragmented media landscape - all without relying on cookie-based tracking methods that are rapidly becoming obsolete. These capabilities translate into deeper, more meaningful connections between brands and their target audiences, empowering advertisers to effectively reach, engage, and validate - or R.E.V. - their audiences in today's complex media environment.

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

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

For the three months ended December 31, 2025, mobile side, gross revenues declined 27% to \$2,605,683 for the three months ended December 31, 2025, compared to \$3,572,801 in the same period in 2024, a decrease of \$967,118. Excluding political advertising, the year-over-year decline was 25%, or \$850,518, with mobile gross revenues falling from \$3,456,201 in Q4 2024 to \$2,605,683 in Q4 2025. The decrease primarily reflects the expected moderation in political and advocacy activity, together with temporary softness in advertiser budgets amid tariff-related uncertainty. Within the automotive vertical, clients front-loaded their spend with Sabio into the first half of the year ahead of anticipated tariff impacts, contributing to the lower Q4 revenue comparison. Mobile sales, net of programmatic supply costs, declined 38% to \$2,204,486 from \$3,572,801 in Q4 2024, a reduction of \$1,368,315.

#### *Twelve-month periods ended December 31, 2025 and 2024.*

Consolidated gross revenues for the year ended December 31, 2025, decreased 17% to \$41,301,666, compared to \$49,602,885 for the year ended December 31, 2024, a decrease of \$8,301,219. Sabio's consolidated gross, core-business revenues increased 10%, or \$3,298,293 year-over-year, rising from \$31,898,977 for the year ended December 31, 2024 to \$35,197,270 in 2025 when normalized for political and advocacy campaigns that ran during the 2024 U.S. election cycle (U.S. election cycles occur every 2 years). This growth was broad-based, driven by Sabio's core branded business across several diverse verticals including legal and professional services, technology, utilities, telecommunications, lottery, and travel and tourism. It reflects the Company's continued focus on diversifying its sales mix across both verticals and geographies, with newer product and geographical offerings playing a central role.

New customer acquisition accelerated meaningfully, with new logos increasing 153% in fiscal 2025 versus the prior year. Increase in new logos in 2025 over the prior year. These additions spanned high-growth sectors such as telecommunications, financial services, entertainment, and technology, and including several Fortune 500

advertisers, further strengthening and diversifying Sabio's revenue base. International expansion remained a standout story, with Sabio London Limited delivering 252% sales growth to \$5,046,836, and contributing 12% of consolidated gross revenues for the year ended December 31, 2025, up sharply from \$1,432,685, or 3% of our sales mix, in the prior year. Product innovation also played a meaningful role in broadening the revenue base. Sabio's programmatic offering gained significant early traction, accounting for approximately 14% of consolidated gross sales and generating \$5,621,540 in gross revenues during the year. Month-over-month programmatic gross sales grew at an average rate of 43% throughout fiscal 2025, demonstrating both the scalability of the platform and consistent market demand. Consolidated net revenues for the year ended December 31, 2025 declined 23% to \$38,231,397, compared to \$49,602,885 in 2024, a decrease of \$11,371,488, as the ongoing scaling of Sabio's programmatic and international offerings impacted gross revenues.

By segment, ad-supported streaming gross revenues for the year ended December 31, 2025, decreased 22% to \$30,236,659, compared to \$38,579,203 for the year 2024, a decrease of \$8,342,544. Gross ad-supported, core-business streaming revenues increased 18% or \$3,967,093 year-over-year from \$22,262,867 for the year ended December 31, 2024, to \$26,229,960 for the current year when normalized for political and advocacy campaigns that ran during the 2024 U.S. election cycle (U.S. election cycles occur every 2 years). The increase highlights the underlying strength and durability of Sabio's core branded streaming business, buoyed by consistent advertiser demand across multiple verticals and the successful launch of the Company's programmatic offering, which expanded access to incremental demand sources and improved monetization efficiency across Sabio's streaming inventory. Ad-supported streaming continued to anchor the business, representing 73% of total net sales for the year compared to 78% in the prior year, reinforcing Sabio's deep concentration in one of advertising's fastest-growing channels. On a net revenue basis, ad-supported streaming revenues for the year ended December 31, 2025 totaled at \$27,854,404, representing a 28% decline or \$10,724,799 from \$38,579,203 in 2024, driven primarily by the anticipated pullback in political and advocacy spending following the prior election cycle.

For the year ended December 31, 2025, mobile ad gross revenues were flat at \$10,258,015, a modest increase of \$47,012 from \$10,211,003 in the prior year. Excluding political advertising, mobile gross revenues grew 5%, or \$503,113, from \$9,680,576 in 2024 to \$10,183,689 in 2025, driven by higher utilization of non-OTT mobile video in Sabio's core, branded business. This growth was partially offset by temporary softness in advertiser budgets during the second half of the year amid tariff-related uncertainty. Mobile ad net revenues decreased 6% to \$9,570,002, a decline of \$641,001 from \$10,211,003 in the prior year, reflecting the expected moderation in political and advocacy activity in an off-election cycle.

### **Cost of Sales and Gross Margins:**

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

	For the three months ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Net Revenues	<b>9,778,763</b>	18,301,162	<b>38,231,397</b>	49,602,885
Cost of sales	<b>4,215,592</b>	7,014,407	<b>15,477,442</b>	18,975,496
<b>Gross profit</b>	<b>5,563,171</b>	11,286,755	<b>22,753,955</b>	30,627,389

*Three-month periods ended December 31, 2025 and 2024.*

Cost of sales consist of purchased publisher media inventory, production, and technical service costs and fees, in addition to data center, bandwidth, and cloud hosting costs connected to our revenue-producing platform. For the three months ended December 31, 2025, cost of sales decreased 40% to \$4,215,592, compared to \$7,014,407 for Q4 2024, primarily reflecting lower revenues during the period. Gross profit margin for the quarter remained healthy at 57%, compared to 62% in the prior-year fourth quarter. The modest shift reflects the Company's intentional pivot toward scalable programmatic revenues and an expanding international footprint. Programmatic, now the dominant format in ad-supported streaming, together with international sales, represented 48% of consolidated gross sales during the quarter, demonstrating early traction in higher-scale channels and partially offsetting temporary softness in the U.S. managed service business amid tariff-related uncertainties. Throughout this evolution in revenue mix, Sabio's end-to-end technology stack, anchored by its proprietary App Science™ analytics and Sabio SSP ad inventory, continued to enhance platform efficiency and support margin resilience, serving as a critical buffer against margin pressure during this period of strategic transition.

*Twelve-month periods ended December 31, 2025 and 2024.*

Cost of sales consist of purchased publisher media inventory, production, and technical service costs and fees, in addition to data center, bandwidth, and cloud hosting costs connected to our revenue-producing platform. For the year ended December 31, 2025, cost of sales decreased 18% to \$15,477,442, compared to \$18,975,496 for the year ended December 31, 2024, a reduction of \$3,498,054, primarily driven by lower revenues during the period. Gross profit margin was 60% for the year ended December 31, 2025, compared to 62% in 2024, as Sabio's end-to-end technology stack helped protect margins amid an evolving revenue mix.

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

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

	For the three months ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Net (loss) gain for the period	<b>(2,817,019)</b>	1,194,528	<b>(9,834,993)</b>	(110,875)
Adjustments				
Finance costs	<b>444,032</b>	329,055	<b>1,395,878</b>	1,292,344
Interest earned	<b>(9,199)</b>	(7,957)	<b>(39,177)</b>	(41,568)
Amortization of intangible assets	<b>39,224</b>	45,053	<b>172,346</b>	193,668
Stock-based compensation	<b>52,571</b>	53,129	<b>281,791</b>	216,037
Employee retention tax credit received	<b>(225,918)</b>	-	<b>(809,063)</b>	-
Loss on lease termination	-	-	<b>20,275</b>	-
Gain on lease modification	-	-	<b>(7,317)</b>	-
Loss on loan forgiveness	-	935,567	-	935,567
Amortization of lease	<b>185,061</b>	148,627	<b>694,617</b>	689,255
Income taxes	<b>35,985</b>	8,600	<b>80,504</b>	41,606
Foreign exchange differences	<b>22,618</b>	7,379	<b>45,587</b>	20,151
State and local taxes	<b>123,343</b>	1,457	<b>171,874</b>	42,340
Severance expenses	<b>48,584</b>	128,539	<b>679,832</b>	553,637
Total adjustments	<b>716,301</b>	1,649,449	<b>2,687,147</b>	3,943,037
Adjusted EBITDA (1)	<b>(2,100,718)</b>	2,843,977	<b>(7,147,846)</b>	3,832,162

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

*Three-month periods ended December 31, 2025 and 2024.*

Adjusted EBITDA for the three-month period ended December 31, 2025, was a loss of \$2,100,718, compared to a profit of \$2,843,977 for Q4 2024, representing a decrease of \$4,944,695. The loss was largely driven by a \$8,043,384 reduction in political and advocacy gross advertising revenues in an off-election year, along with temporary budget softness in select advertiser categories tied to tariff-related uncertainty. Against this backdrop, Sabio remained firmly focused on executing its strategic priority of its core strategic objective of diversifying and scaling the business across products, brands, and geographies to reduce reliance on political cycles. That progress was reflected in the results, with programmatic and international offerings together accounting for 48% of consolidated Q4 2025 gross revenues, demonstrating measurable returns on investments made over the past year. On the cost side, continued efficiency initiatives supported a disciplined operating profile, with operating expenses increasing just 4% sequentially from Q3 2025, highlighting the scalability of the Company's evolving cost structure.

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

- A gain of \$225,918, including accrued interest, recognized in connection with Employee Retention Tax Credit (ERTC) claims received from the U.S. Internal Revenue Service (IRS) in November 2025, related to the first and second quarters of 2021. The ERTC was originally introduced under the CARES Act and later extended through the end of 2021 by the Consolidated Appropriations Act; and
- Severance expenses of \$48,584 resulted from operational efficiency initiatives undertaken by Management.

*Twelve-month periods ended December 31, 2025 and 2024.*

Adjusted EBITDA for the year ended December 31, 2025 was a loss of \$7,147,846, a decline of \$10,980,008 from the \$3,832,162 profit recorded in 2024. The decline was primarily driven by a \$11,599,512 reduction in political and advocacy advertising revenues in an off-election cycle, continued investment in scalable growth initiatives including the Creator TV streaming channel and the Company's programmatic and performance marketing offerings, and a meaningful step-up in cloud infrastructure costs. Cloud infrastructure expenses increased 94% or \$1,970,941, year-over-year as the Company enhanced data security, expanded platform capacity and supported growing programmatic and international volumes. The revenue mix towards higher scale programmatic and international channels also resulted in modest margin compression during the year, reflecting the Company's strategic pivot toward more scalable, diversified growth streams. Importantly, these channels are designed to drive operating leverage over time as volumes increase. Management remains focused on driving operational efficiencies and optimizing platform scalability as diversified revenue streams continue to expand.

For the year ended December 31, 2025, non-recurring adjustments included:

- A gain of \$809,063, including accrued interest, recognized in connection with Employee Retention Tax Credit (ERTC) claims received from the U.S. Internal Revenue Service (IRS), related to the first and second quarters of 2021. The ERTC was originally introduced under the CARES Act and later extended through the end of 2021 by the Consolidated Appropriations Act; and
- Severance expenses of \$679,832 resulted from operational efficiency initiatives undertaken by Management.

**Operating Expenses:**

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

	For the three months ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Sales and marketing	<b>4,112,099</b>	4,519,573	<b>16,252,421</b>	14,927,110
General and administrative	<b>1,565,895</b>	2,174,762	<b>6,297,807</b>	6,101,389
Occupancy cost	<b>224,739</b>	187,613	<b>842,399</b>	672,631
Finance costs	<b>444,032</b>	329,055	<b>1,395,878</b>	1,292,344
Research and technology costs	<b>1,947,219</b>	1,783,072	<b>7,362,192</b>	5,761,481
Stock-based compensation	<b>52,571</b>	53,129	<b>281,791</b>	216,037
Amortization of intangible assets	<b>39,224</b>	45,053	<b>172,346</b>	193,668

*Three-month periods ended December 31, 2025 and 2024.*

## Sales and marketing

Sales and marketing consist of all costs associated with selling and marketing the Company's products and services. These costs include all salaries and wages, benefits, commissions, travel, marketing and payroll taxes for Sabio's sales, marketing, and account management teams. Sales and marketing expenses for the three months ended December 31, 2025 totaled \$4,112,099, a 9% or \$407,474 decrease from \$4,519,573 in the prior year's period. The decline was driven by lower variable compensation accruals, along with targeted headcount reductions and streamlining of support functions. The efficiencies helped offset planned investments in Sabio's domestic and international salesforce, as well as focused resource allocation supporting the rollout of the Company's programmatic, Creator TV, and performance marketing offerings. Sabio's sales organization grew expanded meaningfully throughout 2025, with 46% of our current sellers onboarded within 2025, positioning the Company to capture the full benefit of these additions as they mature into 2026. Early returns are already evident, with Sabio London Limited contributed 23% of consolidated gross revenues in Q4 2025, and our new programmatic offering accounting for 24% of consolidated gross sales during the same period. Sequentially, sales and marketing expenses remained disciplined, declining 1% from Q3 2025.

## General and administrative

General and administrative costs include legal and professional fees, employee training, bank charges, contractors, administrative salaries and wages, employee meetings and office supplies. General and administrative costs for the three months ended December 31, 2025, were \$1,565,895, a decrease of \$608,867 (28%) from \$2,174,762 in the same quarter of the prior year, primarily due to lower variable compensation and cost optimization measures implemented during the period.

## Occupancy

Occupancy costs include short-term leases, utilities and incidental costs incurred throughout the Company's operating footprint. Occupancy costs for the three months ended December 31, 2025, were \$224,739, an increase of \$37,126 (20%) from \$187,613 in Q4 2024. The increase was primarily due to the commencement of a shared-office space lease for Sabio London Limited in November 2024.

## Finance

Finance costs for the three months ended December 31, 2025, were \$444,032, an increase of \$114,977 (35%) from \$329,055 for Q4 2024. The increase was primarily attributable to increased borrowings under our accounts

receivable line of credit with SLR Digital Finance and Revamp Funding Designated Activity Company in addition to the issuance of non-convertible debentures and unsecured promissory notes. As at December 31, 2025, the Company had an outstanding loan balance of \$6,038,272 with SLR Digital Finance, an increase of \$818,885, from the balance of \$5,219,387 as at December 31, 2024. The balance of the Revamp Receivables-Purchase Facility as at December 31, 2025 is \$3,045,859 (2024-nil) and the balances of non-convertible debentures and unsecured promissory notes as at December 31, 2025 were \$1,342,318 (2024-nil) and \$500,000 (2024-nil) respectively.

## Research and technology

Research and technology costs consist primarily of cloud storage costs associated with running and maintaining Sabio's proprietary ad-server, App Science analytics platform, and related headcount costs. The majority of such costs are comprised of cloud computing, salaries & wages and data and analytics costs. Research and technology costs for the three months ended December 31, 2025, were \$1,947,219, an increase of \$164,147 (9%) compared to \$1,783,072 in the same quarter of the prior year. Excluding cloud-related expenses, research and technology costs decreased 20%, or \$216,826, demonstrating continued cost discipline within the technology function. Management remains focused on driving operational efficiencies and optimizing platform scalability as volumes grow.

## Stock-based compensation

The Company uses its Omnibus Equity Incentive Plan for employee compensation, retention, and incentives. Stock-based compensation for the three months ended December 31, 2025, was \$52,571, a decrease of \$558 (1%) from \$53,129 in Q4 2024. Stock-based compensation granted in the quarter was related to non-executive compensation in the ordinary course of business.

*Twelve-month periods ended December 31, 2025 and 2024.*

## Sales and marketing

Sales and marketing consist of all costs associated with selling and marketing the Company's products and services. These costs include all salaries and wages, benefits, commissions, travel, marketing and payroll taxes for Sabio's sales, marketing, and account management teams. Sales and marketing expenses for the year ended December 31, 2025, were \$16,252,421, an increase of \$1,325,311 (9%) from \$14,927,110 in the prior year. The year-over-year increase was primarily driven by continued investment in the expansion of Sabio's domestic and international sales teams, along with dedicated resources supporting the advancement of the Company's programmatic, Creator TV, and performance marketing solutions. Sabio's sales organization grew substantially throughout 2025, with 46% of our current sellers onboarded in 2025, setting the stage for the Company to fully realize the benefits of these additions as they mature into 2026. These investments reflect management's strategic focus on expanding market reach and accelerating commercialization of the Company's newer offerings. Early returns are already materializing: Sabio London Limited contributed 12% of consolidated gross revenues for the year ended December 31, 2025, while the new programmatic offering gained strong early adoption, capturing approximately 14% of consolidated gross sales over the same period. Together, these two newer growth channels represented approximately 26% of consolidated gross sales for the year, highlighting the tangible progress of Sabio's diversification strategy.

## General and administrative

General and administrative costs include legal and professional fees, employee training, bank charges, contractors, administrative salaries and wages, employee meetings and office supplies. General and administrative costs for the

year ended December 31, 2025, were \$6,297,807, a modest increase of 3%, or \$196,418, from \$6,101,389 in the same period in the prior year. The increase was driven in part by increased insurance and headcount related costs that were substantially offset by cost optimization measures implemented during the period.

## Occupancy

Occupancy costs include short-term leases, utilities and incidental costs incurred throughout the Company's operating footprint. Occupancy costs for the year ended December 31, 2025, were \$842,399, an increase of \$169,768 (25%) from \$672,631 in the prior year. The increase was primarily due to the commencement of a shared office space lease for Sabio London Limited in November 2024.

## Finance

Finance costs for the year ended December 31, 2025, were \$1,395,878, an increase of \$103,534 (8%) from \$1,292,344 for the year ended December 31, 2024. The increase was primarily attributable to increased borrowings under our accounts receivable line of credit with SLR Digital Finance and Revamp Funding Designated Activity Company in addition to the issuance of non-convertible debentures and the unsecured promissory notes. As at December 31, 2025, the Company had an outstanding loan balance of \$6,038,272 with SLR Digital Finance, an increase of \$818,885, from the balance of \$5,219,387 as at December 31, 2024. The balance of the Revamp Receivables-Purchase Facility as at December 31, 2025 is \$3,045,859 (2024-nil) and the balances of non-convertible debentures and unsecured promissory notes as at December 31, 2025 were \$1,342,318 (2024-nil) and \$500,000 (2024-nil) respectively.

## Research and technology

Research and technology costs consist primarily of cloud storage costs associated with running and maintaining Sabio's proprietary ad-server, App Science analytics platform, and related headcount costs. The majority of such costs are comprised of cloud computing, salaries & wages and data and analytics costs. Research and technology costs for the year ended December 31, 2025 totaled \$7,362,192, an increase of \$1,600,711, or 28%, compared to the prior year. The year-over-year growth was primarily driven by cloud infrastructure costs, whose operating expense component rose 91%, or \$1,900,275, year-over-year. During Q1 2025, Sabio completed a one-time migration of its legacy Sabio SSP - formerly known as Vidillion - and implemented new direct supply integrations into its secure and scalable AWS platform, strengthening data security and laying the groundwork for long-term growth. Following the completion of these infrastructure initiatives, aggregate cloud costs have since begun to moderate. Management remains focused on driving operational efficiencies and optimizing platform scalability as volumes grow.

## Stock-based compensation

The Company uses its Omnibus Equity Incentive Plan for employee compensation, retention, and incentives. Stock-based compensation for the year ended December 31, 2025, was \$281,791, an increase of \$65,754, or 30%, from \$216,037 in the same period of the prior year. Stock-based compensation granted in fiscal 2025 is related to executive and non-executive and consultant compensation in the ordinary course of business.

## **Research and Development Expenditures:**

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

During the three months ended December 31, 2025, the Company capitalized \$13,680 to Intangible Assets, compared to \$27,343 in the comparable period in fiscal 2024. During the year ended December 31, 2025, the Company capitalized \$86,499 to Intangible Assets, compared to \$102,861 in fiscal 2024.

During the three months ended December 31, 2025, the Company amortized a total of \$25,945 in development expenses, compared to \$31,774 in the comparable period in fiscal 2024. During the year ended December 31, 2025, the Company amortized a total of \$119,230 in development expenses, compared to \$140,551 in fiscal 2024.

## **OUTLOOK**

Sabio enters fiscal 2026 with continued momentum across its core business, including programmatic ad-supported streaming (Connected TV/OTT), Creator TV, and international offerings. Targeted investments in these areas are contributing more meaningfully to results and are helping to diversify the Company's revenue base, positioning Sabio for more balanced and sustainable growth.

Programmatic and international revenues scaled significantly throughout 2025. Programmatic revenues increased from \$0.2 million in Q1 2025 to \$2.7 million in Q4 2025, while international revenues grew from \$0.2 million to \$2.6 million over the same period. Early trends in Q1 2026 indicate this momentum is continuing, with programmatic and international revenues each growing at over 20x year-over-year levels. As these channels increase in contribution, the Company expects to benefit from operating leverage through its technology platform, as these offerings are less resource intensive and can scale efficiently. In addition, the expanded sales team from 2025 is expected to continue building its client base, supporting further revenue growth while limiting the need for incremental headcount.

Customer acquisition also strengthened in 2025, with new logos increasing 153% year-over-year across key verticals including telecommunications, financial services, entertainment, and technology, including several Fortune 500 advertisers. Combined with strong retention levels, this supports continued growth in 80%+ reoccurring revenues.

2026 marks the next U.S. election cycle, which is expected to drive increased political and advocacy spending across streaming TV and mobile video. Political campaigns have historically prepaid Sabio for their media spend, providing a short-term liquidity benefit, and improved cash flow visibility. Election-related demand has also supported margin expansion, reflecting the premium placed on Sabio's advanced targeting capabilities through App Science®.

Overall, Sabio's continued execution across its growth initiatives, combined with its expanded international presence and scaled programmatic capabilities, positions the Company for sustained growth and improved operating efficiency in fiscal 2026 and beyond.

## Summary of Quarterly Results

The following unaudited table sets out selected financial information for the Company on a consolidated basis for the last eight most recently completed quarters.

	Dec 31, 2025	Sep 30, 2025	June 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	June 30, 2024	Mar 31, 2024
Net Revenue	9,778,763	8,208,049	11,157,319	9,087,266	18,301,162	16,052,759	8,897,431	6,351,533
Net Income (Loss)	(2,817,019)	(3,347,114)	(1,377,658)	(2,293,202)	1,194,528	1,749,633	(1,042,929)	(2,012,107)
Assets	19,771,940	15,480,183	16,888,985	16,219,624	23,110,312	19,962,987	15,875,407	14,861,763
Liabilities	29,399,726	23,077,939	21,324,739	19,393,652	24,081,959	22,159,200	19,886,480	17,892,887
Basic EPS	(0.05)	(0.07)	(0.03)	(0.05)	0.02	0.03	(0.02)	(0.04)

## **LIQUIDITY AND CAPITAL RESOURCES**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach in managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, by continuously monitoring actual and forecasted cash flows.

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

While management believes Sabio has access to sufficient operating capital to meet its day-to-day operating expenses, it is possible that the Company could experience a working capital deficiency in the future, which would have a materially adverse effect on its liquidity. If future cash flows from operations are lower than expected, the Company may need to seek additional financing, either by issuing additional equity or by undertaking additional debt. If it raises additional funds by issuing equity or equity-linked securities, the ownership of existing stockholders will be diluted. If it raises additional financing by incurring additional indebtedness, Sabio may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on its ability to incur further debt, and other operating restrictions that could adversely impact the Company's ability to conduct its business. Any further indebtedness may result in terms that could be unfavorable to equity investors. Furthermore, there is no certainty that additional financing, whether debt or equity, will be available or that it will be available on attractive terms.

The Company maintains two credit facilities secured against its strong accounts receivable base. The first is a three-year, \$10 million senior secured revolving credit facility with SLR Digital Finance, bearing interest at the greater of Prime plus 2.15% or 8.5%, and secured against all Company assets. The facility enables Sabio to borrow against eligible U.S. receivables prior to collection, which have historically experienced nominal loss rates given a customer base comprised largely of major U.S. brands and advertising agencies. Collections are applied directly to the loan balance, providing a self-replenishing source of working capital. Complementing this, the Company's U.K. subsidiary, Sabio London Limited, entered into a receivables purchase agreement on September 17, 2025, with Revamp Funding Designated Activity Company, providing advances of up to 90 percent of eligible U.K. receivables, subject to an aggregate exposure limit of GBP £3 million. The Revamp facility, which carries a minimum six-month term and is cancellable at the Company's option, bears a discount charge of 0.54% per month and a service fee of 0.99% to 1.01%

per month. Together, these facilities provide Sabio with flexible, recurring liquidity sources secured by high-quality receivables from blue-chip customers, supporting the Company's working capital and growth objectives.

As of December 31, 2025, the Company had cash of \$1,343,131 as compared to \$3,300,439 as at December 31, 2024, to settle current liabilities of \$27,366,758 (December 31, 2024 - \$22,377,617). Included within current liabilities are approximately \$9.1 million outstanding under the Company's receivables-backed revolving financing facilities with SLR Digital Finance and Revamp Funding Designated Activity Company. These facilities operate as factoring-style arrangements that advance funds against accounts receivable and fluctuate with revenue levels. As such, they represent working capital financing tied to operating activity rather than structural long-term debt. The facilities are secured by receivables from a predominantly Fortune 500 branded customer base, and the primary SLR Digital Finance facility carries a multi-year term. As a result of these receivables-financing arrangements and the timing difference between customer collections and publisher payments, the Company reported a net working capital deficit of \$12,142,150 at December 31, 2025, compared to \$3,800,993 at December 31, 2024.

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 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 secured convertible notes were retired at the maturity date of August 16, 2025 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.

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 new debentures have a six-month term and bear a simple interest at a rate of 15% per annum (calculated as 7.5% on a 6-month period). In connection with the offering, the Company issued an aggregate of 170,066 common shares (each, a "Bonus Share") in the capital of the Company at a price of \$0.38 (CAD \$0.53) per Bonus share, including 50,740 Bonus Shares issued to Mr. Rahimtoola. The Bonus Shares are subject to hold periods under applicable Canadian securities laws. Prior to maturity, the Company had 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. On February 25, 2026, the Company announced a six-month extension of the unsecured debentures from February 25, 2026 to August 25, 2026. 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 VWAP.

On October 1, 2025, the Company issued unsecured, non-convertible promissory notes 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.

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.

Below is a summary of cash provided by (used in) operating, investing, and financing activities for the periods indicated:

	For the year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Cash flows (used in) from operating activities	(6,374,284)	3,773,029
Cash flows used in investing activities	(86,499)	(102,861)
Cash flows from (used in) financing activities	4,503,475	(2,981,841)
<b>Net (decrease) increase in cash</b>	<b>(1,957,308)</b>	688,327
Cash, beginning of year	3,300,439	2,612,112
<b>Cash, end of year</b>	<b>1,343,131</b>	3,300,439

**Cash (used in) provided by operating activities:**

Operating activities used \$6,374,284 in cash for the year ended December 31, 2025, which primarily resulted from \$9,834,993 in net losses, which were offset by \$1,991,353 attributable to movements in non-cash working capital and \$1,469,356 of non-cash adjustments. The primary contributors to the movement in non-cash working capital were a decrease in accounts receivable and an increase in deferred revenue.

**Cash used in investing activities:**

For the year ended December 31, 2025, cash used in investing activities was \$86,499, which consisted of development costs related to internally generated intangible assets, compared to cash used for development costs of \$102,861 for the year ended December 31, 2024.

**Cash provided by (used in) financing activities:**

Cash from financing activities for the year ended December 31, 2025, was \$4,503,475, primarily due to:

- A total net advance of \$818,885 on the Company's credit facility with SLR Digital Finance;
- The retirement of the convertible notes of \$1,261,645 issued on August 16, 2023, through the issuance of a non-brokered private placement of 15% subordinated, unsecured, non-convertible debentures for gross proceeds of \$1,302,734 (CAD \$1,802,850) on August 25, 2025;
- The commencement of a receivables purchase facility with Revamp Funding Designated Activity Company, which had an outstanding balance of \$3,045,859;

- The issuance of non-convertible unsecured promissory notes of \$500,000 to its Chief Executive Officer, Mr. Aziz Rahimtoola;
- The net proceeds from issuance of common shares under the Listed Issuer Financing Exemption ("LIFE") offering totalling \$764,564; and
- Payments of \$872,597 towards the Company's lease liabilities.

### **Security-based compensation:**

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

### **Stock options:**

As at December 31, 2025, the Company was entitled to issue a maximum of 5,432,435 share options outstanding under the Omnibus Equity Incentive Plan, compared to 5,054,949 as at December 31, 2024.

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

Measurement date	Number of Options	Weighted average exercise price
	#	\$
Balance, December 31, 2023	2,841,731	0.63
Granted	350,000	0.24
Exercised	(33,359)	0.17
Forfeited	(652,207)	0.66
Balance, December 31, 2024	2,506,165	0.57
Granted	642,456	0.43
Forfeited	(265,314)	0.57
<b>Balance, December 31, 2025</b>	<b>2,883,307</b>	<b>0.54</b>
Options exercisable, December 31, 2024	1,947,588	0.60
<b>Options exercisable, December 31, 2025</b>	<b>2,184,744</b>	<b>0.59</b>

### **Restricted stock units (RSUs):**

As at December 31, 2025, the Company was entitled to issue a maximum of 4,550,993 other security-based awards (including RSUs) outstanding under the Omnibus Equity Incentive Plan. The following table summarizes the continuity of RSUs issued by the Company under the Omnibus Equity Incentive Plan:

Measurement date	Number of RSUs	Weighted average grant price
	#	\$
Balance, December 31, 2023	778,627	0.59
Granted	320,585	0.36
Forfeited	(131,668)	0.74
Vested and redeemed	(479,548)	0.49
Balance, December 31, 2024	487,996	0.49
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
<b>Balance, December 31, 2025</b>	<b>406,126</b>	<b>0.28</b>

### 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.

### CONTRACTUAL OBLIGATIONS

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

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

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

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

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

- (i) \$6,038,272 outstanding under the credit facility with SLR Digital Finance, which provides for a three-year \$10 million senior-secured revolving credit facility at an interest rate of the greater of: (i) Prime rate plus 2.15%, or (ii) 8.5%, and is secured against all assets of the Company'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.

- (ii) \$3,045,859 outstanding under the receivables purchase facility with Revamp Funding Designated Activity Company, provided for the Company's subsidiary, Sabio London Limited. The facility covers 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. 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.
- (iii) \$1,342,318 outstanding under the 15% subordinated, unsecured, non-convertible debentures issued on August 25, 2025, through a non-brokered private placement for gross proceeds of \$1,302,734 (CAD \$1,802,850) which were used to retire prior convertible notes issued on August 16, 2023. The 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 had 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. 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. On February 25, 2026, the Company announced a six-month extension of the unsecured debentures from February 25, 2026 to August 25, 2026. 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 VWAP.
- (iv) \$500,000 unsecured non-convertible promissory notes closed on October 1, 2025 with Mr. Aziz Rahimtoola – the Company's CEO. The new promissory notes are due on demand and bear a simple interest at a rate of 15% per annum. There shall be no penalty for early repayment of all or any part of the principal by the Company.

## COMMITMENTS

On August 8, 2022, the Company entered a lease for an office in Hyderabad, India with Gowra Ventures (P) Ltd with the assured period of five years from the rent commencement date. The lease contains non-lease components for maintenance charges and usage charges amounting to \$273,253 (INR 22,589,800) for the assured period.

On March 17, 2023, the Company entered a lease for a new office in Playa del Rey, California for 67 months with Culver Studio Partners LLC. The lease contains non-lease components for maintenance charges and usage charges amounting to \$548,097 for the 67-month term.

The future minimum commitment for these contracts, excluding lease payments identified in Note 9 of the Consolidated Financial Statements, 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		-
	<b>\$</b>	<b>402,105</b>

## RELATED PARTY TRANSACTIONS

The balance from Simon Wong, an Officer of the Company, was 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, 2024, a balance of \$953,567 was recoverable from a shareholder, Aziz Rahimtoola. 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 in fiscal 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 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) of the Consolidated Financial Statements.

On November 20, 2023, several arrangements were agreed to between the Company and certain Canadian parties, including Liam Farrell (a related party of the Company) for exercising an aggregate of 2,804,702 share purchase warrants (including 182,136 share purchase warrants held by Liam Farrell) at an exercise price of CAD\$0.21 (\$0.17). The share purchase warrants were originally issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes between the Company and warrant holders. As at December 31, 2025, the balance of promissory note due from Liam Farrell, including accrued interest, was \$32,319.

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 had 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). On February 25, 2026, the Company announced a six-month extension of the unsecured debentures from February 25, 2026 to August 25, 2026. 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 VWAP.

On October 1, 2025, the Company issued unsecured, non-convertible promissory notes 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.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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

## **ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the Consolidated Financial Statements and application of IFRS often involve Management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. Significant assumptions and estimates used in preparing financial statements include those related to credit quality of accounts receivable, income tax credits receivable, share-based payment transactions, capitalization and amortization of internally generated development costs, impairment tests for non-financial assets, going concern as well as revenue, volume incentive discounts and cost recognition. Sabio bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived from different judgments or using different assumptions or estimates, and events may occur that could require material adjustment. Material accounting policies and estimates under IFRS are found in Notes 2 and 3 of the Company's Consolidated Financial Statements.

## **CHANGES IN ACCOUNTING POLICIES**

For the year ended December 31, 2025, the Company adopted one amendment for the first time, but the adopted amendment did not have a material impact on the Consolidated Financial Statements. Sabio's material accounting policies are provided in Note 2 of the Consolidated Financial Statements.

## **INTERNAL CONTROLS**

Effective internal controls are necessary for Sabio to provide reliable financial reports and to help prevent fraud. Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to Sabio's CEO and to others within those entities on a timely basis, particularly during the period in which the annual filings are being prepared, so that appropriate decisions can be made regarding public disclosure.

An evaluation of the adequacy of the design and effective operation of the Company's disclosure controls and procedures was conducted under the supervision of management, including Sabio's CEO, as at December 31, 2025. Based on that evaluation, the CEO concluded that the design and operation of the system of disclosure controls and procedures were adequate as at December 31, 2025.

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

## OUTSTANDING SHARE DATA

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

As at December 31, 2025, there were (i) 54,324,349 common shares issued and outstanding, (ii) 16,666 common stock issuable outstanding, (iii) 2,883,307 stock options outstanding with a weighted average exercise price per common share of \$0.54 and a weighted average contractual life of 6.90 years, (iv) 406,126 RSUs outstanding with a weighted average grant price of \$0.28 and a weighted average contractual life of 0.96 years and (v) 177,600 compensation warrants outstanding with a weighted average exercise price of \$0.31 and a weighted average contractual life of 1.87 years. As at December 31, 2024, there were (i) 50,549,485 common shares issued and outstanding, (ii) 2,506,165 stock options outstanding with a weighted average exercise price per common share of \$0.57 and a weighted average contractual life of 7.22 years, (iii) 487,996 RSUs outstanding with a weighted average grant price of \$0.49 and a weighted average contractual life of 0.90 years, and (iv) 5,500 treasury shares pending cancellation, with an average purchase price of \$0.33.

No shares were repurchased during the year ended December 31, 2025.

For the year ended December 31, 2024, the Company repurchased a total of 39,500 shares, under a Normal Course Issuer Bid (NCIB) accepted by the TSX Venture Exchange on March 26, 2024, at a total cost of CAD \$18,895 (\$13,560). These shares were purchased at a price ranging from CAD \$0.42 to CAD \$0.50 per share (\$0.30 to \$0.36). Of these shares, 34,000 shares were cancelled in 2024, and 5,500 shares were canceled on January 3, 2025. The total cost of 34,000 repurchased shares cancelled in 2024, and 5,500 repurchased shares cancelled during the nine months ended September 30, 2025, was CAD \$16,332 (\$11,751) and CAD \$2,563 (\$1,809), respectively. These amounts were recorded as a reduction in common shares.

## RISK FACTORS

Sabio is exposed to a variety of business, financial and industry risks in the normal course of operations. A detailed description of risk factors associated with the Company's business is given in the "Risk Factors" section of the Annual Information Form for the year ended December 31, 2025, which is available under the Company's profile on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

## 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 debentures for aggregate gross proceeds of CAD\$1,802,850 from February 25, 2026 to August 25, 2026. 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 VWAP.

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.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company, including the Company's AIF, is posted on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).