





# SABIO HOLDINGS INC.
# Management's Discussion & Analysis
# For the three and twelve months ended
# December 31, 2021

Date: April 19, 2022
www.sabioholding.com

***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 Sabido Holdings Inc. (formerly Spirit Banner II Capital Corp.) ("Sabio" or the "Company") as at and for the three and twelve months ended December 31, 2021. 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, 2021, and December 31, 2020, 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 International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, 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 is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made herein. The 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 and Chief Financial Officer 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 annual 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 annual 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 19, 2022.

**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 effect of the COVID-19 pandemic on the Company’s business and operations, 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 its 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 our performance and financial condition. We believe 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, transaction costs, gain on loan forgiveness, income taxes, stock-based compensation, amortization, settlement fees, foreign exchange differences and severance costs. We believe that the items excluded from Adjusted EBITDA are not connected to and do not represent the operating performance of the Company.

We believe 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, restructuring costs, other expense (income), and foreign exchange (gain) loss. Accordingly, we believe 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 Company's management and board of directors to understand and evaluate the Company's operating performance, to prepare annual budgets and to help develop operating plans.

**Company Overview**

Sabio Holdings Inc. (formerly Spirit Banner II Capital Corp.), (the "Company" or "Sabio") was incorporated under the Business Corporation Act of Ontario, Canada on September 29, 2017. The registered corporate office is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The corporate head office of the Company is located at 16350 Ventura Boulevard, #D827, Encino, California, 91436.

Sabio Holdings Inc. is a technology provider in the high-growth advertising areas of connected TV ("CTV") and over-the-top ("OTT") streaming, where viewership in 2022 is expected to rise to over 221 million users in the United States CTV market alone[1]. Sabio's full CTV/OTT technology stack and services enables global distribution, monetizes, and provides analytics for content creator CTV/OTT apps and the brands and agencies that want to partner with them. Sabio's wholly owned subsidiaries include Vidillion Corp. ("Vidillion"), a CTV/OTT technology pioneer (whose business was acquired subsequent to year-end) that creates and distributes ad-supported CTV/OTT apps on platforms such as Roku, Vizio, Amazon Fire, Disney + and others. In addition, the Company's wholly owned Sabio, Inc. subsidiary works with major brands and agencies, through its propriety Demand Side Platform (DSP) and ad server, to provide targeted campaign solutions to top agencies and the brands they represent by filling the ad slots in Vidillion and other non-Vidillion CTV/OTT apps. Lastly, its wholly owned AppScience, Inc. ("App Science") subsidiary, powered by its AppScience Data Management Platform ("DMP"), has pioneered a privacy compliant, non-cookie cross screen household graph of 55 million validated homes that connects insights between mobile apps, CTV/OTT apps, podcast data, along with other data points to better understand consumer behaviors at scale. App Science's primary focus is to provide leading agencies and brands advanced analytics and insights focused on their CTV, OTT and mobile ad spend in a software-as-a-service ("SaaS") business model.

Sabio and its subsidiaries provide targeted and efficient ad delivery solutions, analytics, and insights to some of the largest agencies and brands in the United States. The Company was founded by a team of seasoned ad-tech and media veterans who are supported by a strong management team with over 170 years of combined television and ad-tech experience. Sabio has over 90 employees in the United States, Canada, and India.

On November 19, 2021, the Company completed its reverse takeover transaction with Spirit Banner II Capital Corp. ("Spirit"), based on which its wholly-owned U.S. operating subsidiary Sabio, Inc. (formerly known as Sabio Mobile, Inc.) acquired all of the issued and outstanding securities of Spirit, via a reverse-takeover transaction (the "Transaction"). Upon completion of

[1] eMarketer, September 2021

the Transaction, Spirit became a wholly owned subsidiary of the Resulting Issuer. The Resulting Issuer carried on the business previously carried on by Spirit. In connection with the Transaction, the Sabio, Inc. consolidated its share capital on the basis of approximately 0.2735 (old) common shares for 1 (new) common share, and Spirit consolidated its share capital on the basis of approximately 15.9091 (old) common shares for 1 (new) common share of the Resulting Issuer. The Resulting Issuer changed its name to "Sabio Holdings Inc." and the Shares commenced trading on the TSX Venture Exchange (the "Exchange") at opening on November 26, 2021, under the symbol "SBIO" as a Tier 2 technology issuer.

In 2021, the Company appointed the following independent members to its Board of Directors to serve along its Chief Executive Officer, Aziz Rahimtoola:

- Paula Madison – Paula Williams Madison is Chairman and CEO of Madison Media Management LLC and Madison Media Works Inc. In 2011, Ms. Madison retired from NBC Universal (NBCU), a media and entertainment company after a successful 22 years, where she held a number of leadership roles, including Executive Vice President for Diversity as well as a Vice President of the General Electric Company (GE), then the parent company of NBCU. Ms. Madison is also the author and executive producer, respectively, of the book and documentary FINDING SAMUEL LOWE, which tells the story of her successful search to locate her Chinese grandfather's descendants in China. Ms. Madison also is a board member of her family's investment company, Williams Group Holdings LLC, the majority owner of The Africa Channel.
- Carl Farrell - Carl Farrell is an experienced board member and advisor with over 30 years of global management expertise guiding large and small organizations through growth and transformation. Most recently, before retirement from full time roles, Mr. Farrell was the Group President of commercial real-estate leader Altus Group where he also served as an independent director on the company's board of directors. Prior to that, Mr. Farrell was the Chief Revenue Officer and member of the board of directors of global analytics leader SAS Institute. Before his 15-year tenure at SAS, Carl held senior management positions at Vignette Corporation, J.D Edwards, Idiom Technologies and JBA. Currently, Mr. Farrell is a member of the board of directors of enterprise software company Basware Corporation and acts as a strategic advisor to other technology companies in Europe and North America.
- Muizz Kheraj - Muizz Kheraj has more than two decades of experience in technology, both as a software engineer and as an experienced advisor, supporting the capital market needs of middle-market entrepreneurs. Mr. Kheraj built the TMT practice at McGladrey Capital Markets, LLC. He has held leadership roles at various technology and digital media start-ups and currently holds active board advisory roles within numerous bleeding-edge technology firms. He has led, managed and closed an aggregate of more than US$1 billion in transactions in the technology sector. Mr. Kheraj holds a Master of Business Administration from the University of Southern California's Marshall School of Business, a Master of Science in electrical engineering from California State University, Los Angeles, and a Bachelor of Science in aerospace engineering from the University of California, Los Angeles

Subsequent to year-end, the Company appointed Jennifer Cabalquinto to serve as the fourth independent member of its Board Directors. Ms. Cabalquinto was also appointed by the Company to Chair its Audit Committee. Ms. Cabalquinto has over 25 years of finance leadership experience in a variety of start-up, turnaround, stable and high growth business environments. Ms. Cabalquinto is currently the Chief Financial Officer of 2K, and previously served as the Chief Financial Officer and Special Advisor to the NBA championship winning Golden State Warriors basketball team.

As noted above, subsequent to year-end, the Company, through a newly formed wholly owned subsidiary (Vidillion Corp.), acquired substantially all of the assets of Vidillion Inc., a U.S. based CTV Supply Side Platform (SSP) (see "Subsequent Events"). Vidillion boasts a technology stack that includes tools for ad break optimization, server-side ad insertion (SSAI), content recognition, and dynamic ad insertion (DAI) with demand side partner integrations that assist publishers in quickly and easily finding new ways to monetize their CTV/OTT inventory with advertisers by precisely targeting viewers based on content, context, usage and geography.

**Significant developments during the twelve months ended December 31, 2021, and to the date of this report include the following:**

**Qualifying Transaction**

On June 23, 2021, the Sabio, Inc. entered into a non-binding letter of intent with Spirit Banner II Capital Corp. (TSXV:SBTC.P) ("Spirit"). The transaction resulted in a reverse take-over of Spirit where the existing shareholders of Sabio, Inc. own a majority of the outstanding common shares of Spirit.

On August 27, 2021, Sabio Canada Finco, Inc. ("Finco"), a wholly-owned subsidiary of the Company was established in Ontario, Canada for the purpose of receiving subscription receipts in connection with a business combination with Spirit Banner II Capital Corp. ("Spirit"). The entity was dissolved subsequent to year-end on February 25, 2022, after the completion of this transaction.

Further to a letter of intent dated June 23, 2021, between Sabio, Inc. and Spirit Banner II Capital Corp, on October 13, 2021, the Company and Finco entered into a Business Combination Agreement ("Business Combination Agreement") with Spirit Banner II Capital Corp, and its wholly-owned subsidiaries, 2872484 Ontario Inc. ("Pubco Sub") and Spirit Banner Merger Sub, Inc. ("Merger Sub").

As part of the Transaction, the Sabio Canada Finco, Inc. also closed a Concurrent Financing, comprised of a brokered private placement offering of Subscription Receipts (the "Brokered Offering") and concurrent non-brokered offering of Subscription Receipts (the "Non-Brokered Offering"). Pursuant to the Brokered Offering, Finco issued an aggregate of 2,888,870 Subscription Receipts at a purchase price of CAD$1.75 per Subscription Receipt for gross proceeds of CAD$5,055,522. Pursuant to the Non-Brokered Offering, Finco issued an aggregate of 910,382 Subscription Receipts for gross proceeds of CAD$1,593,169. The Financing was completed by Beacon Securities Limited ("Beacon"), Paradigm Capital Inc. (together with Beacon, the "Co-Lead Agents"), and Echelon Wealth Partners Inc. and PI Financial Corp. (collectively with the Co-Lead Agents, the "Agents"). On completion of the Transaction, the subscription receipts were automatically exchanged for shares of the Resulting Issuer pursuant to the Business Combination Agreement dated October 13, 2021, on a one-for-one basis and the net proceeds of the Financing were released to the Company from escrow.

On November 19, 2021, the Company completed its reverse takeover transaction with Spirit based on which Sabio, Inc. acquired all of the issued and outstanding securities of Spirit, via a reverse-takeover transaction. Upon completion of the Transaction, Spirit became a wholly owned subsidiary of the Resulting Issuer and the Resulting Issuer carried on the business previously carried on by Spirit. The Resulting Issuer changed its name to "Sabio Holdings Inc." and the Shares commenced trading on the TSX Venture Exchange (the "Exchange") at opening on November 26, 2021, under the symbol "SBIO" as a Tier 2 technology issuer.

Pursuant to the terms of the Business Combination Agreement and in connection with the Qualifying Transaction:

- Finco, Pubco Sub and Spirit amalgamated under the provisions of the Ontario's Business Corporations Act by way of a three-cornered amalgamation in order to create Amalco.
- Sabio Inc., Spirit and Merger Sub entered into the Sabio Merger Sub Merger Agreement and effected the reverse triangular merger set forth in the Sabio Merger Sub Merger Agreement.
- Sabio Inc. and Merger Sub were merged and Sabio Inc. continued as the surviving entity of such merger.
- Post-Merger Sabio Inc. has become a wholly-owned subsidiary of Spirit.
- Sabio, Inc. consolidated its shares on the basis of one (1) post consolidation share for 0.2735 pre-consolidation share.
- All of the subscription receipts were converted into the Company's post consolidation common shares.
- Sabio Inc.'s convertible promissory notes were converted into the Company's post consolidation shares and post consolidation warrants.
- All of the issued and outstanding securities of Spirit were exchanged for post consolidation securities of the Company on the basis of approximately 1 post-consolidation shares for 15.9091 Spirit shares.
- After the transfer of the assets of Amalco to Spirit, net of expenses payable to its creditors, Amalco was liquidated and dissolved.
- The Resulting Issuer changed its name to "Sabio Holdings Inc.".

The Company was classified as a Capital Pool Corporation as defined in the Policy 2.4 of the Exchange. With the acquisition of Spirit, the Company's principal business changed to a CTV/OTT streaming technology provider that delivers optimized yield performance via addressable cross screen solutions based on mobile behavior. Accordingly, our consolidated financial statements are presented as a continuation of Spirit.

**Significant developments for the year ended December 31, 2021**

Significant developments for the year ended December 31, 2021 for both Spirit and the Company include the following:

- On May 3, 2021, Sabio, Inc. closed on a sale of convertible promissory notes for gross proceeds of $2,418,801, with principal and accrued interest, at an annual rate of 7%, due on the maturity date of December 31, 2021. The conversion of the notes is contingent on the event that the Company, prior to the December 31, 2021 maturity date, completes a public offering of its common shares or a similar qualifying transaction, reverse-takeover, direct listing or initial public offering that results in the securities of the Company being offered in any public offering or held by an entity that is a reporting issuer and is listed for trading on a stock exchange. In such an event, the principal amount outstanding under

the notes together with all accrued but unpaid interest thereon shall be automatically converted into common stock and share purchase warrants of the Company.

- On June 23, 2021, Spirit entered a non-binding letter of intent with Sabio, Inc. in connection with the Qualifying Transaction (the “QT”).
- On August 27, 2021, Sabio Canada Finco, Inc. (“Finco”), a wholly-owned subsidiary of the Company was established in Ontario, Canada for the purpose of receiving subscription receipts in connection with a business combination with Spirit Banner II Capital Corp. (“Spirit”). The entity was dissolved subsequent to year-end on February 25, 2022, after the completion of this transaction.
- On October 13, 2021, Sabio Inc. and Finco entered into a Business Combination Agreement (“Business Combination Agreement”) with Spirit Banner II Capital Corp, and its wholly-owned subsidiaries, 2872484 Ontario Inc. (“Pubco Sub”) and Spirit Banner Merger Sub, Inc. ("Merger Sub").
- On October 14, 2021, Finco closed a Concurrent Financing, comprised of a brokered private placement offering of Subscription Receipts (the "Brokered Offering") and concurrent non-brokered offering of Subscription Receipts (the "Non-Brokered Offering"). Pursuant to the Brokered Offering, Finco issued an aggregate of 2,888,870 Subscription Receipts at a purchase price of CAD$1.75 per Subscription Receipt for gross proceeds of CAD$5,055,522. Pursuant to the Non-Brokered Offering, Finco issued an aggregate of 910,382 Subscription Receipts for gross proceeds of CAD$1,593,169.
- On November 19, 2021, Sabio, Inc.’s convertible promissory notes were converted into 2,395,536 post-consolidation shares in accordance with their terms.
- On November 19, 2021, the Qualifying Transaction was completed, and the Resulting Issuer changed its name to “Sabio Holdings Inc.” in connection therewith.
- On November 23, 2021, the Company closed on a new credit facility pursuant to the terms of a credit agreement between the Company and Avidbank. The term of the facility is 24 months from closing. The facility is secured against assets of the Company including, but not limited to, its Accounts Receivable and provides for an Accounts Receivable Line of Credit, with $4,000,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% or 4.25%.
- On November 24, 2021, Sabio drew on Avidbank credit facility to refinance the following loans: Kim Thies line of credit promissory note of $85,000 bearing interest at 10.0%, Katch Investments, LLC promissory note of $1,300,000 bearing interest at 15.0%, Amirali Hadi promissory note of $250,000 bearing interest at 15.0%, Zarasa Holdings LLC promissory note of $700,000 bearing interest at 15.0%, Asma Maladwala promissory note of $100,000 bearing interest at 10.0% and the Aziz Rahimtoola shareholder advance of $250,000 bearing interest at 10.0%.
- On November 26, 2021, Sabio Shares commenced trading on the Exchange under the symbol “SBIO” as a Tier 2 technology issuer.

## COVID-19

Due to the COVID-19 pandemic, the US, India, and Canadian governments as well as the business community have mandated several measures, including travel restrictions, restrictions on public gatherings, stay-at-home orders and advisories, and the quarantine of people who may have been exposed to the virus. In response, the Company has changed its work environment and made arrangements to ensure compliance with all applicable health authority regulations. Starting October 2021, the Company has implemented a hybrid work model in areas with high employee concentration and re-opened flexible shared workspace locations in Los Angeles and Chicago and entered into an office lease arrangement in New York City.

The Company does not expect the COVID-19 pandemic will have a material impact on its future revenues. Government and industry-imposed restrictions continue to be lifted as global vaccination rise and North American infection rates dissipate. Moreover, Management believes that COVID-19 has created opportunities for our businesses to capitalize on structural shifts, including an acceleration in CTV/OTT usage during forced social distancing lockdowns. As a result, consumers were spending more time at home which translated to more time in front of the television. That has led to more consumers adding additional streaming services as they looked for new content. The time spent viewing TV increased as did the number of CTV/OTT households. This trend, while indirectly related to the pandemic, shows indications of further acceleration in 2022 and may represent a permanent shift by Consumers in in favor of CTV/OTT.

## OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

The following table provides selected financial information from the Company's recent operations for the three and twelve months ended December 31, 2021, and 2020. This information should be read together with the audited Consolidated Financial Statements.

| | For the three months ended | | For the twelve months ended | |
|---|---|---|---|---|
| | **December 31, 2021** | December 31, 2020 | **December 31, 2021** | December 31, 2020 |
| | **$** | $ | **$** | $ |
| Revenues | **10,590,624** | **5,389,875** | **24,220,173** | 13,192,426 |
| By source: | | | | |
| Mobile | **5,334,214** | 4,708,623 | **13,961,242** | 12,097,244 |
| Connected TV | **5,205,743** | 681,252 | **10,202,139** | 1,093,154 |
| Other | **50,667** | - | **56,792** | 2,028 |
| Gross Profit | **6,252,919** | 3,146,759 | **14,560,153** | 7,900,070 |
| Adjusted EBITDA (1) | **1,677,755** | 1,628,581 | **1,850,072** | 1,752,264 |
| Income from Operations | **1,266,447** | 1,382,357 | **345,445** | 695,836 |
| Net income (loss) | **548,824** | 1,522,093 | **(583,811)** | (281,500) |

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

**Revenue:**

Sabio Holdings Inc. generates revenue from the monetization of streaming on TV and mobile devices, along with analytics and insights via its App Science subsidiary. Sabio's platform reaches 110M connected TV devices and 55M validated TV and mobile households on platforms such as Roku, Amazon Fire, Apple TV+, Samsung TV, Vizio, and LG, amongst others. The Company's clients include the top 100 advertising brands in the United States, such as Wells Fargo, GM, and Ford, who Sabio sells to through their respective 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. Revenue for App Science is generated via the sales of insights reports and its propriety App Science platform.

*Three-month periods ended December 31, 2021, and 2020*

Consolidated revenue for the three-month period ended December 31, 2021, composed primarily of mobile and connected TV sales increased to $10,590,624, an increase of $5,200,749 from $5,389,875 for the three months ended December 31, 2020. The 96% increase in sales was organically driven by investments in our salesforce, our unique position to capitalize on the burgeoning Connected TV market..

By segment, revenues generated through the Company's mobile sales platform, inclusive of mobile OTT streaming, for the three months ended December 31, 2021, were $5,334,214, an increase of $625,591, or 13%, from $4,708,623 for the three months ended December 31, 2020. Connected TV sales for the three months ended December 31, 2021, accelerated by more than 7x to $5,205,743 (December 31, 2020 - $681,252). Connected advertising remains one of digital advertising's fastest-growing channels. With its expertise in implementing mobile data for precise audience targeting, the Company is uniquely positioned to take advantage of the emerging opportunity in Connected TV by providing next level consumer behavior analysis. To this end, it has established a subsidiary to commercialize its App Science analytics capabilities. The Company will continue targeting the traditional OTT advertisement/media business while its App Science subsidiary will be tasked with commercializing App Science as a stand-alone OTT analytics solution. For the three months ended December 31, 2021, App Science reported $202,000 in sales, of which $152,000 in sales were to Sabio and eliminated on consolidation.

*Twelve-month periods ended December 31, 2021, and 2020*

Consolidated revenues for the twelve months ended December 31, 2021, composed primarily of mobile and connected TV sales was $24,220,173, an increase of $11,027,747 from $13,192,426 for the twelve months ended December 31, 2020. The 84% increase in sales was organically driven by investments in our salesforce, our unique position to capitalize on the burgeoning streaming market (including Connected TV), as more consumers continue to cut cable in favor of streaming subscription apps that Sabio monetizes on.

By segment, sales of the Company's mobile sales platform, inclusive of mobile OTT streaming, for the twelve months ended December 31, 2021, were $13,961,242, an increase of $1,863,998, or 15%, from $12,097,244 for the twelve months ended December 31, 2020.

Connected TV monetization sales for the twelve months ended December 31, 2021, significantly accelerated by 833% to $10,202,139, an increase of $9,108,985 from $1,093,154 for the twelve months ended December 31, 2020. Connected TV advertising was a beneficiary of pandemic trends and remains one of digital advertising's fastest-growing channels. The Company will continue targeting the traditional CTV/OTT advertisement/media business while its App Science® subsidiary has been tasked with commercializing App Science® as a stand-alone OTT analytics solution. For the twelve-months ended December 31, 2021, App Science generated $398,500 in sales, of which $342,500 in sales were to Sabio, and eliminated on consolidation.

**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, 2021 | December 31, 2020 | 2021 | 2020 |
| | $ | $ | $ | $ |
| Revenues | **10,590,624** | 5,389,875 | **24,220,173** | 13,192,426 |
| Cost of sales | **4,337,705** | 2,243,116 | **9,660,020** | 5,292,356 |
| **Gross profit** | **6,252,919** | 3,146,759 | **14,560,153** | 7,900,070 |

*Three-month periods ended December 31, 2021, and 2020*

Cost of sales consist of purchased publisher media inventory, production and technical service costs and fees. For the three months ended December 31, 2021, cost of sales was $4,337,705 compared to $2,243,116 for the three months ended December 31, 2020. The increase of $2,094,589 was attributable to the increased revenue during the period. Gross profit margin was 59% for the three months ended December 31, 2021, compared to 58.4% for the three months ended December 31, 2020.

*Twelve-month periods ended December 31, 2021, and 2020*

Cost of sales consist of purchased publisher media inventory, production and technical service costs and fees. For the twelve months ended December 31, 2021, cost of sales was $9,660,020 compared to $5,292,356 for the twelve months ended December 31, 2020. The increase of $4,367,664 was attributable to the increased revenue during the period. Gross profit margin was 60.1% for the twelve months ended December 31, 2021, compared to 60% for the twelve months ended December 31, 2020.

**Reconciliation of net income (loss) to Adjusted EBITDA for the three and twelve months ended December 31, 2021, and 2020:**

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, 2021** | December 31, 2020 | **December 31, 2021** | December 31, 2020 |
| | **$** | $ | **$** | $ |
| Net Income (loss) for the period | **548,824** | 1,522,093 | **(583,811)** | (281,500) |
| Adjustments | | | | |
| Finance costs | **365,353** | (88,616) | **1,314,896** | 969,094 |
| Transaction costs | **1,335,142** | - | **1,717,240** | - |
| Amortization of intangible assets | **342,645** | 168,949 | **841,441** | 793,667 |
| Stock-based compensation | **22,730** | 21,265 | **329,975** | 78,786 |
| Amortization of lease | **40,799** | 11,808 | **64,414** | 47,230 |
| Gain on loan forgiveness | **(1,050,000)** | - | **(2,172,500)** | - |
| Setttlement fees | - | - | **162,000** | - |
| Income taxes (recovery) | **4,379** | (51,120) | **6,871** | 8,242 |
| Foreign exchange differences | **62,749** | - | **62,749** | - |
| State and local taxes (recovery) | **(17,699)** | 18,786 | **37,037** | 18,786 |
| Severance expenses | **22,833** | 25,416 | **69,760** | 117,958 |
| Total adjustments | **1,128,931** | 106,488 | **2,433,883** | 2,033,764 |
| Adjusted EBITDA (1) | **1,677,755** | 1,628,581 | **1,850,072** | 1,752,264 |

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

*Three-month periods ended December 31, 2021, and 2020*

Adjusted EBITDA for the three-month period ended December 31, 2021, was a gain of $1,677,755 comparative to a gain of $1,628,581 for the three months ended December 31, 2020. The increase of $49,174 was primarily attributable to increased revenues. Non-recurring adjustments to Adjusted EBITDA include:

- Transaction costs of $1,335,142, composed of:
  - $293,461 in legal and professional fees for assisting with the Company's efforts to publicly list on the TSX Venture Exchange.
  - $924,007 in net reverse takeover listing expenses, resulting from the acquisition of all of the issued and outstanding shares of Spirit on November 19, 2021.
  - $117,674 (CAD$ 149,999) for the issuance of 85,714 post-consolidation common shares to the Qualifying Transaction Finders at the price of CAD$1.75 per share.
- A $1,050,000 gain resulting from the full forgiveness of a loan obtained under the 2021 U.S. Small Business Administration's Paycheck Protection Program; and
- A one-time foreign exchange difference of $62,749 resulting from the transfer of funds raised in Canadian dollars from the concurrent financing to our US dollar bank account.

*Twelve-month periods ended December 31, 2021, and 2020*

Adjusted EBITDA for the twelve-month period ended December 31, 2021, was a gain of $1,850,072 comparative to a gain of $1,752,264 for the twelve months ended December 31,

2020. The year-over-year increase of $97,808 was primarily attributable to increased revenues. Non-recurring adjustments to Adjusted EBITDA include:

- Transaction costs of $1,717,240, composed of:
  - $237,770 for 767,000 pre-consolidation warrants issued to Greenglade Ventures Inc., an advisor of the Company engaged to assist in the Company's efforts to publicly list on the TSX Venture Exchange, and $437,789 in legal and professional fees attributable towards these same efforts.
  - $924,007 in net reverse takeover listing expenses, resulting from the acquisition of all of the issued and outstanding shares of Spirit on November 19, 2021.
  - $117,674 (CAD$ 149,999) for the issuance of 85,714 post-consolidation common shares to the Qualifying Transaction Finders at the price of CAD$1.75 per share.
- A $1,102,500 gain resulting from the full forgiveness of a loan obtained under the 2020 U.S. Small Business Administration's Paycheck Protection Program;
- A $1,050,000 gain resulting from the full forgiveness of a loan obtained under the 2021 U.S. Small Business Administration's Paycheck Protection Program;
- A $20,000 gain resulting from the full forgiveness of a promissory note with the City of Los Angeles;
- A one-time, $162,000 settlement of historical remuneration fees to an advisor of the Company; and
- A one-time foreign exchange difference of $62,749 resulting from the transfer of funds raised in Canadian dollars from the concurrent financing to our US dollar bank account.

**Operating Expenses:**

The following table summarizes various expenses for the three and twelve months ended December 31, 2021, and 2020:

| | For the three months ended | | For the year ended | |
|---|---|---|---|---|
| | **December 31, 2021** | December 31, 2020 | **December 31, 2021** | December 31, 2020 |
| | **$** | $ | **$** | $ |
| Sales and marketing | **2,721,999** | 814,333 | **7,160,603** | 3,406,295 |
| General and administrative | **829,036** | 454,190 | **2,951,618** | 1,631,890 |
| Finance costs | **365,353** | (88,616) | **1,314,896** | 969,094 |
| Transaction costs | **1,335,142** | - | **1,717,240** | - |
| Research and technology costs | **978,206** | 268,926 | **2,769,357** | 1,074,426 |
| Stock-based compensation | **22,730** | 21,265 | **329,975** | 78,786 |
| Amortization of intangible assets | **342,645** | 168,949 | **841,441** | 793,667 |

*Three-month periods ended December 31, 2021, and 2020*

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 our sales, marketing, and account management teams. Sales and marketing expenses for the three months ended December 31, 2021, were $2,721,999, an increase of $1,907,666 from $814,333 for the three months ended December 31, 2020. The year-over-year increase is primarily attributed to an increase in sales commission, in addition to an increase in sales and marketing headcount as the Company hired additional salespeople in 2021. As a component of the year-over-year increase, our revenue growth in the current year led to increased sales commissions of $716,904 in the three months ended December 31, 2021, compared to $275,883 in three months ended December 31, 2020. Furthermore, the Company invested in its sales apparatus in 2021, particularly in the NY metropolitan area, where revenue gains from the region drove approximately 37% of our quarterly sales growth. The sales and marketing expenses for the three-months ended December 31, 2020 also reflected temporary reductions in wages paid to certain senior staff members during the pandemic. These temporary reductions were lifted at the end of 2020 to their pre-pandemic rates.

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, and administrative salaries and wages. General and administrative costs for the three months ended December 31, 2021, were $829,036, an increase of $374,846 from $454,190 for the three months ended December 31, 2020. The year-over-year increase was primarily related to an increase in the use of administrative contractors and ancillary legal and professional fees incurred as the Company worked towards the Qualifying Transaction to list our Company's shares on the TSX Venture exchange.

Finance costs

Finance costs for the three months ended December 31, 2021, were $365,353, an increase of $453,969 versus a recovery of $88,616 in recorded in prior year. The increase in finance costs included interest paid on its legacy factoring line that was retired in the fourth quarter of 2021, in addition to interest accrued on the convertible promissory notes. All accrued and unpaid interest on the notes was converted into common stock and share purchase warrants upon the Company's "Go-Public Transaction".

Transaction costs

Transaction costs of $1,335,142 include:

- $293,461 in legal and professional fees for assisting with the Company's efforts to publicly list on the TSX Venture Exchange.
- $924,007 in net reverse takeover listing expenses, resulting from the acquisition of all of the issued and outstanding shares of Spirit on November 19, 2021.
- $117,674 (CAD$ 149,999) for the issuance of 85,714 post-consolidation common shares to the Qualifying Transaction Finders at the price of CAD$1.75 per share.

Research and technology costs

Research and technology costs consist of all costs associated with studies and uncapitalized development processes in connection to maintaining and increasing the effectiveness and efficiency of our technological platforms and proprietary technologies. The majority of such costs are comprised of salaries and wages, and costs associated with housing the required computer equipment and technologies. Research and technology costs for the three months ended December 31, 2021, were $978,206, an increase of $709,280 from $268,926 in the three months ended December 31, 2020. The year-over-year increase is attributed to continued investments in our technological offerings, including the commercialization of our App Science business started in 2021. Additionally, there were higher capitalization rates experienced in the previous year where the Company capitalized $321,962 of technology-related spend to Intangible Assets, compared to $18,017 in the current period.

Stock-based compensation

The Company uses employee stock options as a means for employee compensation, retention, and incentives. Stock-based compensation for the three months ended December 31, 2021, was $22,730, an increase of $1,465 from $21,265 in the three months ended December 31, 2020. Stock-based compensation granted in fiscal 2021 and 2020 was related to executive and non-executive compensation in the ordinary course of business.

*Twelve-month periods ended December 31, 2021, and 2020*

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 our sales, marketing, and account management teams. Sales and marketing expenses for the twelve months ended December 31, 2021, were $7,160,603, an increase of $3,754,308 from $3,406,295 for the twelve months ended December 31, 2020. The year-over-year increase is primarily attributed to an increase in sales commission, in addition to an increase in sales and marketing headcount. As a component of the year-over-year increase, our revenue growth in the current year led to increased sales commissions of $1,797,493 in 2021, compared to $739,815 in 2020. Furthermore, the Company invested in its sales apparatus in 2021, particularly in the NY metropolitan area, where revenue gains from the region drove approximately 37% of our 2021 sales growth. The prior year's sales and marketing expenses also

reflected temporary reductions in wages paid to certain senior staff members during the pandemic. These temporary reductions were lifted at the end of 2020 to their pre-pandemic rates.

General and administrative

General and Administrative costs include legal and professional fees, employee training, bank charges, contractors, and administrative salaries and wages. General and administrative costs for the twelve months ended December 31, 2021, were $2,951,618, an increase of $1,319,728 from $1,631,890 for the twelve months ended December 31, 2020. The year-over-year increase was primarily related to an increase in the use of administrative contractors and ancillary legal and professional fees incurred as the Company worked towards the Qualifying Transaction to list our Company's shares on the TSX Venture exchange.

Finance costs

Finance costs for the twelve months ended December 31, 2021, were $1,314,896, an increase of $345,802 from $969,094 in the twelve months ended December 31, 2020. The increase in finance costs included interest paid on its legacy factoring line that was retired in the fourth quarter of 2021, in addition to interest accrued on the convertible promissory notes. All accrued and unpaid interest on the notes was converted into common stock and share purchase warrants upon the Company's "Go-Public Transaction".

Transaction costs

Transaction costs of $1,717,240 include:

- $237,770 for 767,000 pre-consolidation warrants issued to Greenglade Ventures Inc., an advisor of the Company engaged to assist in the Company's efforts to publicly list on the TSX Venture Exchange, and $437,789 in legal and professional fees attributable towards these same efforts.
- $924,007 in net reverse takeover listing expenses, resulting from the acquisition of all of the issued and outstanding shares of Spirit on November 19, 2021.
- $117,674 (CAD$ 149,999) for the issuance of 85,714 post-consolidation common shares to the Qualifying Transaction Finders at the price of CAD$1.75 per share.

Research and technology costs

Research and technology costs consist of all costs associated with studies and uncapitalized development processes in connection to maintaining and increasing the effectiveness and efficiency of our technological platforms and proprietary technologies. The majority of such costs are comprised of salaries and wages, and costs associated with housing the required computer equipment and technologies. Research and technology costs for the twelve months ended December 31, 2021, were $2,769,357, an increase of $1,694,931 from $1,074,426 in the twelve

months ended December 31, 2020. The year-over-year increase is attributed to continued investments in our technological offerings, including the commercialization of our App Science business in 2021. Additionally, there were higher capitalization rates experienced in the previous year.

Stock-based compensation

The Company uses employee stock options as a means for employee compensation, retention, and incentives. Stock-based compensation for the twelve months ended December 31, 2021, was $329,975, an increase of $251,189 from $78,786 in the twelve months ended December 31, 2020. Stock-based compensation granted in fiscal 2021 and 2020 was related to executive and non-executive compensation in the ordinary course of business.

**Research and Development Expenditures:**

Research and development expenses consist of certain remunerations paid to engineer personnel. Development costs that meet the criteria under IAS 38 Intangible Assets are capitalized as an Intangible Asset. 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-month period ended December 31, 2021, the Company capitalized $18,017 to Intangible Assets, compared to $321,962 in the comparable period in fiscal 2020. During the year ended December 31, 2021, the Company capitalized $109,540 to Intangible Assets, compared to $1,030,163 in the twelve months ended December 31, 2020.

During the three-month period ended December 31, 2021, the Company amortized a total of $342,645 in development expenses, compared to $168,949 in the comparable period in fiscal 2020. During the twelve-month period ended December 31, 2021, the Company amortized a total of $841,441 in development expenses, compared to $793,667 in the twelve months ended December 31, 2020.

**OUTLOOK**

The Company experienced significant revenue expansion in 2021, driven by both the addition of new, Fortune® 100 brands and deepening relationships with existing clientele. Our average deal size grew 70% year-over-year, from approximately $59K in 2020 to $100K in 2021. Moreover, 80% of CTV brands who had over $100K in spend with Sabio in 2020 renewed with the Company in 2021, as did 100% of the brands who spent over $1 million with Sabio in the prior year. Sabio expects it will continue to deliver robust organic revenue growth in 2022, driven by continued reinvestments in our salesforce, our unique position to continue capitalizing on the burgeoning CTV/OTT streaming advertising market, the investments we have made in our technological

offerings (including the commercialization of App Science), and an improvement in general economic conditions as the markets and verticals we serve continue to recover from the Covid-19 pandemic.

Subsequent to year-end, the Company announced a definitive asset purchase agreement whereupon through a newly formed subsidiary, it would substantially acquire all of the assets of Vidillion, Inc. a U.S. based streaming TV supply side platform and content enablement and monetization technology provider (see "Subsequent Events"). The Company expects the acquisition to further accelerate its CTV revenues and be accretive to Adjusted EBITDA. The Company is also anticipating higher, non-recurring expenses in early-to-mid 2022 due to one-time costs related to the acquisition. To the extent we find suitable and attractive acquisition candidates that are complementary to our long-term objectives, the Company may also pursue further inorganic growth through strategic business acquisitions.

See "Forward Looking Statements".

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, 2021 | Sept 30, 2021 | June 30, 2021 | Mar 31, 2021 | Dec 31, 2020 | Sept 30, 2020 | June 30, 2020 | Mar 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| Revenues | $ 10,590,624 | $ 6,817,536 | $ 4,226,806 | $ 2,585,207 | $ 5,389,875 | $ 3,216,982 | $ 1,543,973 | $ 3,041,596 |
| Net Income (Loss) | $ 548,824 | $ 71,273 | $ 302,491 | $ (1,506,399) | $ 1,522,093 | $ 327,629 | $ (934,246) | $ (1,196,976) |
| Assets | $ 13,449,690 | $ 5,161,830 | $ 4,235,756 | $ 2,560,938 | $ 3,515,513 | $ 2,242,807 | $ 1,816,103 | $ 2,367,866 |
| Liabilities | $ 12,653,916 | $ 13,473,815 | $ 13,462,638 | $ 12,133,469 | $ 12,055,228 | $ 12,562,095 | $ 12,357,062 | $ 11,874,011 |
| Basic EPS | $ 0.02 | $ 0.002 | $ 0.01 | $ (0.05) | $ 0.05 | $ 0.01 | $ (0.03) | $ (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.

We intend to use our operating income and funds on hand to meet funding requirements for the development and commercialization of our technology products and services based on anticipated market demand and working capital purposes. Our actual funding requirements will vary depending on a variety of factors, including our success in executing our business plan, the progress of our research and development efforts, our commercial sales, and our ability to manage our working capital requirements.

While the Company currently has sufficient operating capital to meet its day-to-day operating expenses, it is possible that the Company could experience a working capital deficiency in the future, which would have a materially adverse effect on the Company's liquidity. In the event 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 we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur 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.

As of December 31, 2021, the Company had cash of $3,280,335 as compared to $47,890 as at December 31, 2020, to settle current liabilities of $9,055,373 (December 31, 2020 - $8,300,528). Management believes it has sufficient cash reserves on hand to manage its operational requirements and meet its 2022 objectives. The Company raised gross proceeds of CAD$6,648,691 through a concurrent financing that closed during the fourth quarter of 2021 and ended the year with net working capital of $3,554,360, compared to a net working capital deficit of $5,869,748 in the prior year.

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

| | For the year ended | |
|---|---|---|
| | December 31, 2021 | December 31, 2020 |
| | $ | $ |
| Cash flows used in operating activities | **(4,531,656)** | (959,616) |
| Cash flows used in investing activities | **(109,540)** | (1,030,163) |
| Cash flows from financing activities | **7,873,641** | 877,567 |
| **Net increase (decrease) in cash** | **3,232,445** | (1,112,212) |
| Cash, beginning of year | **47,890** | 1,160,102 |
| **Cash, end of year** | **3,280,335** | 47,890 |

**<u>Cash provided by (used in) operating activities:</u>**

We used cash of $4,531,656 in operating activities for the twelve months ended December 31, 2021. The $4,531,656 used for operating activities resulted from $583,811 in net losses plus $254,754 of non-cash adjustments to net loss. $4,202,599 was attributable to movements in non-cash working capital, with changes primarily arising from increases in deferred revenue and accounts payable and accrued liabilities, offset by a $6,382,989 increase in accounts receivable.

The increase in accounts receivables was driven by increased sales activity and the retirement of the Company's factoring line during the fourth quarter of 2021.

We used cash of $959,616 in operating activities for the twelve months ended December 31, 2020. The $959,616 used for operating activities resulted from $281,500 in net loss plus $919,683 of non-cash adjustments to net loss and $1,597,799 attributable to movements in non-cash working capital with changes primarily arising from an increase in accounts receivable and a decrease in deferred revenue.

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

For the twelve months ended December 31, 2021, cash used in investing activities was $109,540, which consisted of development costs related to internally generated intangible assets, compared to cash used for development costs of $1,030,163 for the twelve months ended December 31, 2020. The decrease was attributable to higher capitalization rates in the prior year.

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

Cash provided by financing activities for the twelve months ended December 31, 2021, was $7,873,641 with the details as below:

- During the year, the company closed on an unsecured bank loan guaranteed under the Paycheck Protection Program ("PPP") in the amount of $1,050,000. The loan was forgiven in whole, with all accrued interest, in the fourth quarter of 2021.
- The Company drew $2,705,000 on the credit facility with Avidbank to refinance certain existing promissory notes and to pay off the advance from one of its shareholder.
- The Company received cash proceeds of $2,018,801 from the sale of convertible promissory notes. An additional $400,000 in outstanding promissory notes then were exchanged for convertible promissory notes as part of the convertible note subscription.
- The Company further received a net proceed of $837,345 from the exercise of 1,639,582 pre-consolidation stock options and 100,000 pre-consolidation warrants during the period.
- Net proceeds of $220,664 were acquired from the reverse takeover of Spirit.
- Net proceeds of $4,930,290 were received from the close of a Concurrent Financing, comprised of a brokered private placement offering of Subscription Receipts (the "Brokered Offering") and concurrent non-brokered offering of Subscription Receipts (the "Non-Brokered Offering"). Pursuant to the Brokered Offering, an aggregate of 2,888,870 Subscription Receipts at a purchase price of CAD$1.75 per Subscription Receipt for gross proceeds of CAD$5,055,522 was issued. Pursuant to the Non-Brokered Offering, the Company issued an aggregate of 910,382 Subscription Receipts for gross proceeds of CAD$1,593,169.

The proceeds received from the Company's financing activities were partially offset by principal repayments made on pre-existing debt instruments, the retirement of its factoring line, and the loan and advances to related parties made during the period.

Cash provided by financing activities for the twelve months ended December 31, 2020, was $877,567, as the company closed on an unsecured bank loan guaranteed under the Payroll Protection Program ("PPP") in the amount of $1,102,500, which was partially offset by principal repayments made on pre-existing debt instruments. The loan was forgiven in whole, with all accrued interest, in the second quarter of 2021.

**Stock Options:**

The Company presently issues stock pursuant to its 2016 Stock Option Plan. As at December 31, 2021, the Company was entitled to issue a maximum of 4,382,484 post consolidation equity-based awards collectively outstanding under the existing Stock Option Plan, compared to a maximum of 1,875,000 (pre-consolidation) as at December 31, 2020.

The following table summarizes the continuity of stock options issued by the Company under the Stock Option Plan:

| | Pre-consolidation | | Post-consolidation | |
|---|---|---|---|---|
| Measurement date | Number of Options | Weighted average exercise price | Number of Options | Weighted average exercise price |
| | # | $ | # | $ |
| Balance, December 31, 2019 | 1,465,000 | 0.17 | 5,357,090 | 0.05 |
| Granted | 245,667 | 0.61 | 898,335 | 0.17 |
| Exercised | (3,000) | 0.61 | (10,970) | 0.17 |
| Forfeited | (10,000) | 0.42 | (36,567) | 0.11 |
| Balance, December 31, 2020 | 1,697,667 | 0.40 | 6,207,888 | 0.11 |
| Granted | 1,170,000 | 0.61 | 4,278,334 | 0.17 |
| Spirit's options rolled over to Sabio's options | 1,161,500 | 0.08 | 73,009 | 1.25 |
| Exercised | (1,639,582) | 0.47 | (5,995,488) | 0.13 |
| Forfeited | (471,084) | 0.37 | (1,722,621) | 0.10 |
| **Balance, December 31, 2021** | **1,918,501** | **0.28** | **2,841,122** | **0.19** |

## Warrants

A summary of changes in share-based compensation during the years ended December 31, 2021 and 2020 is as follows:

| Measurement date | Pre-consolidation | | Post-consolidation | |
|---|---|---|---|---|
| | Number of Warrants | Weighted average exercise price | Number of Warrants | Weighted average exercise price |
| | # | $ | # | $ |
| Balance, December 31, 2020 and 2019 | - | - | - | - |
| Granted | 867,000 | 0.61 | 3,170,374 | 0.17 |
| Exercised | (100,000) | 0.61 | (365,623) | 0.17 |
| Issuance of warrants to convertible promissory notes holders upon conversion | 327,595 | 5.07 | 1,197,761 | 1.39 |
| Warrants issued to listing agents/consultants upon completion of Qualifyng Transaction | 46,385 | 5.02 | 169,596 | 1.37 |
| Issurance of warrants to individuals with Zelos Capital Ltd. upon completion of Qualifying Transaction | 1,663 | 5.02 | 6,080 | 1.37 |
| **Balance, December 31, 2021** | **1,142,643** | **2.08** | **4,178,188** | **0.57** |

## CONTRACTUAL OBLIGATIONS

The following are the contractual maturities for the financial liabilities at December 31, 2021:

| | Contractual cash flows | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
|---|---|---|---|---|---|
| Trade and other payables | **7,483,352** | 7,483,352 | - | - | - |
| Lease liability | **534,843** | 201,717 | 333,126 | - | - |
| Loans payable | **4,126,290** | 860,873 | 2,776,327 | 489,090 | - |
| | **12,144,485** | 8,545,942 | 3,109,453 | 489,090 | - |

The following are the contractual maturities for the financial liabilities at December 31, 2020:

| | Contractual cash flows | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
|---|---|---|---|---|---|
| Trade and other payables | **$ 5,734,561** | $ 5,734,561 | $ - | $ - | $ - |
| Loans payable | **6,039,092** | 2,284,392 | 2,132,200 | - | 1,622,500 |
| | **$ 11,773,653** | $ 8,018,953 | $ 2,132,200 | $ - | $ 1,622,500 |

The loans payable balance at December 31, 2021 includes $2,705,000 outstanding under an accounts receivable line of credit with Avidbank at an interest rate of the greater of (i) the Wall Street Journal prime rate plus 1.00% and (ii) 4.25%. Subsequent to year-end, the Company funded its asset purchase acquisition of Vidillion, Inc. through a $1,250,000 million draw on the facility. In connection with the draw, the Company's lender granted temporary accommodations to the line's structure, including a one-month waiver of the Remaining Months Liquidity (RML) target ratio for the month of May 2022 (see "Subsequent Events"). The Company is in positive negotiations with Avidbank on structural changes to the line to include Vidillion' s accounts receivable, which may result in further flexibility and/or additional credit being made available. While there are no assurances that the Company will be successful in

these endeavors, Management believes it has sufficient cash reserves to manage its operational requirements and meet its 2022 objectives.

**Debt Forgiveness Covenants:**

In 2020, the Company closed on an unsecured bank loan guaranteed under the Paycheck Protection Program in the amount of $1,102,500 and entered into an amended agreement on the Small Business Emergency Loan from the City of Los Angeles through the Economic and Workforce Development Department in the amount of $20,000. The entire amount of the Paycheck Protection Program loan, with all accrued interest, was forgiven during the second quarter of 2021. The City of Los Angeles loan was forgiven in whole during the third quarter of 2021.

In the first quarter of 2021, the Company closed on a second unsecured bank loan guaranteed under the Paycheck Protection Program in the amount of $1,050,000. The loan was forgiven in whole, with all accrued interest, in the fourth quarter of 2021.

## RELATED PARTY TRANSACTIONS

At December 31, 2021, the Company's related party loan balances consisted of a non-interest-bearing advance, payable on demand, to Aziz Rahimtoola, Chief Executive Officer of the Company in the aggregate amount of $ 759,165 ($342,113 in 2020), and a loan of $60,076 (nil in 2020), bearing an interest rate of 1% per annum and due on July 15, 2022, to Simon Wong, an Officer of the Company.

## 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 the financial statements include those related to credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non-financial assets, as well as revenue and cost recognition. Sabio bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could

require a material adjustment. Significant accounting policies and estimates under IFRS are found in Note 2 of the Company's Consolidated Financial Statements

**CHANGES IN ACCOUNTING POLICIES**

For the twelve months ending December 31, 2021, and December 31, 2020, the Company has not adopted any new accounting policies. Our significant accounting policies are found in Note 2 of the Company's Consolidated Financial Statements.

**INTERNAL CONTROLS**

Effective internal controls are necessary for Sabio to provide reliable financial reports and to help prevent fraud. Management of Sabio 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 the Chief Executive Officer ("CEO") and by 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 the CEO, as at December 31, 2021 and December 31, 2020. Based on that evaluation, the CEO has concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2021 and December 31, 2020.

**OUTSTANDING SHARE DATA**

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2021 there were (i) 43,824,841 post consolidation common shares issued and outstanding, (ii) 2,841,122 post consolidation stock options outstanding with a weighted average exercise price per common share of $0.19 with a weighted average contractual life of 6.91 years and (iii) 4,178,188 post consolidation warrants outstanding with a weighted average exercise price per warrant of $0.57 with a weighted average contractual life of 2.66 years. As at December 31, 2020, there were (i) 8,328,000 pre-consolidation common issued and outstanding, and (ii) 1,697,667 pre-consolidation stock options outstanding with a weighted average exercise price per common share of $0.40 equivalent with a weighted average contractual life of 6.7 years.

**RISK FACTORS**

The following risk factors are not a definitive list of all risk factors associated with the Company. Additional risks and uncertainties, including those currently unknown or considered immaterial by Sabio, may also adversely affect our shares and/or the operations of our business.

**Access to Capital**

Sabio makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, Sabio has financed these expenditures through offerings of its debt securities. Sabio will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Sabio may incur major unanticipated liabilities or expenses. Sabio can provide no assurance that it will be able to obtain financing to meet the growth needs of its operations.

**Foreign Sales**

Sabio's functional currency is denominated in U.S. dollars. Sabio currently expects that sales will be denominated in U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes operations or distribution. In addition, Sabio incurs the majority of its operating expenses in U.S. dollars. In the future, the proportion of Sabio's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact Sabio's business, financial condition and results of operations. Sabio has not previously engaged in foreign currency hedging. If Sabio decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Sabio from foreign currency fluctuations and can themselves result in losses.

**Continued Access to Publisher Media Inventory**

Timely access to relevant purchased publisher media inventory is vital to the ongoing success of Sabio's media business. This access is dependent on the Company's ability to secure inventory on reasonable terms across a broad range of advertising inventory partners in various verticals and formats – to align with the requirements from our customers. The amount, quality and cost of inventory available can change at any time. If a relationship with a significant supplier were to cease, or if the material terms of these relationships were to change unfavorably, the Company's business would be negatively impacted. The suppliers are generally not bound by long-term contracts. As a result, there is no guarantee that Sabio will have access to a consistent supply of inventory on favorable terms.

**Relative Early Stage of Streaming Market**

The streaming markets represent a massive growth opportunity for the Company, with 82% of all U.S, homes now having a smart TV device. Sabio has invested in technology and market development to position itself as a key player in this emerging market. The Company is expecting demand for its streaming offering to drive the vast majority of its future growth. The streaming markets are in its early stages of growth with many large companies shifting focus and/or investing heavily. Large platforms such as Roku are aiming to deploy a walled garden approach.

Any unfavorable developments in this segment such as inability of the company to secure adequate ad-inventory, restrictive action by streaming device/platform providers etc. could result in significant negative impact on the Company's growth prospects.

**Highly Competitive Nature of Market**

The digital advertisement is a competitive and rapidly changing industry that is subject to changing technology, regulatory and customer demands. There are many companies large and small; public and private providing competing solutions. With the end consumers media consumption shifting away from traditional media to digital and introduction of new technologies, the competition will likely remain high and could intensify in the future, which could have a negative impact on the Company's business and operating results. The industry is dominated by very large companies, with substantial resources to devote to sales & marketing, product development, thereby potentially positioning them to respond faster to any market or technology shifts resulting in potential negative impact on the Company's business.

**Fluctuations in Operating Results**

Sabio's operating results may vary from quarter to quarter due to the seasonal nature of its customers' spending on advertisement campaigns. The Company has traditionality experienced strong revenue generation in the fourth calendar quarter and relatively weaker performance in the first calendar quarter. Product and service mix also has a significant impact on the operating results and could drive volatility from quarter to quarter. External factors, such as political advertising, could also contribute volatility within the quarter.

**Adding New Customers and Retaining Existing Customers**

Sabio has long term relationships with several key clients and partners and relies on these customers and partners to derive material revenues. There can be no assurances that these customers will continue to purchase products/services from Sabio. The nature of the media business is that Sabio must compete for the business of these and all customers on a project-by-project basis. There could be material adverse effects on the financial results or businesses of Sabio if a material customer ceases to do business with Sabio. Moreover, Sabio business plan depends on its ability to attract new customers. The markets that Sabio operates in are highly competitive with competitors having entrenched relationships with many of the target customers. There can be no assurance that Sabio will be able to attract new customers and retain them over a longer period.

**Retention and Acquisition of Skilled Personnel**

The loss of any member of Sabio's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management and specialized technical personnel, could have a material adverse effect on Sabio's business and operating results. The

expansion of marketing and sales of its products will require Sabio to find, hire and retain additional capable senior employees who can understand, explain, market and sell its products and services. There is intense competition for capable personnel in all of these areas and Sabio may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training, and in many cases take a significant amount of time before they achieve full productivity. As a result, Sabio may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as Sabio moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

**Company Culture**

Management believes that a critical component to our success has been Sabio's company culture, which is based on teamwork, respect, innovation, accountability, initiative, and personal growth. We have invested substantial time and resources in building our team within this company culture. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to proactively focus on and pursue our corporate objectives. If we fail to maintain our company culture, our business may be adversely impacted.

**Managing Growth**

Sabio is expecting continuing high growth as it continues to accelerate its sales and marketing to take advantage of the market opportunity. In order to manage growth and future potential effectively, Sabio must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities, and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Sabio expects to invest its earnings and capital to support its growth but may incur additional unexpected costs. If Sabio incurs unexpected costs it may not be able to expand quickly enough to capitalize on potential market opportunities.

**Intellectual Property Rights**

Within our industry, there is the potential that a third party may claim that we are infringing on their intellectual property rights. Such intellectual property infringement claims, whether we ultimately are found to be infringing any third party's intellectual property rights or not, are time-consuming, costly to defend, and divert resources and management attention away from our operations. Infringement claims by third parties could also subject us to significant damage awards or fines or require us to pay large amounts to settle such claims. Additionally, claims of intellectual property infringement might require us to enter into royalty or license agreements. If we cannot or do not license the infringed technology on acceptable terms or substitute similar

technology from other sources, we could be prevented from or restricted in selling our products containing, or manufactured with, the infringed technology.

**Third-Party Licensed Software**

The Company's services incorporate certain third-party software obtained under licenses from other companies. The Company anticipates that it will continue to rely on such third-party software and development tools in the future. Although the Company believes that there are commercially reasonable alternatives to the third-party software the Company currently licenses, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in the Company's services with new third-party software may require significant work and require substantial investment of the Company's time and resources. Also, to the extent that the Company's services depend upon the successful operation of third-party software in conjunction with its own software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of the Company's services, delay new services introductions, result in a failure of the Company's services, and injure the Company's reputation. The Company's use of additional or alternative third-party software would require the Company's to enter into additional license agreements with third parties.

**Data Limitations**

Our business depends on our ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly reduce the value of our solution. Consumer tools, regulatory restrictions, and technological limitations all threaten our ability to use and disclose data.

There could be changes to the standardized mobile identifiers that companies like Sabio use which can adversely impact our business. Many applications and other devices allow consumers to avoid receiving advertisements by paying for subscriptions or other downloads.

**COVID-19 Pandemic or Other Similar Outbreak**

Any outbreaks of contagious diseases, including the recent outbreak of the COVID-19 pandemic, could have an adverse impact on public health developments in jurisdictions where Sabio operates. This could result in material and adverse effects on Sabio's business, financial condition and results of operations. These effects could include disruptions or closures of Sabio's client's businesses leading them to stop advertisement spend. In addition, the COVID-19 pandemic has become a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect Sabio's ability to obtain financing for its business and operations. The extent to which the COVID-19 pandemic will impact Sabio's business and financial results will depend on future developments, which are highly uncertain and cannot be predicted.

**Ability to Continuously Innovate, Enhance Existing and Develop New Products**

The Company operates in a highly competitive market and one with changing customer requirements. The Company to date has developed all of its technology and product inhouse and boasts one of the most complete product portfolios in the industry. However, the industry is prone to rapid and frequent changes in technology to keep pace with changing end-customer requirements. In-ability to accurately predict and manage the transition could have a severe impact on the Company's ability to remain competitive and thus demand for the Company's product and services could decrease.

**Business Acquisitions**

To the extent we find suitable and attractive acquisition candidates and business opportunities in the future, we may acquire other complementary businesses, products and technologies and enter joint ventures or similar strategic relationships. While we believe we will be able to successfully integrate newly acquired businesses into our existing operations, there is no certainty that it will deliver the anticipated business results or not cause a material disruption to our current business. An acquisition may later be found to have a material legal or ethical issue, not disclosed, or discovered prior to acquisition. Further, we may be unable to realize the revenue improvements, cost savings and other intended benefits of any such transaction. The occurrence of any of these events could result in decreased revenues, income, and cash flows.

**Industry Perceptions**

With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing, advertising, and data privacy matters, particularly as they relate to individual privacy interests and the global reach of the online marketplace. This public scrutiny may lead to general distrust of our industry, consumer reluctance to share and permit use of personal data and increased consumer opt-out rates, any of which could negatively influence, change, or reduce our current and prospective clients' demand for our products and services and adversely affect our business and operating results.

**Litigation**

Sabio's business may become susceptible from time to time to various legal claims, including class action claims, in the course of its operations. Any future claims or litigation could have a material adverse effect on the Sabio's business and its profitability.

**Credit Risks**

Sabio will be exposed to counterparty risks and liquidity risks including, but not limited to suppliers of Sabio which may experience financial, operational or other difficulties, including

insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with Sabio, or through companies that will have payables to Sabio. If these risks materialize, Sabio's operations could be adversely impacted.

**Cybersecurity Risks**

In recent years, the frequency, severity, sophistication of cyber-attacks, computer malware, viruses, social engineering, and other intentional misconduct by computer hackers has significantly increased, and government agencies and security experts have warned about the growing risks of hackers, cyber criminals and other potential attackers targeting information technology systems. Such third parties could attempt to gain entry to our systems for the purpose of stealing data or disrupting the systems. In addition, our security measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, their products, or otherwise. Third parties may also attempt to fraudulently induce employees or clients into disclosing sensitive information such as usernames, passwords or other information to gain access to our clients' data or our data, including intellectual property and other confidential business information.

We believe we have taken appropriate measures to protect our systems from intrusion, but we cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities in our systems and attempts to exploit those vulnerabilities, physical system or facility break-ins and data thefts or other developments will not compromise or breach the technology protecting our systems and the information we possess. Any such compromise or breach, depending on the nature, may adversely impact the reputation and results of operations of Sabio.

**Anti-Corruption**

We are subject to anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the USA PATRIOT Act, U.S. Travel Act, and possibly other anti-corruption, anti-bribery, and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly and prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. The FCPA or other applicable anti-corruption laws may also hold us liable for acts of corruption or bribery committed by our third-party business partners, representatives, and agents, even if we do not authorize such activities. An increase to our international sales and business, including an increase in our use of third parties, will lead to our risks under these laws to also increase. We have adopted policies and procedures and conduct training designed to prevent improper payments and other corrupt practices prohibited by applicable laws but cannot guarantee that improprieties will not occur. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with specified persons, the loss of export privileges, reputational

harm, adverse media coverage, and other collateral consequences. Any investigations, actions, and/or sanctions could have an adverse effect on our business, results of operations, and financial condition.

**Economic and Trade Sanctions**

We are subject to various U.S. export control and trade and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and the various sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, Trade Controls). U.S. Trade Controls may prohibit the shipment of specified products and services to certain countries, governments, and persons. Although we endeavor to conduct our business in compliance with Trade Controls, our failure to successfully comply may expose us to negative legal and business consequences, including civil or criminal penalties, governmental investigations, and reputational harm.

Furthermore, if we export our technology or software, the exports may require authorizations, including a license, a license exception, or other appropriate government authorization or regulatory requirements. Complying with Trade Controls may be time-consuming and may result in the delay or loss of opportunities.

**Foreign Exchange**

Sabio is exposed to certain foreign currency risks, including by reason of Sabio's operations in India and Canada. The movement of foreign currencies, such as the Indian Rupee and Canadian Dollar against the U.S. dollar, could have a material adverse effect on Sabio's prospects, business, financial condition, and results of operation.

**Dividends**

Sabio has not declared or paid cash dividends on the Common Shares. Upon Completion of the Qualifying Transaction, Sabio intends to retain future earnings to finance the operation, development and expansion of the business. Sabio does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on Sabio's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

**SUBSEQUENT EVENTS**

On January 13, 2022, 1,110,120 share options of the Company were granted to certain employees, officers, board members and contractors of the Company at an exercise price of CAD$1.38. The options will vest quarterly from the grant date over a vesting period of 2 to 3 years.

On February 18, 2022, the Company entered into a definitive asset purchase agreement ("Agreement") pursuant to which Vidillion Corp., a newly formed, wholly owned subsidiary of the Company, would acquire (the "Acquisition") substantially all of the assets of Vidillion Inc., a U.S. based CTV and OTT streaming supply side platform (SSP) and technology provider for producers of content, in a combined stock-and cash transaction. On April 1, 2022, the Company closed the acquisition for an aggregate consideration of $3 million, composed of common shares of the Company valued at approximately $1.75 million (the "Share Consideration") and $1.25 million in cash, subject to customary working capital, indemnity, and tax adjustments. Based on a five-day volume weighted share price of the common shares on the TSX Venture Exchange ("Exchange") immediately prior to April 1, 2022, of CAD$1.30, an aggregate of 1,685,079 common shares were issued to Vidillion Inc. as Share Consideration. The common shares are subject to a lock-up period expiring October 1, 2022, which may be extended in the event of post-indemnity claims, in addition to hold periods or restrictions under applicable securities laws or policies of the Exchange. The Acquisition was an Arm's Length Transaction, as such term is defined in the policies of the Exchange, and no finder's fees were paid in connection with the Acquisition. The acquisition was funded through a $1.25 million draw on the Company's existing accounts receivable line of credit. In connection with the draw, the Company's lender granted temporary accommodations to the line's structure, including a one-month waiver of the Remaining Months Liquidity target ratio for the month of May 2022.

On February 25, 2022, Sabio Canada Finco, Inc. was dissolved after duly providing for its debts, obligations, or liabilities in accordance with subsection 238(3) of the Canada Business Corporations Act and distributing its remaining property rateably among its shareholders according to their rights and interests in the corporation or in accordance with subsection 238(4) of the Canada Business Corporations Act where applicable.

On March 26, 2022, 120,000 share options of the Company were granted to a Consultant of the Company at an exercise price of CAD$1.25. The options will vest on the basis of 10,000 share options per month, beginning after a minimum commitment period of 4 months.