

NOT FOR DISTRIBUTION TO UNITED STATES WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES. THIS NEWS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES. ANY SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

Sabio Delivers Record Q2-2022 Financial Results with 70% YoY Revenue Growth Led by CTV; Projecting Strong Revenue Growth and Positive Adjusted EBITDA for the Second Half of Year¹

- Revenues of US\$7.2 million in Q2-2022 compared to US\$4.2 million in Q2-2021, year over year (YoY) growth led by a 106% jump in CTV sales and a 44% increase in mobile sales
- Continued to add new Fortune 100 brands as customers and win upfront deals from major brands
- The outlook for 2022 remains strong; expecting strong topline growth and adjusted EBITDA profitability during the second half of the year¹

TORONTO, ONTARIO – August 25, 2022: [Sabio Holdings Inc.](#) (TSXV: SBIO; OTCQX: SABOF) (the "**Company**" or "**Sabio**"), a leading provider of CTV/OTT advertising platforms validated by performance, is pleased to announce its unaudited financial results for the second quarter ended June 30, 2022. *Unless otherwise indicated, all amounts are expressed in U.S. dollars.*

"Our early focus on the ad-supported streaming/connected TV (CTV) market continues to pay dividends as we are pleased to deliver yet another record revenue quarter. Our investments in sales and technology backed by a complete end-to-end product suite enables us to out-grow the market and gain share despite the uncertain macro-economic environment. We continue to add major brands as new customers and deepen our relationships with existing customers— as witnessed by increasing average deal size and, for the first time in Company's history, winning upfront deals from major brands. This is a testament to our team's talent and passion - a team that we have substantially expanded and strengthened over the last few quarters to take advantage of the rapidly expanding market opportunity fully. We expect to continue to deliver strong growth in the second half as we see robust demand from our major market segments, including political campaigns, where we have made key investments ahead of the upcoming mid-term election spending," stated Aziz Rahimtoola, CEO and founder of the Company.

Sajid Premji, Sabio's Chief Financial Officer, added, "We are pleased to have delivered our fourth consecutive quarter of record revenues and, on a trailing twelve-month basis, have grown revenues by 96% to US\$30.2 million. Moreover, we are just beginning to realize the returns on the substantial investments we have made in our sales and marketing apparatus, which includes senior-level talent. These new additions have already played an instrumental role in expanding our average deal sizes and negotiating longer-term customer commitments. We believe the investments are sufficient to meet our growth objectives over the next 18 months. We expect to generate positive Adjusted EBITDA¹ in the second half of 2022 and see improving operating margins in 2023. We ended the quarter with ample cash reserves and over US\$3 million of untapped credit available under our line of credit with Avidbank."

¹ Adjusted EBITDA is a non-IFRS performance measure. See “Use of Non-IFRS Measures” and “Forward-Looking Statements” below.

Second Quarter 2022 Financial Highlights

- Sabio delivered record revenues of US\$7.2 million in Q2/2022, an increase of 70% compared to Q2/2021 revenues of US\$4.2 million. Revenue growth was driven by both the addition of new, Fortune® 100 brands and deepening relationships with existing clientele.
- CTV/OTT streaming generated revenues of US\$3.2 million in Q2/2022, compared to US\$1.5 million in Q2/2021, led by Sabio’s unique “CTV powered by App Science” solutions. Management believes that the Company is well positioned to continue to take advantage of the fast-growing CTV opportunity.
- Mobile generated revenues of US\$3.9 million in Q2/2022, up 44% from US\$2.7 million in Q2/2021.
- Gross Profit of US\$4.3 million in Q2/2022, compared to US\$2.6 million in Q2/2021. Gross margin was 59.3%, compared to 61.9% in Q2/2021. The slight decrease was attributed to the integration of the newly acquired wholly owned subsidiary, Vidillion Corp. (formerly, Sabio Acquisition Inc.) (“Vidillion”), a U.S. based CTV/OTT streaming supply-side platform and technology provider for content creators.
- Adjusted EBITDA¹ loss of US\$1.4 million in Q2/2022, compared to approximate breakeven in Q2/2021. The higher loss was primarily driven by investments in growth initiatives, the additional overhead required with being a public company (versus a private company in the previous year), and costs associated with employees returning to the office.
- Average deal size increased 48% from the prior year quarter, led by the larger CTV campaigns.
- As of June 30, 2022, the Company had cash of US\$2.5 million, compared to US\$3.3 million on December 31, 2021. Management believes it is well funded, with sufficient cash reserves on hand to manage its operational requirements over the next 12 months.
- As of June 30, 2022, the Company had US\$3.9 million outstanding under its credit facility with Avidbank.

¹ See “Use of Non-IFRS Measures” below

Second Quarter 2022 Business Highlights:

- During the second quarter of 2022, the Company renegotiated its existing line of credit with Avidbank. The amended terms include an increase in credit available under the line to US\$7 million from US\$4 million, subject to debtholder consents, which were subsequently obtained.
- Sabio qualified to trade on the OTCQX® Best Market under the symbol SABOF.

Events Subsequent to June 30, 2022:

- On July 3, 2022, the Company entered into a lease for a new office in the Detroit, Michigan area for a five-year period with Center Street Ventures, LLC.
- On August 4, 2022, the Company obtained the required debtholder consents to remove the US\$5 million maximum balance limitation under its existing line of credit with Avidbank, thereby increasing the maximum allowable balance to the full US\$7 million of credit available under the line.
- On August 8, 2022, the Company entered a lease for a new office in Hyderabad, India with Gowra Ventures (P) Ltd for an assured period of five years from the rental commencement date.

The financial results set forth above have not been audited and are based on a review conducted by the Company's independent auditor, MNP LLP. The Company's auditor has not audited the accompanying interim financial results, accordingly, does not express an opinion with respect thereto. Furthermore, the unaudited financial results have been reviewed by the audit committee of the Company and approved by its board of directors. These unaudited financial results however should not be viewed as a substitute for audited financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and are not necessarily indicative of the Company's results for any future period. In addition, the results highlighted in this release are not a comprehensive statement of the Company's financial results. A more complete description of the Company's financial position is provided in its unaudited consolidated financial statements, including the notes thereto, and management's discussion and analysis (MD&A) for the three months ended June 30, 2022, and June 30, 2021, which can be found under Sabio's profile on SEDAR at www.sedar.com.

Please Note: Investors are urged to consider closely the disclosures in Company's annual and quarterly reports and other public filings available under Sabio's profile on SEDAR at www.sedar.com

Outlook

In what is traditionally the slowest half of the calendar year due to the seasonal trends affecting the advertising industry, the Company experienced significant revenue expansion in the current quarter compared to the second quarter of 2021. Our revenue growth was driven by the addition of new Fortune® 100 brands and deepening relationships with existing clientele. In the second half of 2022, Sabio expects it will continue to deliver robust organic revenue growth on a year-over-year basis and gain market share, driven by our strengthened salesforce, continued investments in our political apparatus ahead of the 2022 U.S. midterm elections, the investments we have made in our product offerings, including the commercialization of our App Science business and the completion of an end-to-end, CTV/OTT ecosystem through our acquisition of Vidillion. As a result, we are in a unique position to continue to capitalize on the burgeoning CTV/OTT streaming advertising market. Management believes the heavy investment period in the operating infrastructure is largely complete and expects Adjusted EBITDA to be profitable in the second half of the year and see continued improvements in operating margin in 2023.

The financial disclosures in this news release are subject to several cautionary statements, assumptions, contingencies, and risks as set forth in this news release. The foregoing outlook and expectations constitute forward-looking statements and financial outlook and are qualified in their entirety by the "Forward-Looking Statements" cautionary statement below. Readers are cautioned that this release is for information purposes only and may not be appropriate for other purposes.

¹ See "Use of Non-IFRS Measures" and "Forward-Looking Statements" below

Conference Call:

The Company will host an investor conference call for the three months-ending June 30, 2022, at 9:00 a.m. ET on Thursday, August 25, 2022. The webinar details are below:

Date: August 25, 2022

Time: 9:00 a.m. ET (6:00 a.m. PT)

Webinar Registration: <https://bit.ly/3dIMCFP>

Or dial: For higher quality, dial a number based on your current location.

Canada:

+1 778 907 2071 (Vancouver local)

+1 647 374 4685 (Toronto local)

Webinar ID: 821 0076 1600

About Sabio

Sabio Holdings Inc. (TSXV: SBIO; OTCQX: SABOF) is a technology provider in the high-growth advertising-supported video on demand and streaming space. Its cloud-based CTV/OTT technologies enable content creators' distribution, monetization, and analytics while providing ROI validation for brands and agencies that sponsor them. The Sabio Holdings portfolio is comprised of the trusted and transparent content monetization platform Sabio DSP, its cutting edge, non-panel based, real-time measurement and attribution SAAS platform App Science™ along with Vidillion, a pioneer in ad insertion cloud technologies. For more information, visit: sabioholding.com

Use of Non-IFRS Measures

This press release makes reference to certain non-IFRS (International Financial Reporting Standards) measures including, but not limited to, Adjusted EBITDA. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Rather, these non-IFRS measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of Sabio for the reasons outlined below.

Management uses adjusted earnings before interest, income taxes, depreciation, and amortization ("**Adjusted EBITDA**") as a key financial metric to evaluate Sabio'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, income taxes, stock-based compensation, amortization, non-recurring items, and severance costs.

Management believes that the items excluded from Adjusted EBITDA are not connected to and do not represent the operating performance of Sabio. Management believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by Sabio'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, management believes that this measure may also be useful to investors in enhancing their understanding of Sabio's operating performance. It is a key

measure used by Sabio's management and board of directors to understand and evaluate Sabio's operating performance, to prepare annual budgets and to help develop operating plans.

Forward-Looking Statements

*This press release may contain certain forward-looking information and statements ("**forward-looking information**") within the meaning of applicable Canadian securities legislation, including but not limited to the Company's operations, growth and sales expectations and business plans, the Company's outlook for the second half of 2022 and its expectations with respect to improving operating margins in 2023 and cash flow management, that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The Company undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Company, its securities, or financial or operating results (as applicable). Although the Company believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events that may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the effect of the macro-economic environment adversely impacting the Company's business more than anticipated, unexpected funding and cash flow management difficulties, and the other risk factors disclosed in the Company's filing statement and management's discussion and analysis (MD&A), which are publicly available on SEDAR at www.sedar.com. Actual financial results may differ materially from the financial outlook provided in this press release and the financial outlook has not been audited or reviewed. The Company has assumed that the material factors referred to herein will not cause such forward-looking statements and information to differ materially from actual results or events. However, there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release is expressly qualified by this cautionary statement and is made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.*

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Sabio Holdings Inc.

Contacts:

Joe Camacho
Chief Global Expansion Officer, Sabio Holdings Inc.
investor@sabio.inc
Phone: 1.844.974.2662

Aideen McDermott
Investor Relations Associate
aideen@sabioholding.com

App Science is a trademark or registered trademark of Sabio Inc. in the United States, Canada, and other countries.