

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

SABIO HOLDINGS ANNOUNCES CLOSING OF CONVERTIBLE NOTE OFFERING

TORONTO, August 16, 2023 -- Sabio Holdings Inc. (TSXV: SBIO; OTCQX: SABOF) (the “Company” or “Sabio”) is pleased to announce that it has closed a non-brokered private placement financing of secured convertible notes (the “Secured Notes”) and unsecured convertible notes (the “Unsecured Notes” and together with the Secured Notes, the “Notes”) for aggregate gross proceeds of up to CAD\$3,000,000 (the “Offering”). The closing of the Offering was comprised of the issuance of Secured Notes in the aggregate principal amount of CAD\$1,200,000 and Unsecured Notes in the principal amount of CAD\$537,850, for total gross proceeds of CAD\$1,737,850 (the “Closing”). The Notes issued in connection with the Closing will mature on August 16, 2025 (“Maturity Date”).

The Notes will be convertible in whole or in part, at the option of the holder, into common shares in the capital of the Company (“Common Shares”) at a price of CAD\$1.00 (“Conversion Price”) per Common Share at any time before or on the Maturity Date. The Company reserved the Conversion Price through a price reservation form submitted on July 24, 2023 to the TSX Venture Exchange (“TSXV”).

The Offering consists of an offering of Unsecured Notes and Secured Notes of Sabio. The Unsecured Notes bear interest at the rate of fourteen percent (14%) per annum payable as of the Maturity Date, except as provided herein. As a part of the Offering, Mr. Aziz Rahimtoola, the Chief Executive Officer of the Company subscribed for an Unsecured Note in the principal amount of CAD\$537,850. The Unsecured Note issued to Mr. Rahimtoola is subject to the same terms as the other purchasers, except that: (i) the interest on the Unsecured Note issued to Mr. Rahimtoola will be payable monthly; and (ii) the Company may prepay the Unsecured Note issued to Mr. Rahimtoola any time after twelve months from the issuance. Since Mr. Rahimtoola is an Insider (as such term is defined in the policies of the TSXV) of the Company, pursuant to the policies of the TSXV, any Unsecured Notes exceeding 25% of the total proceeds of the Offering were issued to Mr. Rahimtoola at the higher of (i) the Market Price (as such term is defined in the policies of the TSXV) of the Common Shares as of market close on August 15, 2023, being CAD \$0.55; or the (i) the Conversion Price of CAD\$1.00.

The Secured Notes bear interest at the rate of fourteen percent (14%) per annum payable semi-annually in arrears in cash or Common Shares at the option of the Company. The Secured Notes were issued to eligible purchasers including Pathfinder Asset Management Ltd. (the “Lead Investor”) and are secured against all personal property and assets of the Company, as more particularly described in the security agreement between the Company and the Lead Investor, acting as collateral agent for the benefit of itself and for the other secured note holders. The Company may, at any time, prepay all or a part of the principal amount of the Secured Notes plus accrued and unpaid interest without penalty or bonus. The Secured Notes will rank junior and be subordinate to all senior indebtedness of the Company and its subsidiaries, specifically to all current and future obligations of AppScience, Inc. a subsidiary of the Company to Avidbank. The Unsecured Notes issued under the Offering will rank junior and subordinate to the Secured Notes.

The Company intends to use the proceeds of the Offering for general corporate and working capital purposes. The Notes and the underlying Common Shares will be subject to a four-month hold period after the date of their issuance as set out in National Instrument 45-102 – *Resale of Securities*.

The Company may close an addition tranche under the Offering in accordance with the prescribed timelines and policies of the TSXV. The closing of any additional tranches of the Offering is subject to the approval of the TSXV.

Mr. Aziz Rahimtoola, the Chief Executive Officer of the Company, participated in the Offering. Such participation constitutes a “related party transaction” within Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The issuance to Mr. Ramhimtoola as an Insider is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) as the fair market value of the consideration of the securities issued to the related parties did not exceed 25% of the Company’s market capitalization.

This news release does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Notes and the Common Shares which may be issued on exercise thereof 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 U.S. state securities laws, and may not be offered or sold in the United States, or to or for the account or benefit of any U.S. person or any person in the United States, absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. “U.S. person” and “United States” have the respective meanings ascribed to them in Regulation S under the U.S. Securities Act.

About Sabio

Sabio Holdings Inc. (TSXV: SBIO) (OTCQX: SABOF) is one of the fastest-growing CTV/OTT technology and service providers in the high-growth ad-supported video-on-demand (AVOD) and streaming space. Its cloud-based CTV/OTT technologies provide publishers with distribution, monetization, and analytics while delivering ROI validation for brands and agencies. The Sabio Holdings portfolio is comprised of: Sabio — our trusted and transparent content monetization DSP; App Science™ — our cutting edge, non-panel based, real-time measurement and attribution SAAS platform; and Vidillion — our cloud-based ad-insertion, and content distribution and management platform. For more information, visit: sabioholding.com

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.

Forward-Looking Statements

Information set forth in this news release contains forward-looking information and statements that are based on assumptions as of the date of this news release. These statements reflect management’s current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. The terms and phrases “goal”, “commitment”, “guidance”, “expects”, “would”, “will”, “continuing”, “drive”, “believes”, “indicate”, “look forward”, “grow”, “outlook”, “forecasts”, “intend”, and similar terms and phrases are intended to identify these forward-looking statements, including but not limited to statements regarding the use of proceeds from the Offering. The Company cautions that all forward looking information and statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company’s control. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

For further information: 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