

Sabio Expected to Deliver Record Third-Quarter Revenues and Achieve Full-Year Adjusted EBITDA Profitability by End of Q3-2024, based on preliminary results

- Revenues for Q3-2024 are expected to be between US\$15.5 and US\$15.8 million, an increase of more than 75% compared to US\$8.8 million in Q3-2023, with positive net income and a gross margin between 58% and 61% expected for Q3-2024.
- Expected to have achieved full-year positive Adjusted EBITDA¹ by the end of the third quarter.
- Expected to generate positive Adjusted EBITDA¹ in the fourth quarter.

TORONTO, Oct. 7, 2024 /PRNewswire/ -- [Sabio Holdings Inc.](#) (TSXV: SBIO) (OTCQB: SABOF) (the "**Company**" or "**Sabio**"), a California-based ad-tech company that specializes in delivering highly targeted ads, insights, and services in ad-supported streaming to top Fortune 100 brands, is pleased to comment on certain unaudited preliminary financial results for the third quarter ended September 30th, 2024. *Unless otherwise indicated, all amounts are expressed in U.S. dollars.*

The Company expects consolidated revenues for the third quarter of 2024 to be between US\$15.5 million to US\$15.8 million compared to US\$8.8 million in the prior year's third quarter, led by continuous double-digit growth in its core branded Connected TV/OTT ad-supported streaming business, and strong political and advocacy sales. Additionally, Sabio is expected to have delivered a third-quarter gross margin of between 58% and 61%, and the highest third-quarter Adjusted EBITDA¹ profit in its history. As a result, the Company is expected to achieve full-year Adjusted EBITDA¹ profitability by the end of Q3-2024, offsetting the US\$1.6 million Adjusted EBITDA¹ loss incurred in the first half of 2024 by an expected meaningful margin. In comparison, the Company had a narrow, positive Adjusted EBITDA¹ of US\$0.1 million in Q3-2023.

"On the back of record third quarter revenues, driven by a Connected TV/OTT ad-supported streaming business that continues to grow at double-digit rates, and a leaner and more sustainable operating cost infrastructure, we are pleased to expect to return to full-year positive Adjusted EBITDA¹ profitability by end of the third quarter," commented Sajid Premji, Sabio's CFO. "With the historically profitable fourth quarter still to come, we expect record positive Adjusted EBITDA¹ profitability for the 2024 fiscal year and greater balance sheet flexibility going into 2025."

¹ See "Use of Non-IFRS Measures" below.

The preliminary results set forth above are based on management's initial review of the Company's operating and financial results for Q3-2024 and are subject to change as these results have not been audited or reviewed. Final reported results could differ from these preliminary results following the completion of quarter-end accounting procedures, final adjustments, and other developments arising between now and the time that the Company's financial results are finalized, and such changes could be material. The Company's independent auditor, MNP LLP, has not audited, reviewed, or performed any procedures with respect to the accompanying preliminary financial results and other data and, accordingly, does not express an opinion or any other form of assurance with respect thereto. The preliminary results have been prepared by, and are the responsibility of, the Company's management, and were approved by management on October 6, 2024. The preliminary results have been reviewed by the audit committee of the Company but have not been approved by the board of directors of the Company. In addition, these preliminary results are not a comprehensive statement of the Company's financial results for Q3-2024. They 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.

A more complete description of the Company's financial position, including a reconciliation to Adjusted EBITDA¹, will be provided in the upcoming filing of the Company's financial statements and MD&A which are anticipated to be filed on SEDAR and made available on the Company's website before November 29, 2024.

These estimates are subject to a number of 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. The purpose of this financial outlook is to provide readers with early guidance regarding management's current reasonable expectations as to the anticipated results for the third quarter ended September 30, 2024. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

About Sabio

Sabio Holdings (TSXV: SBIO, OTCQB: SABOF) is a technology and services leader in the fast-growing ad-supported streaming space. Its cloud-based, end-to-end technology stack works with top blue chip, global brands and the agencies that represent them to reach, engage, and validate (R.E.V.) streaming audiences.

Sabio consists of a proprietary ad-serving technology platform that partners with the top ad-supported streaming platforms and apps in the world and App Science™, a non-cookie-based software as a service (SAAS) analytics and insights platform with AI natural language capabilities.

For more information, visit: sabio.inc

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 considered in isolation nor as a substitute for analysis of financial information reported under 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.

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, which is often, but not always, identified by the use of words such as "believes," "anticipates," "plans," "intends," "will," "should," "expects," "continue," "forecasts," or the negative thereof and other similar expressions. All statements herein other than statements of historical fact constitute forward-looking information, including but not limited to statements in respect of: the release of Q3-2024 results and consolidated revenue and Adjusted EBITDA expectations; that Sabio will*

deliver record third-quarter revenues, positive third-quarter net income and achieve full-year adjusted EBITDA profitability by end of Q3-2024; expected Q3-2024 revenues and gross margin; that the third quarter adjusted EBITDA will be the Company's highest third quarter adjusted EBITDA in its history; and expected record positive adjusted EBITDA profitability for the 2024 fiscal year and greater balance sheet flexibility going into 2025. 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, discrepancies in the Company's preliminary assessment of its financial results, 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 Plus at www.sedarplus.ca. 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.

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