Sabio Holdings Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended
September 30, 2024 and 2023 (unaudited)

Expressed in U.S. Dollars

Table of Contents

	September 30, 2024	December 31, 2023
	$	$
Assets		
Current assets		
Cash	**2,871,886**	2,612,112
Accounts receivable, net of expected credit losses (Note 6)	**10,681,625**	10,831,499
Due from related parties (Note 12)	**949,888**	787,107
Prepaid expenses and other current assets	**587,726**	418,445
	15,091,125	14,649,163
Due from related parties (Note 12)	**30,052**	90,639
Right of use asset (Note 9)	**1,652,394**	2,193,022
Intangible assets (Note 7)	**277,932**	351,029
Promissory notes receivable (Note 11)	**432,710**	418,766
Goodwill	**2,478,774**	2,478,774
	19,962,987	20,181,393
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	**12,737,742**	9,981,464
Deferred revenue	**136,813**	16,459
Current income tax liabilities	**59,224**	47,427
Lease liability (Note 9)	**662,176**	623,786
Loans payable (Note 10)	**6,759,865**	7,075,392
	20,355,820	17,744,528
Lease liability (Note 9)	**1,363,010**	1,829,111
Loans payable (Note 10)	**440,000**	1,688,101
Deferred income tax liabilities	**370**	370
	22,159,200	21,262,110
Shareholders' Equity (Deficiency)		
Common shares (Note 11)	**13,204,070**	13,074,238
Treasury shares (Note 11)	**(796)**	-
Equity component of convertible notes (Note 10)	**99,060**	99,060
Share-based benefits reserve (Note 11)	**1,731,048**	1,692,009
Deficit	**(17,124,825)**	(15,819,422)
Foreign currency translation reserve	**(104,770)**	(126,602)
	(2,196,213)	(1,080,717)
	19,962,987	20,181,393

Events after the reporting period (Note 16)

Approved by Directors:

'Aziz Rahimtoola'
Director

'Muizz Kheraj'
Director

The accompanying notes are an integral part of these consolidated financial statements

sabio
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	For the three months ended		For the nine months ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
	$	$	**$**	$
Revenues	**16,052,759**	8,814,642	**31,301,723**	23,283,896
Cost of sales	**5,923,923**	3,618,948	**11,961,089**	9,253,342
Gross profit	**10,128,836**	5,195,694	**19,340,634**	14,030,554
Expenses				
Sales and marketing	**4,129,942**	3,086,850	**10,407,537**	10,496,989
General and administrative	**1,649,637**	1,086,040	**3,926,627**	3,491,727
Research and technology costs	**1,804,425**	932,215	**3,978,409**	3,692,603
Amortization of intangible assets (Note 7)	**47,594**	42,169	**148,615**	115,134
Occupancy (Note 9)	**163,806**	159,573	**485,018**	497,033
Amortization of lease (Note 9)	**181,525**	181,558	**540,628**	443,420
Share-based compensation (Note 11)	**58,586**	145,791	**162,908**	468,214
	8,035,515	5,634,196	**19,649,742**	19,205,120
Gain (loss) before finance costs and income taxes	**2,093,321**	(438,502)	**(309,108)**	(5,174,566)
Finance costs	**335,461**	294,425	**963,289**	705,933
Gain (loss) before income taxes	**1,757,860**	(732,927)	**(1,272,397)**	(5,880,499)
Income tax expense	**8,227**	5,484	**33,006**	16,451
Net gain (loss) for the period	**1,749,633**	(738,411)	**(1,305,403)**	(5,896,950)
Other comprehensive gain (loss)				
Foreign currency translation gain (loss)	**4,392**	1,756	**21,832**	(2,323)
Comprehensive gain (loss)	**1,754,025**	(736,655)	**(1,283,571)**	(5,899,273)
Income (loss) per share				
Basic	**0.03**	(0.02)	**(0.03)**	(0.13)
Diluted	**0.03**	(0.02)	**(0.03)**	(0.13)
Weighted average number of shares outstanding				
Basic	**50,223,072**	46,872,045	**50,135,509**	46,809,751
Diluted	**50,767,877**	46,872,045	**50,135,509**	46,809,751

The accompanying notes are an integral part of these consolidated financial statements

	Number of Common Shares	Common shares	Common stock issuable	Treasury shares	Equity component of convertible notes	Share-based benefits reserve	Deficit	Foreign currency translation reserve	Total shareholders' equity (deficiency)
	#	$	$	$	$	$	$	$	$
Balance, December 31, 2022	46,378,188	12,058,242	10,645	-	-	1,438,399	(11,054,886)	(104,346)	2,348,054
Share-based compensation	-	-	-	-	-	515,192	-	-	515,192
Shares issued due to exercise of stock options	432,886	90,722	-	-	-	(38,373)	-	-	52,349
Shares issued due to vesting of restricted stock units	87,333	66,666	-	-	-	(66,666)	-	-	-
Issuance of convertible notes	-	-	-	-	134,709	-	-	-	134,709
Common stock issuable	45,708	10,645	(10,645)	-	-	-	-	-	-
Net loss and total comprehensive loss	-	-	-	-	-	-	(5,896,950)	(2,323)	(5,899,273)
Balance, September 30, 2023	**46,944,115**	**12,226,275**	**-**	**-**	**134,709**	**1,848,552**	**(16,951,836)**	**(106,669)**	**(2,848,969)**
Balance, December 31, 2023	50,070,578	13,074,238	-	-	99,060	1,692,009	(15,819,422)	(126,602)	(1,080,717)
Share-based compensation (Note 11)	-	-	-	-	-	166,626	-	-	166,626
Shares issued due to vesting of restricted stock units (Note 11)	168,736	125,999	-	-	-	(125,999)	-	-	-
Shares issued due to exercise of stock options (Note 11)	13,201	3,833	-	-	-	(1,588)	-	-	2,245
Treasury shares acquired (Note 11)	-	-	-	(796)	-	-	-	-	(796)
Net loss and total comprehensive loss	-	-	-	-	-	-	(1,305,403)	21,832	(1,283,571)
Balance, September 30, 2024	**50,252,515**	**13,204,070**	**-**	**(796)**	**99,060**	**1,731,048**	**(17,124,825)**	**(104,770)**	**(2,196,213)**

The accompanying notes are an integral part of these consolidated financial statements

	For the nine months ended	
	September 30, 2024	September 30, 2023
	$	$
Cash flows from (used in) operating activities		
Net loss	**(1,305,403)**	(5,896,950)
Adjustments for:		
Share-based compensation to employees (Note 11)	**162,908**	468,214
Share-based compensation to contractors (Note 11)	**3,718**	46,978
Finance costs (Note 9)	**228,203**	202,747
Foreign exchange	**21,832**	(2,323)
Amortization of intangible assets (Note 7)	**148,615**	115,134
Amortization of lease (Note 9)	**540,628**	443,420
	(199,499)	(4,622,780)
Changes in non-cash working capital items:		
Accounts receivable	**149,874**	4,459,720
Prepaid expenses and other current assets	**(184,194)**	20,143
Deferred revenue	**120,354**	(276,034)
Accounts payable and accrued liabilities	**2,768,075**	(4,535,072)
	2,654,610	(4,954,023)
Cash flows used in investing activities		
Development costs (Note 7)	**(75,518)**	(100,679)
	(75,518)	(100,679)
Cash flows (used in) from financing activities		
(Payment) advances of loan payable	**(1,563,628)**	2,545,391
Advances to related parties	**(101,225)**	(450)
Proceeds from issuance of convertible notes (net of transacion costs) (Note 10)	**-**	1,239,158
Lease payments (Note 9)	**(655,914)**	(580,059)
Issuance of common shares upon exercise of stock options	**2,245**	52,349
Acquisition of treasury shares	**(796)**	-
	(2,319,318)	3,256,389
Net increase (decrease) in cash	**259,774**	(1,798,313)
Cash, beginning of period	**2,612,112**	3,999,402
Cash, end of period	**2,871,886**	2,201,089

The accompanying notes are an integral part of these consolidated financial statements

1. Description of business

Sabio Holdings Inc. (the "Company" or "Sabio") (formerly Spirit Banner II Capital Corp. and hereafter referred to as "Spirit"), was incorporated under the Business Corporation Act of Ontario, Canada on September 29, 2017. The registered corporate office is located at 150 King Street West, Suite 200, Toronto, Ontario, M5H 1J9. The corporate head office of the Company is located at 315 Culver Boulevard, Playa Del Rey, California, 90293.

On November 19, 2021, the Company completed its reverse takeover transaction with Spirit based on which its wholly-owned, U.S. operating subsidiary Sabio, Inc. acquired all of the issued and outstanding securities of Spirit, via a reverse-takeover transaction (the "Qualifying Transaction"). Upon completion of the Qualifying Transaction, Spirit became a wholly owned subsidiary of the Company, which carried on the business previously carried on by Spirit. The Company 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.

The Company was classified as a Capital Pool Corporation as defined in the Policy 2.4 of the Exchange. Upon completion of the reverse-takeover transaction, the Company's principal business changed to a Connected TV ("CTV") and over-the-top ("OTT") streaming technology provider that delivers optimized yield performance via addressable cross screen solutions based on mobile behavior. Accordingly, these consolidated financial statements are presented as a continuation of Spirit.

On January 14, 2022, Sabio Canada Inc., a wholly owned subsidiary of the Company, was incorporated in Ontario, Canada for the Company's operation in Canada.

On February 4, 2022, Vidillion Corp. (formerly, Sabio Acquisition Inc.), a wholly owned subsidiary of the Company, was incorporated in Delaware, United States. On April 1, 2022, the Company, through Vidillion Corp., completed the acquisition of 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. Effective February 15, 2024, the legal entity name of Vidillion Corp. was formally changed to FWD Tech Inc.

On February 6, 2023, Sabio London Limited, a wholly owned subsidiary of the Company, was incorporated in London, the United Kingdom for the Company's business expansion in the United Kingdom and European markets.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2023.

These unaudited condensed interim consolidated financial statements of the Company were authorized for issuance by the Board of Directors on November 18, 2024.

2. Basis of presentation *(continued from previous page)*

Basis of measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All financial information is presented in United States dollars ("U.S. dollars" or "USD"), the Company's reporting currency, except share and per share amounts or as otherwise noted.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements of the Company include Sabio Holdings Inc. and its wholly owned subsidiaries Sabio, Inc, AppScience, Inc., FWD Tech Inc. (formerly, Vidillion Corp.), Sabio Canada Inc., Sabio London Limited and Sabio Mobile India Private Limited.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Functional currency

The condensed interim consolidated financial statements are presented in U.S. dollars. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of Sabio Inc., App Science, Inc., FWD Tech Inc. (formerly, Vidillion Corp.), Sabio Mobile India Private Limited and Sabio Canada Inc. is U.S dollars. The functional currency of Sabio Holdings Inc. is Canadian dollars. The functional currency of Sabio London Limited is British pounds.

Assets and liabilities of entities having a functional currency other than the U.S. dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in foreign currency translation reserve, one component of the accumulated other comprehensive income (loss) included in shareholders' equity. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in the statement of operations and comprehensive loss.

3. Material accounting policies

The accounting policies applied in these unaudited condensed interim consolidated financial statements (the "financial statements") are consistent with those disclosed in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2023. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

Revenue recognition

The Company recognizes revenue in accordance with IFRS 15 Revenue from Contracts with Customers.

Revenue represents the fair value of consideration received or receivable from customers for goods and services provided by the Company, net of discounts and sales taxes. The Company generates revenue from managed service, programmatic sales, connected TV, and App Science™ insights.

The Company sells digital advertising directly to marketers or through 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. IOs may include multiple performance obligations as they contain distinct advertising products or services. For such arrangements, the Company allocates revenue to each distinct performance-obligation based on their relative standalone selling price ("SSP"). Advertising arrangements comprised of multiple performance obligations are recognized either at a point in time or over time depending on the nature of the distinct performance obligation.

Subscription Revenues

Revenue from subscriptions reflects the revenue recognized from sales of licenses to the Company's App Science™ platform to customers. Subscription fees are based primarily on the number of users of our platform. Subscription agreements generally have terms ranging up to one year and are billed monthly in advance. Subscriptions are generally non-cancelable during the subscription term and subscription fees are non-refundable. Subscription revenue is recognized ratably over the subscription term starting from the date which the platform is first made available to the customer, or from the beginning of the subscription term, if later. The subscription agreements generally provide for unspecified future updates, upgrades, enhancements, technical product support, and access to hosted services and support.

Contracts with multiple products or services

The Company enters into contracts that contain multiple products and services such as campaign management, insights, and studies. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors and management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the directors and management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Selecting the option pricing model to estimate the fair value of equity instruments granted

The Company uses the Black-Scholes Merton formula to estimate the fair value of equity instruments granted in connection with equity-settled share-based payments. Management considers factors that knowledgeable, willing market participants would consider when selecting the option pricing model to apply.

Determination of functional currency

In determining its functional currency, the Company considers factors related to its primary economic environment. These include the currency which mainly influences the Company's sales prices for goods and services, the country whose competitive forces and regulations mainly determine sale prices of its services, and the currency which mainly influences costs related to providing its services. The Company also considers secondary factors including the currency in which funds from financing activities are generated, and the currency in which operating activities are usually retained.

Determination of rate used to estimate the fair value of the liability component of the convertible notes

The rate used in determining the appropriate value of the liability component of the convertible notes and to appropriately apply the effective interest rate method to the convertible notes is subject to management estimation.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Critical accounting judgments and key sources of estimation uncertainty *(continued from previous page)*

Key sources of estimation uncertainty (continued from previous page)

Expected credit losses

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Valuation of common share purchase options and equity-settled share-based payments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of common share purchase options/warrants and equity-settled share-based payments. The valuation techniques require the input of subjective assumptions including expected volatility, dividend yield and expected life of the instrument. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of these instruments.

Amortization of intangible assets

The Company applies the straight-line method to recognize amortization of intangible assets. Management is satisfied that the straight-line method best reflects the pattern in which the assets' future economic benefits are expected to be consumed by the Company.

4. Critical accounting judgments and key sources of estimation uncertainty *(continued from previous page)*

Key sources of estimation uncertainty (continued from previous page)

Internally generated development costs

Management monitors the progress of internal research and development projects and uses judgment to distinguish research from the development phase. Expenditures during the research phase are expensed as incurred. Development costs are recognized as an intangible asset when the Company can demonstrate certain criteria listed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023. Otherwise, they are expensed as incurred.

Impairment of intangible assets and goodwill

IAS 36 requires that the Company ensures that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired, and the standard requires the entity to recognize an impairment loss. In assessing impairment, management uses judgment to allocate goodwill to each of the Company's cash-generating units (CGUs) and estimates recoverable amount for each CGU based on expected future cash flows and discount rates. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

5. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards effective as of January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the condensed interim consolidated financial statements of the Company.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

Amendments to IAS 1 - Presentation of financial statements - classification of liabilities as current or non-current affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied for annual periods beginning on or after January 1, 2024, which the Company has adopted. There was no material impact on adoption.

5. New standards, interpretations and amendments adopted by the Company *(continued from previous page)*

Amendments to IAS 1: *Non-current liabilities with covenants*

Amendments to IAS 1 - Presentation of financial statements - non-current liabilities with covenants specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendments are applied for annual reporting periods beginning on or after January 1, 2024, which the Company has adopted. There was no material impact on adoption.

6. Accounts receivable

	September 30, 2024	December 31, 2023
	$	$
Trade receivables	**10,755,238**	10,896,499
Expected credit loss provision	**(73,613)**	(65,000)
Net carrying value	**10,681,625**	10,831,499

7. Intangible assets

	Internally Generated Intangible Assets	Acquired Technology and Patents	Acquired Customer/Publisher Relationships	Acquired Brand Name	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2023	3,521,248	129,000	83,000	75,000	3,808,248
Additions	35,274	-	-	-	35,274
Balance at March 31, 2024	3,556,522	129,000	83,000	75,000	3,843,522
Additions	22,545	-	-	-	22,545
Balance at June 30, 2024	3,579,067	129,000	83,000	75,000	3,866,067
Additions	17,699	-	-	-	17,699
Balance at September 30, 2024	**3,596,766**	**129,000**	**83,000**	**75,000**	**3,883,766**
Accumulated amortization and impairment losses					
Balance at December 31, 2023	3,363,517	45,902	29,050	18,750	3,457,219
Amortization expense	37,743	6,574	4,150	2,680	51,147
Balance at March 31, 2024	3,401,260	52,476	33,200	21,430	3,508,366
Amortization expense	36,470	6,576	4,150	2,678	49,874
Balance at June 30, 2024	3,437,730	59,052	37,350	24,108	3,558,240
Amortization expense	34,316	6,450	4,150	2,678	47,594
Balance at September 30, 2024	**3,472,046**	**65,502**	**41,500**	**26,786**	**3,605,834**
Net book value as at:					
December 31, 2023	157,731	83,098	53,950	56,250	351,029
Balance at September 30, 2024	**124,720**	**63,498**	**41,500**	**48,214**	**277,932**

8. Accounts payable and accrued liabilities

	September 30, 2024	December 31, 2023
	$	$
Trade accounts payable and accrued liabilities	**12,630,450**	9,830,189
Interest payable	**107,292**	151,275
	12,737,742	9,981,464

9. Right of use asset and lease liabilities

Right-of-use asset

	Office premises
Cost	$
Balance, December 31, 2023 and September 30, 2024	**3,319,899**
Accumulated amortization	
Balance, December 31, 2023	1,126,877
Amortization	179,552
Balance, March 31, 2024	1,306,429
Amortization	179,551
Balance, June 30, 2024	1,485,980
Amortization	181,525
Balance, September 30, 2024	**1,667,505**
Carrying amount	
December 31, 2023	2,193,022
September 30, 2024	**1,652,394**

There was no new lease entered during the three and nine months ended September 30, 2024. During the year ended December 31, 2023, the Company recognized right-of-use assets and lease liabilities for the leases entered during the year, which were initially measured at the present value of the future lease payments, discounted at rate of 15%.

Lease Liability

Cost	**$**
Balance, December 31, 2023	**2,452,897**
Interest accretion	80,804
Lease payments	(222,024)
Balance, March 31, 2024	2,311,677
Interest accretion	75,770
Lease payments	(221,947)
Balance, June 30, 2024	2,165,500
Interest accretion	71,629
Lease payments	(211,943)
Balance, September 30, 2024	**2,025,186**
Current	662,176
Non-current	1,363,010
Balance, September 30, 2024	**2,025,186**

9. Right of use asset and lease liabilities *(continued from previous page)*

The following table provides the remaining lease commitments in 2024 and onward. The amounts disclosed in the maturity analysis are the contractual undiscounted cash flows before deducting interest or finance charges.

	$
Less than 1 year	884,201
1-2 years	511,887
2-3 years	577,121
3-4 years	438,050
After 4 years	148,052
	2,559,311

The Company has certain short-term office leases which are not capitalized in accordance with IFRS 16 due to their short-term nature. The Company recorded occupancy expenses of $163,806 for the three months ended September 30, 2024 (2023 - $159,573) related to these short-term office leases in the condensed interim consolidated statements of operations and comprehensive loss. During the nine months ended September 30, 2024, the Company recorded occupancy expenses of $485,018 (2023 - $497,033) related to these short-term office leases in the condensed interim consolidated statements of operations and comprehensive loss.

10. Loans payable

	Note	**September 30, 2024**	December 31, 2023
		$	$
U.S. Small Business Administration promissory note	(a)	**440,000**	490,000
Avidbank Credit Facility	(b)	**-**	7,070,644
SLRDF Revolving Credit Facility	(c)	**5,543,412**	-
Convertible notes	(d)	**1,216,453**	1,202,849
		7,199,865	8,763,493
Convertible note subscription			
Current portion of loans payable		**6,759,865**	7,075,392
U.S. Small Business Administration promissory note	(a)	***-***	*4,748*
Avidbank Credit Facility	(b)	***-***	*7,070,644*
SLRDF Revolving Credit Facility	(c)	***5,543,412***	-
Convertible notes	(d)	***1,216,453***	-
Long-term portion of loans payable		**440,000**	1,688,101
U.S. Small Business Administration promissory note	(a)	***440,000***	*485,252*
Convertible notes	(d)	***-***	*1,202,849*
		7,199,865	8,763,493

Future principal repayments are as follows:

Less than 1 year	**6,759,865**
1-2 years	**-**
2-3 years	**8,625**
3 years and beyond	**431,375**
	7,199,865

10. Loans payable *(continued from previous page)*

a) On April 1, 2020, the Company closed on an unconditional guarantee disaster loan from the U.S. Small Business Administration in the amount of $500,000. The Loan is intended to alleviate economic injury caused by disaster occurring in the month of January 2020. The loan bears interest at a fixed rate of 3.75% per annum, with a maturity date of thirty years from the date of the Loan. Interest and principal payments were deferred for the first 30 months. During the three months ended September 30, 2024, the Company paid $50,000 (2023 - $nil) in principal and recognized $4,281 (2023 - $4,594) of interest expense. During the nine months ended September 30, 2024, the Company paid $50,000 (2023 - $nil) in principal and recognized $13,469 (2023 - $13,782) of interest expense.

(b) The previous facility between the Company and Avidbank was secured against assets of the Company including, but not limited to, its Accounts Receivable and provides for an Accounts Receivable Line of Credit, with $7,500,000 maximum loans outstanding, at an interest rate of the greater of the Wall Street Journal prime rate plus 1.00% to 4%, with a floor between 9.5% to 12.5%. Under the facility, the Company could pledge its accounts receivables to Avidbank to receive funds up front to improve its cash flows. On April 23, 2024, the Company and Avidbank agreed on terms for a 90-day extension until August 21, 2024 for the bank's credit facility. The extended facility, based on certain conditions, provided for a maximum of $6,500,000 in loans outstanding during the extended period. The facility was replaced with a new three-year facility with SLR Digital Finance closed on July 31, 2024 as disclosed in Note 10 (c) below.

During the three months ended September 30, 2024, the Company withdrew $2,289,541 (2023 - $8,102,520) and paid $7,850,855 (2023 - $7,692,074) in principal and incurred $56,934 (2023 - $161,661) of interest expense. During the nine months ended September 30, 2024, the Company withdrew $13,991,559 (2023 - $16,051,204) and paid $21,061,203 (2023 - $13,454,451) in principal and incurred $367,902 (2023 - $349,365) of interest expense.

(c) On July 31, 2024, the Company closed a new credit facility pursuant to the terms of a credit agreement between its U.S. operating subsidiaries, including Sabio, Inc., AppScience, Inc. and FWD Tech Inc., and SLR Digital Finance ("SLRDF").

The facility has replaced the Company's previous credit facility with Avidbank and provides for a US$10 million senior-secured revolving credit facility at an interest rate of the greater of: (i) Prime rate plus 2.15%, or (ii) 8.5%. The facility has a three (3)-year term and is secured against all of the assets of the Company. Advances made under the facility will be available up to an amount equal to: (a) 85% of eligible accounts receivable of the Company's U.S. operating subsidiaries; plus (b) the lesser of (i) 70% of the aggregate outstanding amount of eligible unbilled receivables or (ii) $3,000,000.

During the three months and nine ended September 30, 2024, the Company withdrew $15,604,199 (2023 - $nil) and paid $10,060,787 (2023 - $nil) in principal and incurred $133,915 (2023 - $nil) of interest expense.

(d) On August 16, 2023, the Company entered into agreement for issue of secured convertible notes (the "secured notes") and unsecured convertible notes (the "unsecured notes" and together with the "secured notes", the "notes") to raise aggregate gross proceeds of $1,289,380 (CAD $1,737,850) which comprises of the issuance of secured notes in the aggregate principal amount of $890,328 (CAD $1,200,000) and unsecured notes in the aggregate principal amount of $399,052 (CAD $537,850). The notes issued have a maturity date of August 16, 2025. The notes will be convertible in whole or in part, at the option of the holder, into common shares of the Company at a price of CAD $1.00 per common share at any time before or on the maturity date. The secured notes bear interest at the rate of 14% per annum payable semi-annually in arrears in cash or common shares at the option

10. Loans payable *(continued from previous page)*

of the Company and are secured against accounts receivable, deposit account, intellectual property including general intangibles, notes receivable and other assets of the Company, as more particularly described in the security agreement between the Company and Pathfinder Asset Management Ltd., the lead investor acting as collateral agent for the benefit of itself and for the other secured note holders. The security interests are structurally subordinated to the first lien security interest, formerly held by Avidbank and now held by SLRDF. The Company may, at any time, prepay all or part of the principal amount of the secured notes plus accrued and unpaid interest without penalty or bonus, except for the case of repayment within the twelve months following the issue date, the holder will be entitled to receive a repayment amount that is equal to the principal amount and interest calculated for a period of twelve months from the issue date. The unsecured notes bear interest at the rate of 14% per annum payable monthly in cash. The Company may prepay the unsecured notes issued at any time after twelve months from the issuance date.

In accordance with IFRS, the convertible notes have been bifurcated into a liability and an equity component using residual method. The equity component represents the value of the conversion feature and is the difference between the estimated fair value of the liability component and the proceeds received.

Management has estimated the value of the liability component of the secured and unsecured convertible notes using a discount rate of 18% and 25% respectively. The directly attributable transaction costs were allocated to the liability and equity components proportionately. The convertible notes, net of equity component and transaction costs, are accreted such that the carrying amount of convertible notes will equal the $1,289,380 (CAD $1,737,850) principal balance at maturity.

The discount rate of 18% (for secured notes) and 25% (for unsecured notes) used in determining the appropriate value of the liability component of the convertible notes and to appropriately apply the effective interest rate method to the convertible security is based on significant management estimation. The breakdown of convertible notes by components upon issuance is as follows:

	Proceeds	Secured notes	Unsecured notes	Equity component
	$	$	$	$
Convertible security upon issuance	1,289,380	821,687	327,524	140,169
Transaction cost - cash	(50,222)	(32,005)	(12,757)	(5,460)
Deferred tax impact	-	-	-	(35,649)
Net balance upon issuance	**1,239,158**	**789,682**	**314,767**	**99,060**

10. Loans payable *(continued from previous page)*

A summary of changes in convertible notes during the nine months ended September 30, 2024, and the year ended December 31, 2023, is as follows:

	September 30, 2024	December 31, 2023
	$	$
Convertible notes, beginning of period	1,202,849	-
Proceeds from issue of convertible notes	-	1,289,380
Transaction cost	-	(50,222)
Amount classified as equity (net of transaction costs)	-	(134,709)
Interest expense (*)	196,568	95,343
Interest paid	(160,322)	(17,462)
Foreign exchange fluctuation	(22,642)	20,519
Convertible notes, end of period	**1,216,453**	**1,202,849**

(*) Interest expense is calculated by applying the effective interest rate of 30.37% to the liability component of unsecured notes and 22.17% to the liability component of secured notes.

During the three months ended September 30, 2024, the effective interest on the convertible notes recorded in finance costs was $66,943 (2023: $31,989). The actual interest paid during the three months ended September 30, 2024 was $74,752 (2023: $3,462). During the nine months ended September 30, 2024, the effective interest on the convertible notes recorded in finance costs was $196,568 (2023: $31,989). The actual interest paid during the nine months ended September 30, 2024 was $160,322 (2023: $3,462).

All interest accrued related to these loans have been recorded under accounts payables and accrued liabilities.

11. Share capital

a) Authorized share capital and treasury shares

The authorized share capital of the Company consists of an unlimited number of common shares with a nominal par value.

	#	$
Balance, December 31, 2022	46,378,188	12,058,242
Issuance of common shares for common stock issuable	45,708	10,645
Issuance of common shares due to exercise of stock options	466,408	100,454
Issuance of common shares due to exercise of warrants	2,804,702	667,193
Issuance of common shares due to vesting of restricted stock units	375,572	237,704
Balance December 31, 2023	**50,070,578**	**13,074,238**
Balance, December 31, 2023	50,070,578	13,074,238
Issuance of common shares due to vesting of restricted stock units	168,736	125,999
Issuance of common shares due to exercise of stock options	13,201	3,833
Balance September 30, 2024	**50,252,515**	**13,204,070**

11. Share capital *(continued from previous page)*

a) Authorized share capital and treasury shares *(continued from previous page)*

On March 26, 2024, the TSX Venture Exchange accepted a notice filed by the Company to implement a Normal Course Issuer Bid, whereupon the Company may, during the 12-month period commencing April 2, 2024, and ending April 1, 2025, purchase up to 852,184 shares in total, being 5% of the total number of 17,043,687 shares outstanding as at March 19, 2024. For the three and nine months ended September 30, 2024, the Company repurchased a total of 2,500 shares under this bid at a total cost of CAD $1,080 ($796), with 1,000 shares at CAD $0.43 ($0.32) per share and 1,500 shares at CAD $0.425 ($0.317) per share. These shares were subsequently canceled on October 02, 2024.

During the nine months ended September 30, 2024, 13,201 stock options and 168,736 restricted stock units were redeemed, for net proceeds of $2,245 and nil respectively. The total share-based benefits reserve reclassified to common shares was $1,588 for stock options and $125,999 for restricted stock units.

b) Escrow shares

Subject to certain permitted exemptions, all securities of the Company held by principals of the Company will also be subject to escrow. As of September 30, 2024, the Company's escrow shares were contemplated in the weighted average shares outstanding calculation as they are placed in the escrow according to the requirements of the Exchange and were/will be released when the passage of certain timelines is met.

In connection with the Qualifying Transaction, 7,343,838 shares held by principals of the Company and founders of Sabio Inc. were deposited into escrow at closing of the Qualifying Transaction (the "Value Escrow Shares"), of which 10% of the Value Escrow Shares were released upon the date of issuance of the Final Exchange Bulletin, 15% were released on May 24, 2022, 15% were released on November 24, 2022, 15% were released on May 24, 2023, 15% were released on November 24, 2023, 15% were released on May 24, 2024 and 15% will be released on November 24, 2024. Additionally, 414,846 shares of the Company held by former shareholders of Spirit were held in escrow at closing of the Qualifying Transaction ("CPC Escrow Shares"), of which 25% of the CPC Escrow Shares were released upon the date of the Final Exchange Bulletin, 25% were released on May 24, 2022, 25% were released on November 24, 2022, and 25% were released on May 24, 2023.

c) Share based compensation and share based payment reserve

The Company has established an omnibus incentive plan for its employees, directors, officers and consultants under which the Company may grant security-based compensation, including options and restricted stock units, from time-to time to acquire a maximum of 10% of the issued and outstanding common shares. The grant of security-based compensation and the exercise price of each option granted under the plan shall be determined by the Board of Directors.

Stock options

Options may be exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire after 30 days to 90 days of termination of employment.

A summary of changes in share-based compensation during the nine months ended September 30, 2024, and the year ended December 31, 2023, is as follows:

11. Share capital *(continued from previous page)*

c) Share based compensation and share based payment reserve *(continued from previous page)*

Stock options *(continued from previous page)*

Measurement date	Number of Options	Weighted average exercise price
	#	$
Balance, December 31, 2022	3,144,081	0.55
Granted	417,500	0.64
Exercised	(466,408)	0.12
Forfeited	(253,442)	0.61
Balance, December 31, 2023	2,841,731	0.63
Granted	210,000	0.18
Exercised	(13,201)	0.17
Forfeited	(471,372)	0.56
Balance, September 30, 2024	**2,567,158**	**0.61**

The following tables summarize information about the Company's share options outstanding as at September 30, 2024:

Range of exercise prices	Number of options	Weighted average exercise price	Weighted average remaining contractual life in years
	#	$	#
0.09	3,656	0.09	3.01
0.17	914,843	0.17	6.28
0.18	210,000	0.18	9.68
0.29	61,874	0.29	9.06
0.58	139,999	0.58	8.05
0.74	240,000	0.74	8.52
1.00	120,000	1.00	7.49
1.10	876,786	1.10	7.29
	2,567,158	**0.61**	**7.33**

There were no options granted during the three-months period ended September 30, 2024 and 2023. During the nine months ended September 30, 2024, 210,000 (2023 – 330,000) share options were issued with a weighted average fair value of $0.16 per option at the date of grant (2023 - $0.56 per option) to directors and employees, and the options vest quarterly from the grant date over a three (3) year period.

The fair value of the share options granted during the periods was determined using the Black-Scholes-Merton option pricing model with the following weighted average assumptions:

11. Share capital *(continued from previous page)*

c) Share based compensation and share based payment reserve *(continued from previous page)*

Stock options *(continued from previous page)*

	September 30, 2024	December 31, 2023
Estimated fair value per common share	**$0.16**	$0.23 to $0.56
Exercise price of the option	**$0.18**	$0.29 to $0.74
Expected volatility of the underlying common share	**89.2%**	68%-72.5%
Expected life of the option (in years)	**10 years**	10 years
Expected dividend yield	**0.00%**	0.00%
Risk-free rate of interest	**4.3%**	3.3%-4.9%

During the three months ended September 30, 2024, the Company recognized stock-based compensation for granted options of $24,981 (2023 - $68,894) under share-based compensation expense and $800 (2023 - $3,311) under contractor and corresponding expenses. During the nine months ended September 30, 2024, the Company recognized stock-based compensation for granted options of $64,621 (2023 - $271,849) under share-based compensation expense and $3,718 (2023 - $28,334) under contractor and corresponding expenses.

Restricted stock units

On June 29, 2022, shareholders of the Company approved a replacement omnibus equity incentive plan that permits the granting of certain compensation securities, including restricted stock units. Restricted stock units are automatically converted into the Company's common shares upon vesting and when the common shares are issued upon redemption, the shares will be fully paid and non-assessable shares in the share capital of the Company.

A summary of changes in restricted stock units during the nine months ended September 30, 2024, and the year ended December 31, 2023, is as follows:

Measurement date	**Number of RSUs**	**Weighted average grant price**
	#	$
Balance, December 31, 2022	657,313	0.65
Granted	625,793	0.54
Forfeited	(128,907)	0.58
Vested and redeemed	(375,572)	0.63
Balance, December 31, 2023	778,627	0.59
Forfeited	(131,668)	0.74
Vested and redeemed	(168,736)	0.75
Balance, September 30, 2024	**478,223**	**0.49**

There were no restricted stock units issued during the three and nine months ended September 30, 2024. There were no restricted stock units issued during the three months ended September 30, 2023. During the nine months ended September 30, 2023, 353,793 restricted stock units were issued with a weighted average grant price of $0.74 per unit-

11. Share capital *(continued from previous page)*

c) Share based compensation and share based payment reserve *(continued from previous page)*

Restricted stock units *(continued from previous page)*

-at the date of grant to directors and employees, and the units vest 1/3 at the one-year anniversary, and quarterly over the next 2 years from the grant date.

During the three months ended September 30, 2024, 40,478 (2023 – 87,333) restricted stock units were redeemed for the same number of common shares upon vesting in accordance with the terms of the omnibus incentive plan. The total share-based benefits reserve reclassified to common shares was $30,393 (2023 – $66,666). During the nine months ended September 30, 2024, 168,736 (2023 – 87,333) restricted stock units were redeemed for the same number of common shares upon vesting in accordance with the terms of the omnibus incentive plan. The total share-based benefits reserve reclassified to common shares was $125,999 (2023 – $66,666).

During the three months ended September 30, 2024, the Company recognized stock-based compensation for granted restricted stock units of $33,605 (2023 - $76,897), under share-based compensation expense and $nil (2023 - $6,225) under contractor expenses. During the nine months ended September 30, 2024, the Company recognized stock-based compensation for granted restricted stock units of $98,287 (2023 - $196,365), under share-based compensation expense and $nil (2023 - $18,644) under contractor expenses.

Warrants

A summary of changes in share-based compensation during the nine months ended September 30, 2024, and the year ended December 31, 2023, is as follows:

Measurement date	**Number of Warrants**	**Weighted average exercise price**
	#	$
Balance, December 31, 2022	4,178,188	0.57
Exercised	(2,804,702)	0.17
Expired	(1,373,486)	1.39
Balance, December 31, 2023 and September 30, 2024	**-**	**-**

On November 20, 2023, several arrangements were agreed to between the Company and certain Canadian parties (including one related party), for the exercise of an aggregate of 2,804,702 share purchase warrants at an exercise price of CAD$0.21 ($0.17) previously issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes between the Company and warrant holders. The principal amount outstanding under the 3 year-term bears interest at the prime rate as published by the Bank of Canada and matures on December 31, 2026, and the interest is due on maturity. The Company agreed that (ii) no interest shall be due and payable by the promissory notes holders in the event the proceeds from the sale of the Company's common shares held by the notes holders are not sufficient to satisfy in whole the obligations to pay the principal amount outstanding and the accrued interest on the maturity date and (ii) the remaining obligation of the notes holders to repay the balance of the principal amount outstanding subsequent to the sale of the Company's common shares will be forgiven. In the circumstance where the notes holders seek to sell their common shares for proceeds insufficient to satisfy in whole their respective promissory note principal and interest obligations, the Company may elect to repurchase the common shares from the note holders, subject to applicable securities law, for cancellation in consideration of forgiving the principal amount outstanding. The balance of promissory-

11. Share capital *(continued from previous page)*

c) Share based compensation and share based payment reserve *(continued from previous page)*

Warrants *(continued from previous page)*

-notes including accrued interest as at September 30, 2024 comprised $30,052 due from a related party as disclosed in Note 12 and $432,710 due from other parties.

There were no warrants issued during the three and nine months ended September 30, 2024 (2023 – Nil).

12. Related Party Transactions

Amounts due from related parties as at September 30, 2024 and December 31, 2023, were as follows:

	September 30, 2024	December 31, 2023
	$	$
Simon Wong	**62,006**	61,556
Liam Farrell	**30,052**	29,083
Aziz Rahimtoola	**887,882**	787,107
	979,940	877,746

The balance from Simon Wong is a loan principal of $60,076 (bearing an interest rate of 1% per annum) plus accrued interest. During the second quarter of 2023, the loan was extended for two (2) additional years and is due on July 15, 2025. The balance from Aziz Rahimtoola represents non-interest-bearing advances made to a shareholder due on demand.

On August 16, 2023, the Company entered into agreements for issue of secured convertible notes and unsecured convertible notes. As a part of this offering, Aziz Rahimtoola subscribed for an unsecured note in the aggregate principal amount of $399,052 (CAD $537,850). At the date of issue, $314,767 (net of transaction costs of $12,757) were classified as a liability component and $71,528 was classified as equity component. The balance of the unsecured convertible note due to Aziz Rahimtoola as at September 30, 2024 classified as a liability component was $338,121 and classified as equity component was $71,528. Refer Note 10(d) above for further details.

On November 20, 2023, arrangements were agreed to between the Company and certain Canadian parties, including Liam Farrell – a related party - for exercising an aggregate of 2,804,702 share purchase warrants (including 182,136 share purchase warrants held by Liam Farrell) at an exercise price of CAD$0.21 ($0.17). The share purchase warrants were originally issued by the Company on January 11, 2021. These arrangements include the provision of promissory notes between the Company and warrant holders. The balance of promissory note due from Liam Farrell, including accrued interest, as at September 30, 2024 was $30,052, and the terms of the note are disclosed in Note 11(c) above.

13. Risk management arising from financial instruments

a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's principal financial assets that expose it to credit risk are trade receivables and promissory note receivables. The Company mitigates this risk by monitoring the credit worthiness of its customers and promissory notes holders.

13. Risk management arising from financial instruments *(continued from previous page)*

a) Credit risk *(continued from previous page)*

The Company recognizes a provision for expected credit losses based on its assessment of probability of specific losses, estimates of future individual exposures and provisions based on historical experience.

The following is the breakdown of the aging of trade receivables:

	September 30, 2024	December 31, 2023
Trade receivables aging		
0-30 days	**8,313,770**	7,986,841
31-60 days	**1,523,440**	1,749,543
61-90 days	**605,063**	702,557
Greater than 90 days	**312,965**	457,558
	10,755,238	10,896,499
Allowance for expected credit losses	**(73,613)**	(65,000)
Net trade receivables	**10,681,625**	10,831,499

At September 30, 2024, of the Company's trade receivables, two customers accounted for 25.2% (2023 – four customers for 49%).

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking factors, where appropriate. The provision matrix below shows the expected credit loss rate for each aging category of trade receivables as at September 30, 2024 and December 31, 2023.

September 30, 2024	**Total**	**0-30 days**	**31-60 days**	**61-90 days**	**>90 days**
Default rates		0.21%	1.35%	2.02%	7.46%
Trade receivables	**$ 10,755,238**	$ 8,313,770	$ 1,523,440	$ 605,063	$ 312,965
Expected credit loss	**$ 73,613**	$ 17,459	$ 20,566	$ 12,240	$ 23,348

December 31, 2023	**Total**	**0-30 days**	**31-60 days**	**61-90 days**	**>90 days**
Default rates		0.15%	0.33%	1.68%	7.73%
Trade receivables	**$ 10,896,499**	$ 7,986,841	$ 1,749,543	$ 702,557	$ 457,558
Expected credit loss	**$ 65,000**	$ 11,981	$ 5,848	$ 11,796	$ 35,375

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's revolving demand facility has variable interest rates. Changes in the lending institution's prime lending rates can cause fluctuations in interest payments and cash flows.

13. Risk management arising from financial instruments *(continued from previous page)*

c) Liquidity risk

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.

September 30, 2024	**Contractual cash flows**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Trade and other payables	**12,737,742**	12,737,742	-	-	-
Lease liability	**2,559,311**	884,201	1,089,008	586,102	-
Loans payable	**7,199,865**	6,759,865	8,625	28,789	402,586
	22,496,918	20,381,808	1,097,633	614,891	402,586

December 31, 2023	**Contractual cash flows**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Trade and other payables	**9,981,464**	9,981,464	-	-	-
Lease liability	**3,215,993**	918,539	1,277,365	1,020,089	-
Loans payable	**8,763,493**	7,075,392	1,226,702	25,707	435,692
	21,960,950	17,975,395	2,504,067	1,045,796	435,692

d) Foreign currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company is exposed to currency risk through its operations in Indian rupees and in British pounds and through maintaining cash in Canadian dollars and purchasing services in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A change of 1% in the INR/USD, CAD/USD and GBP/USD exchange rates on the September 30, 2024, would have had an impact on the Company's cash in Indian rupees of $1,686, on the Company's cash and promissory notes receivable in Canadian dollars of $292 and $4,582 respectively, on the Company's cash and accounts receivable in British pounds of $183 and $7,094 respectively, on the Company's accounts payable and accrued liabilities in Canadian dollars of $1,443, on the Company's accounts payable and accrued liabilities in British pounds of $1,261, on the Company's lease liabilities in Indian rupees of $1,329 and of $12,046 on the Company's convertible notes in Canadian dollars.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods follows:

	September 30, 2024	December 31, 2023
	INR	INR
Cash	**14,266,325**	13,384,623
Net financial assets	**14,266,325**	13,384,623

13. Risk management arising from financial instruments *(continued from previous page)*

d) Foreign currency risk *(continued from previous page)*

	September 30, 2024	December 31, 2023
	CAD $	CAD $
Cash	**39,850**	4,260
Promissory notes receivable	**625,505**	593,699
Net financial assets	**665,355**	597,959

	September 30, 2024	December 31, 2023
	GBP $	GBP $
Cash	**13,787**	789
Accounts receivable	**535,120**	8,701
Net financial assets	**548,907**	9,490

	September 30, 2024	December 31, 2023
	CAD $	CAD $
Accounts payable and accrued liabilities	**196,941**	97,371
Net financial liabilities	**196,941**	97,371

	September 30, 2024	December 31, 2023
	GBP $	GBP $
Accounts payable and accrued liabilities	**95,134**	789
Net financial assets	**95,134**	789

	September 30, 2024	December 31, 2023
	INR	INR
Lease liabilities	**11,243,659**	14,126,446
Net financial liabilities	**11,243,659**	14,126,446

	September 30, 2024	December 31, 2023
	CAD $	CAD $
Convertible notes	**1,644,251**	1,594,580
Net financial liabilities	**1,644,251**	1,594,580

e) Management of capital

The Company's objective of managing capital, comprising of shareholder's equity, is to ensure its continued ability to operate as a going concern. The Company manages its capital structure and makes changes to it based on economic conditions. With approval from the Board of Directors, management will adjust its capital structure through the issue of new shares, debt or other activities deemed appropriate under specific circumstances. Management and the Board of Directors review the Company's capital management approach on an ongoing basis and believe this approach, given the relative size of the Company, is reasonable. The Company is subject to capital requirements from SLRDF for the use of the granted credit facility. There were no material changes in the Company's capital management objectives, policies and processes during the nine months ended September 30, 2024.

14. Segmented Information

The Company has identified one operating segment that is a technology provider in the high-growth advertising areas of connected TV ("CTV") and over-the-top ("OTT") streaming. The Company sells services in the United States of America ("USA") and the United Kingdom with Sabio Inc. and Sabio London Limited providing targeted campaign solutions to top agencies and the brands they represent by filling the Sabio SSP ad slots in FWD Tech Inc. (formerly, Vidillion Corp.) and other non-Sabio SSP CTV/OTT apps. AppScience, Inc. provides an agnostic platform to track, measure and analyze media buys across multiple partners, while Sabio Mobile India Private Limited and Sabio Canada Inc. work as operational extensions of the Company for data engineering, data science activities and administration activities. The Company has determined that it has a single reportable segment as the Company's decision makers review information on a consolidated basis.

15. Commitments

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

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

The future minimum commitment for these contracts as at September 30, 2024 is as follows:

Within one year	$	150,613
Less than one year and not longer than five years		447,383
Thereafter		-
	$	**597,996**

16. Subsequent Events

Subsequent to quarter-end, under the Normal Course Issuer Bid ("NCIB") accepted by the TSX Venture Exchange on March 26, 2024, the Company repurchased a total of 24,500 shares on the open market at prices ranging from CAD $0.475 to CAD $0.50 per share. The total cost of these purchases was CAD $12,027.50. 19,500 of these shares were subsequently cancelled on November 4, 2024, with the remaining 5,000 scheduled to be cancelled during the fourth quarter.

On October 18, 2024 ("Grant Date"), the Company granted 270,585 restricted share units ("RSU") to certain independent directors to acquire an aggregate of 270,585 common shares in the capital of the Company, under the Company's Omnibus Equity Incentive Plan. The RSUs vest on the first anniversary of the Grant Date. These grants represent compensation to the independent directors for their service to the Company in 2024. The Company does not currently pay cash to its independent directors.