



SAMBA DIGITAL, INC.

FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019



SAMBA DIGITAL, INC.

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To the Board of Directors and Management

Samba Digital, Inc.

Management is responsible for the accompanying financial statements of Samba Digital, Inc., which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of profit or loss, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements in accordance with International Financial Reporting Standards.

I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have performed a compilation engagement on the information. I have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, or provide any assurance on such information.

I am not independent with respect to Samba Digital, Inc as I provided additional services which impaired our independence.

Maxime Sambourg

Maxime Sambourg, CPA

Miami, Florida
April 12, 2021



SAMBA DIGITAL, INC.

BALANCE SHEETS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
Intangible assets (Notes 2 et 4)	168,273	221,559
Security deposits	<u>2,000</u>	<u>2,000</u>
Total non-current assets	<u>170,273</u>	<u>223,559</u>
Current assets		
Cash and cash equivalents (Note 2)	\$ 506,080	\$ 188,483
Trade receivables (Note 3)	24,227	90,442
Related party receivables (Note 5)	46,500	-
Other current assets	<u>298</u>	<u>3,409</u>
Total current assets	<u>577,105</u>	<u>282,334</u>
Total assets	<u>\$ 747,378</u>	<u>\$ 505,893</u>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

BALANCE SHEETS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2020</u>	<u>2019</u>
Liabilities		
Non-current liabilities		
Advance from shareholders (Note 5)	\$146,935	\$190,000
Total non-current liabilities	146,935	190,000
Current liabilities		
Trade and other payables (Note 6)	122,975	180,322
Deferred revenue	55,000	-
Current tax liabilities	61,161	4,181
Total current liabilities	239,136	184,503
Total liabilities	386,071	374,503
Stockholders' Equity		
Common stock	1,000	1,000
Additional paid in capital	109,340	109,340
Retained earnings	250,967	21,050
Total Stockholders' Equity	361,307	131,390
Total liabilities and stockholders' equity	\$747,378	\$505,893

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF PROFIT OR LOSS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Revenue	\$ 1,735,131	\$ 1,278,257
Cost of sales	<u>121,697</u>	<u>123,178</u>
Gross profit	1,613,434	1,155,079
Operating expenses (Tableau I)	(1,300,632)	(1,095,237)
Other losses, net (Note 7)	(21,724)	(36,225)
Operating profit	<u>291,078</u>	<u>23,617</u>
Profit before income tax	<u>291,078</u>	<u>23,617</u>
Income tax expense	(61,161)	(5,181)
Profit for the period	<u>229,917</u>	<u>18,437</u>
Total comprehensive income	<u>\$ 229,917</u>	<u>\$ 18,437</u>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	Share Capital	Retained Earnings	Total Equity
Balance as of December 31, 2018	1,000	2,614	3,614
Additional paid in capital	109,340		109,340
Profit for the year		18,436	18,436
Balance as of December 31, 2019	\$ 110,340	\$ 21,050	\$ 131,390
Profit for the year		229,917	229,917
Balance as of December 31, 2020	\$ 110,340	\$ 250,967	\$ 361,307

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Profit for the year	\$ 229,917	\$ 18,436
Adjustments for:		
Loss on disposal of intangible	106	-
Cash from operations before working capital changes		
(Increase) decrease in:		
Trade and other receivables	66,215	(51,160)
Related party receivables	(46,500)	-
Prepaid expenses	1	271
Accrued income	3,110	(3,110)
Security deposits	-	(1,933)
(Decrease) increase in:		
Trade and other payables	77,480	(23,933)
Accrued expenses	(128,827)	141,829
Related party payable	-	(54,936)
Deferred revenues	55,000	-
Income tax payables	56,980	3,486
Customer deposits	(6,000)	6,000
Net cash flows from operating activities	307,482	34,950
Investing activities		
Proceeds from the sale of intangibles	55,000	-
Purchase of intangibles	(1,821)	(221,559)
Net cash used in investing activities	53,179	(221,559)

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

	<u>2020</u>	<u>2019</u>
Financing activities		
Advance from shareholders	(43,065)	190,000
Common Stock	-	-
Additional paid in capital	-	109,340
	<hr/>	<hr/>
Net cash from financing activities	(43,065)	299,340
Net increase in cash and cash equivalents	<u>317,597</u>	<u>112,731</u>
Cash and cash equivalents at beginning of year	<u>188,483</u>	<u>75,753</u>
Cash and cash equivalents at end of year	<u>\$ 506,080</u>	<u>\$ 188,483</u>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 1 Reporting entity

Samba Digital, Inc. (the "Company") is a United States Corporation incorporated in the State of Delaware. The Company is an international sports and entertainment agency working with rights holders to develop their global presence across LatAm, the US, Asia & beyond.

Note 2 Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with International Financial Reporting Standards ("IFRS").

Functional and presentation currency

These financial statements are presented in US Dollars, which is the Company's functional currency.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days or less from the date of purchase and consist of demand deposits and money market accounts.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

Note 2 Summary of Significant Accounting Policies (continued)

Foreign exchange transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Revenue recognition

Revenue from providing services is recognized in the accounting period in which the services are rendered.

Intangible Assets

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Income tax

Income tax expense comprises current and deferred tax.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

Note 3 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Most balances are current. The net carrying value of trade receivables is considered a reasonable approximation of fair value. No allowance for credit losses.

Note 4 Intangible assets

	<u>2020</u>	<u>2019</u>
Patents, Trademarks and Copyrights	\$54,432	\$109,539
Software Development	<u>113,841</u>	<u>112,020</u>
Total Intangible assets	168,273	221,559
Amortization	<u>-</u>	<u>-</u>
Intangible assets, net	<u>\$168,273</u>	<u>\$221,559</u>

The Company sold in 2020 the trademark Samba Foot and related website application with the related party Compufoot. There was no profit nor loss recognized in connection with this transaction.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

Note 5 Related party transactions

(a) The following transactions occurred with related parties:

	<u>2020</u>	<u>2019</u>
<i>Sales and purchases of goods and services</i>		
Purchase of management services from entities controlled by officers	219,517	362,451
Sales of intangibles to entities controlled by officers	110,000	-

(b) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	<u>2020</u>	<u>2019</u>
<i>Current receivables</i>		
Entities controlled by officers	46,500	-

(c) Loans to/from related parties

	<u>2020</u>	<u>2019</u>
<i>Advances from shareholders</i>		
Beginning of the year	190,000	-
Loans advanced	-	190,000
Loan repayment made	(43,065)	-
Interests charged	-	-
Interests paid	-	-
End of year	146,935	190,000



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

Note 6 Trade and other payables

Trade and other payables consist of the following:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 93,653	\$ 16,173
Customer deposits		\$ 6,000
Accrued expenses	<u>29,322</u>	<u>158,149</u>
Total Trades and other payables	<u>\$ 122,975</u>	<u>\$ 180,322</u>

Trade payables are unsecured and are usually paid within 30 days of recognition

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 7 Other losses, net

	<u>2020</u>	<u>2019</u>
Net foreign exchange gains/(losses)	(21,724)	(39,531)
	<u>(21,724)</u>	<u>(39,531)</u>

The group operates internationally and may be exposed to foreign exchange risk, primarily the Euro. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

Starting in 2020, the Company started to shift its clients billed in Euros to US Dollars to transfer the foreign exchange risk to its clients. Foreign exchange losses amounted to \$22,224.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019
(Continued)

Note 8 Subsequent events

The Company has performed an evaluation of subsequent events through the date of the financial statements were available to be issued. The evaluation did not result in any additional subsequent events that required disclosures and/or adjustments.



SAMBA DIGITAL, INC.

SCHEDULE OF OPERATING EXPENSES
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Table I

	<u>2020</u>	<u>2019</u>
Outside Labor	\$ 875,839	\$ 608,598
Management fees	219,517	404,925
Advertising & Marketing	96,491	6,639
Professional Fees	57,111	22,491
Travel	16,410	21,868
Bank Charges Fees	11,411	8,974
Commissions	5,332	-
Insurance	4,946	-
Rent & Lease	4,381	3,023
Office expenses	2,753	1,898
Dues & subscriptions	2,228	3,807
Other Miscellaneous Expense	1,837	757
Telephone Expense	1,350	648
Shipping, Freight & Delivery	694	1,205
Meals & Entertainment	333	2,110
Conference	-	8,294
	<hr/>	<hr/>
Total Operating expenses	\$ 1,300,632	\$ 1,095,237

