



SAMBA DIGITAL, INC.

FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020



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, 2021 and 2020 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  
February 16, 2022



SAMBA DIGITAL, INC.

BALANCE SHEETS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Non-current assets		
Intangible assets (Notes 2 and 4)	\$ 159,678	\$ 168,273
Security deposits	2,000	2,000
	<hr/>	<hr/>
Total non-current assets	161,678	170,273
	<hr/>	<hr/>
Current assets		
Cash and cash equivalents (Note 2)	819,021	506,080
Trade receivables (Note 3)	25,619	24,227
Related party receivables (Note 5)	-	46,500
Other current assets	17,866	298
	<hr/>	<hr/>
Total current assets	862,506	577,105
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 1,024,184</b>	<b>\$ 747,378</b>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

BALANCE SHEETS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2021</u>	<u>2020</u>
<b>Liabilities</b>		
Non-current liabilities		
Advance from shareholders (Note 5)	\$ 9,480	\$ 256,275
Total non-current liabilities	9,480	256,275
Current liabilities		
Trade and other payables (Note 6)	181,484	122,975
Deferred revenue	-	55,000
Current tax liabilities	70,734	61,161
Total current liabilities	252,218	239,136
Total liabilities	261,698	495,411
Stockholders' Equity		
Common stock	1,000	1,000
Retained earnings	761,486	250,967
Total Stockholders' Equity	762,486	251,967
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,024,184</b>	<b>\$ 747,378</b>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF PROFIT OR LOSS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Revenue	\$ 3,214,681	\$ 1,735,131
Cost of sales	<u>63,440</u>	<u>121,697</u>
Gross profit	3,151,241	1,613,434
Operating expenses (Table I)	<u>2,497,342</u>	<u>1,300,632</u>
Operating profit	653,898	312,802
Other loss, net (Note 7)	<u>7,646</u>	<u>21,724</u>
Profit before income tax	<u>646,253</u>	<u>291,078</u>
Income tax expense	<u>135,734</u>	<u>61,161</u>
Profit for the period	<u>510,519</u>	<u>229,917</u>
<b>Total comprehensive income</b>	<b><u>\$ 510,519</u></b>	<b><u>\$ 229,917</u></b>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF CHANGES IN EQUITY  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance as of December 31, 2019</b>	<b>\$ 1,000</b>	<b>\$ 21,050</b>	<b>\$ 22,050</b>
Profit for the year		229,917	229,917
<b>Balance as of December 31, 2020</b>	<b>\$ 1,000</b>	<b>\$ 250,967</b>	<b>\$ 251,967</b>
Profit for the year		510,519	510,519
<b>Balance as of December 31, 2021</b>	<b>\$ 1,000</b>	<b>\$ 761,486</b>	<b>\$ 762,486</b>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

STATEMENT OF CASH FLOWS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Profit for the year</b>	<b>\$ 510,519</b>	<b>\$ 229,917</b>
Adjustments for:		
Loss on disposal of intangible	-	106
<b>Cash from operations before working capital changes</b>	<b>510,519</b>	<b>230,023</b>
(Increase) decrease in:		
Trade and other receivables	(1,392)	66,215
Related party receivables	46,500	(46,500)
Prepaid expenses	(17,568)	1
Accrued income	-	3,110
Security deposits	-	-
(Decrease) increase in:		
Trade and other payables	44,678	77,480
Accrued expenses	(496)	(128,827)
Related party payable	-	-
Deferred revenues	(55,000)	55,000
Income tax payables	9,573	56,980
Customer deposits	14,328	(6,000)
<b>Net cash flows from operating activities</b>	<b>551,141</b>	<b>307,482</b>
<b>Investing activities</b>		
Proceeds from the sale of intangibles	54,432	55,000
Purchase of intangibles	(45,837)	(1,821)
<b>Net cash used in investing activities</b>	<b>8,595</b>	<b>53,179</b>

See accompanying notes to financial statements.





SAMBA DIGITAL, INC.

STATEMENT OF CASH FLOWS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Continued)

	<u>2021</u>	<u>2020</u>
<b>Financing activities</b>		
Repayment of advance from shareholders Common Stock	(246,795)	(43,065)
	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>	<b>(246,795)</b>	<b>(43,065)</b>
<b>Net increase in cash and cash equivalents</b>	<b><u>312,941</u></b>	<b><u>317,596</u></b>
Cash and cash equivalents at beginning of year	<u>506,080</u>	<u>188,483</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 819,021</u></b>	<b><u>\$ 506,080</u></b>

See accompanying notes to financial statements.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020  
(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, 2021 AND 2020  
(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>2021</u>	<u>2020</u>
Patents, Trademarks and Copyrights	-	54,432
Software Development	<u>159,678</u>	<u>113,841</u>
Total Intangible assets	159,678	168,273
Amortization	<u>-</u>	<u>-</u>
<b>Intangible assets, net</b>	<b><u>\$ 159,678</u></b>	<b><u>\$ 168,273</u></b>

The Company sold in 2020 the trademark Samba Foot and related website application to 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, 2021 AND 2020  
(Continued)

Note 5 Related party transactions

(a) The following transactions occurred with related parties:

	<u>2021</u>	<u>2020</u>
<i>Sales and purchases of goods and services</i>		
Purchase of management services from entities controlled by officers	\$ 325,465	\$ 219,517
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>2021</u>	<u>2020</u>
<i>Current receivables</i>		
Entities controlled by officers	\$ -	\$ 46,500

(c) Loans to/from related parties

	<u>2021</u>	<u>2020</u>
<i>Advances from shareholders</i>		
Beginning of the year	\$ 256,275	\$ 299,340
Additional advance	-	-
Repayments	(246,795)	(43,065)
Accrued interests	5,959	-
Interests paid	(5,959)	-
<b>End of year</b>	<b><u>\$ 9,480</u></b>	<b><u>\$ 256,275</u></b>



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Continued)

Note 6 Trade and other payables

Trade and other payables consist of the following:

	<u>2021</u>	<u>2020</u>
Accounts payables	\$ 138,331	\$ 93,653
Customer deposits	14,328	-
Accrued expenses	28,826	29,322
<b>Total Trades and other payables</b>	<b><u>\$ 181,484</u></b>	<b><u>\$ 122,975</u></b>

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 loss, net

	<u>2021</u>	<u>2020</u>
Other income	\$ 511	\$ -
Interest expense	(5,959)	-
Net foreign exchange gains/(losses)	(2,198)	(21,724)
<b>Total Other loss, net</b>	<b><u>\$ (7,646)</u></b>	<b><u>\$ (21,724)</u></b>

The group operates internationally and may be exposed to foreign exchange risk, primarily the Euro. Foreign exchange risk arises from commercial transactions and recognized 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.



SAMBA DIGITAL, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020  
(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 Company is in the final stage of an Initial Public Offering (IPO) with the Euronext Lisbon (Portugal) Stock Exchange. The Company does not intend to raise capital during the IPO and will only list existing shares sold by the current shareholders. The IPO is expected to take place in March 2022.

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, 2021 AND 2020

Table I

	<u>2021</u>	<u>2020</u>
Outside Labor	\$ 1,772,801	\$ 875,839
Management fees	325,465	219,517
Advertising & Marketing	195,491	96,491
Professional Fees	77,968	57,111
Commissions	35,297	5,332
Dues & subscriptions	22,773	2,228
Office expenses	11,052	2,753
Travel	10,838	16,410
Bank Charges Fees	10,801	11,411
Insurance	9,477	4,946
Conference	8,466	-
Bad debt expense	5,197	-
Rent & Lease	3,680	4,381
Other Miscellaneous Expense	3,282	1,837
Shipping, Freight & Delivery	1,786	694
Telephone Expense	1,705	1,350
Meals & Entertainment	1,266	333
<b>Total Operating expenses</b>	<b><u>\$ 2,497,342</u></b>	<b><u>\$ 1,300,632</u></b>