



**Samba Digital, SGPS, S.A.**

Legal Address: R Alfredo Lopes Vilaverde 15B Escritório 2, 2774-517, União Das Freguesias De Oeiras e São Julião Barra, Lisboa

LEI: 254900XUWU1T78WEG672

## **Information Document**

### **Technical Admission on Euronext Access Lisbon**

Euronext Access Lisbon is a marketplace operated by Euronext. Companies on the Euronext Access Lisbon are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies.

The risk in investing in a Company on the Euronext Access Lisbon may therefore be higher than investing in a Company on the main market

The following document does not constitute a prospectus subject to approval of the Portuguese Securities Market Commission.

Listing Sponsor



## Index

<b>1. Summary of Listing Details .....</b>	<b>7</b>
<b>2. Responsible People.....</b>	<b>8</b>
2.1 Responsible for the Information Document.....	8
2.2 Certificate of Responsibility .....	8
2.3 Listing Sponsor .....	8
<b>3. Presentation of Information .....</b>	<b>9</b>
<b>4. Compliance with Euronext Procedures .....</b>	<b>10</b>
<b>5. Consolidation Perimeter .....</b>	<b>11</b>
<b>6. Historical Financial Information.....</b>	<b>13</b>
6.1 – Financial Statements description.....	19
6.2 - Financial Statement Analysis .....	20
<b>7. Risk Factors.....</b>	<b>26</b>
7.1 - Risks Related to Samba Digital, Inc.'s Business.....	26
7.2 - General Risks Related to an Investment in the Ordinary Shares .....	30
<b>8. Company Information .....</b>	<b>33</b>
8.1 - Samba Digital history.....	33
8.2 - Reasons for Listing on Euronext Access Lisbon.....	34
8.3 - Products and Services.....	34
8.4 - Business Model .....	36
8.5 - Clients.....	38
8.5.1 - Clients List .....	39
8.5.2 - Testimonials .....	39
8.6 - The Global Advertising and Marketing Market .....	39
8.7 - Strategy .....	40
8.8 – Positioning .....	41
8.9 – Swot Analysis .....	41
8.10 - Objective.....	42
8.11 - Context and competitive advantages .....	43
8.12 - Mission .....	44
8.13 - Market presence .....	44
8.14 - General Data Protection Regulation .....	44
<b>9. Company Organization.....</b>	<b>45</b>
9.1 - Shareholding .....	45
9.2 - Organization chart.....	45
9.2.1 - Marketing.....	46

9.2.2 - Sports Translate production.....	46
9.2.3 - Content and social media production.....	46
9.2.4 - Administration: .....	46
9.2.5 - Legal/Contracts .....	47
9.2.6 - Finance and production of financial statements .....	47
<b>10. Turnover and Forecasts .....</b>	<b>48</b>
<b>10.1 – Turnover analysis.....</b>	<b>48</b>
10.1.1 – Past Figures Analysis .....	48
10.1.2 - Turnover analysis – 2021 .....	48
10.1.3 - Turnover Analysis - 2022.....	49
10.1.4 - Turnover Analysis - 2023.....	49
<b>10.2 – Financial Forecasts.....</b>	<b>49</b>
10.2.1 – Main Assumptions.....	49
10.2.2 - Balance Forecast .....	51
10.2.3 - Income Statement Forecast .....	52
10.2.4 - Cash Flow Forecast and Multiple Analysis .....	52
<b>11. Other Relevant Information.....</b>	<b>54</b>
<b>12. Listing Sponsor .....</b>	<b>55</b>
<b>13. Contacts.....</b>	<b>56</b>
<b>14. Appendix.....</b>	<b>57</b>

## Glossary

<b>“Board of Directors”</b>	The directors of the Company
<b>“CMVM”</b>	Portuguese Securities Market Commission
<b>“CSC”</b>	Commercial Companies Code
<b>“CVM”</b>	Portuguese Securities Code
<b>“CX Media”</b>	CX Media Ltd, a limited liability company incorporated under the laws of Malta with its registered office at 16, Vadala building, Triq IL-Kummerc, Zone 5, central business district, Qormi, Malta (the “Buyer”);
<b>“EU”</b>	European Union
<b>“Euro” or “€”</b>	Information Document’s currency
<b>“Euronext Access Lisbon”</b>	Multilateral Trading Facility operated by Euronext Lisbon
<b>“Euronext Lisbon”</b>	Responsible for the management of Euronext Access Lisbon, i.e., Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.
<b>“Founder”</b>	Frédéric Fausser
<b>“Freelancer/Subcontractor”</b>	Doing particular pieces of work for different organizations, rather than working all the time for a single organization.
<b>“GDPR”</b>	Regulation (EU) 2016/679 (General Data Protection Regulation)
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“Information Document”</b>	This document was issued in accordance with Appendix IV of the Euronext Access Lisbon Rule Book, safeguarding

incompatible provisions between the Issuer's legal nature and the securities admitted to trading on Euronext Access Lisbon

**"Interbolsa"**

Leading entity in Portugal in post-trade services, offering integrated and flexible solutions at European level, operating as Custody and Settlement Central Securities Depository (CSD), belonging to the EURONEXT Group CSDs network – Euronext Securities

**"Issuer"**

Samba Digital SGPS, S.A.

**"LATAM"**

Latin America

**"LEI"**

Legal Entity Identifier

**"Listing Sponsor"**

a Company or any other legal entity that has been granted an accreditation to act as listing sponsor by Euronext (and whose accreditation has not been withdrawn) and whose obligations include (without limitation) assisting Issuers with the first admission to trading (including conducting due diligence investigations) and, where relevant, ensuring (on an ongoing basis) that Issuers comply with the legal and regulatory requirements and contractual obligations resulting from the first admission to trading. The rules setting out, inter alia, the eligibility requirements to act as a Listing Sponsor and the rules and regulations governing Listing Sponsors are detailed in Appendix V of these Rules

**"Market Relations Representative"**

Name: Frédéric Fausser

Phone number: +1 786 871 3497

Professional address: R.Alfredo Lopes Vilaverde, n.15-B, sala 2, Freg. Oeiras e São Julião Barra

Email : [frederic.fausser@sambadigital.com](mailto:frederic.fausser@sambadigital.com)

**"MLFT Prevention"**

Prevention of Money Laundering and Financing of Terrorism



<b>“Multilateral Trading Facility” or “MTF”</b>	Multilateral trading facility is defined as a system which brings together the buying and selling of securities, aimed at trading in accordance with clear and non-discretionary rules.
<b>“Ordinary Shares”</b>	Share of a Company that grants voting rights to its holders alongside income in the form of dividends
<b>“Paying Agent”</b>	Banco Santander Totta, S.A.
<b>“Reference Price”</b>	Unit Price of an ordinary share of the Company
<b>“Registered Agent”</b>	Legal Address of the Company
<b>“Samba Digital, Inc.” or “Samba Digital”</b>	Subsidiary company of Samba Digital, SGPS, S.A.. It is an International Sports and Entertainment Agency incorporated under the laws of Delaware
<b>“Samba D’Or”</b>	Trademark sold in 2021 to CX Media
<b>“Sambourg &amp; Associates”</b>	Accountancy firm in charge of producing financial reports as well as supervising all transactions for the Company. Recently became Emeredge. They provide accounting and CFO services on a fee-for-service contract.
<b>“Shareholders”</b>	Holders of Ordinary Shares
<b>“Sophisticated Investor”</b>	Investor considered to have sufficient knowledge and expertise in financial matters to make conscient investment decisions.
<b>“the Company”</b>	Samba Digital, SGPS, S.A.

## 1. Summary of Listing Details

Nominal Value of the shares of the company	€ 2.33
Reference Price	€ 2.33
Share Capital of the Company	€ 23,300,000
Number of Existing Ordinary Shares	10,000,000
Number of New Ordinary Shares being issued by the Company pursuant to the Placing	0
Number of Sale Shares being sold by the Selling Shareholders pursuant to the Placing	1,000,000
Number of Ordinary Shares in issue on Admission	1,000,000
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	0
Market capitalization of the Company at the Placing Price on Admission	€ 23,300,000
Total proceeds of the Placing	€ 2,330,000
ISIN number	PTDGL0AM0003
LEI number	254900XUWU1T78WEG672

## **2. Responsible People**

### **2.1 Responsible for the Information Document**

Frédéric Fausser

Chief Operating Officer

### **2.2 Certificate of Responsibility**

« I declare that all information provided in this Information Document is true, accurate, complete and not misleading. »

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Frédéric Fausser  
Chief Operating Officer

### **2.3 Listing Sponsor**

Carmo & Cerqueira, SROC, Lda.

Rua 28 de Janeiro, nº 350, Candal Park, Fraction T.09

4400-335 Vila Nova de Gaia





### 3. Presentation of Information

This Information document pertains to the Technical Admission on Euronext Access Lisbon in Lisbon, multilateral trading facility operated by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A of Samba Digital, SGPS, S.A (Samba Digital). and is available on Samba Digital, Inc.'s website as well as Euronext's.

Carmo & Cerqueira SROC, Lda (Carmo & Cerqueira) acts as Listing Sponsor assisting the Issuer with the first admission to trading of its shares on Euronext Access Lisbon.

The existence of this document does not preclude that further alterations on this information may occur.

This Information Document does not constitute an offer or request to the acquisition of securities. This Information Document does not provide an analysis or recommendation on the shares of Samba Digital, SGPS, S.A.

Any investment decision should be taken after an independent evaluation of the economic and financial condition of Samba Digital and supported by the information present in this document as a whole.

In addition, no investment decision must be made without prior analysis by the potential investor or financial advisor of the Information Document, albeit relevant information is rendered with reference to parts of this Information Document or other documents incorporated in it.

The statements that integrate this document, namely on the financial situation, income and return, business strategy, perspectives, plans and management goals for future operations of Samba Digital constitute declarations concerning the future, except for those that are related with historical facts.

This Information Document includes assertions about the future. The words or expressions "believe", "expect(s)", "plans", "intends", "project(s/ed)", "will"; "predicted", and similar expressions are aimed at identifying assertions concerning the future. With the exception of some of the assertions involving previous facts present in this Information Document, any statement either on the financial situation, income and return (including financial or operational predictions and projections), business strategy, plans and management goals concerns the future.

These assertions concerning the future or projections available in the Information Document involve known and unknown risks and uncertainties as portrayed in Part II of this Information Document.

This Information Document was issued in accordance with Appendix IV of the Euronext Access Lisbon Rule Book, safeguarding incompatible provisions between the Issuer's legal nature and the securities admitted to trading on Euronext Access Lisbon.

#### **4. Compliance with Euronext Procedures**

Interbolsa has defined rules and procedures in what concerns to the exercise of security rights integrated in the centralized system. The so called “corporate events” covers dividends, subscription, and others, and relates only to its exercise or payment.

The rules and procedures are described in Interbolsa Regulation 2/2016 and Interbolsa Circular 1/2016. For ease of reference, attached hereto is Interbolsa schedule with the relevant dates for dividends, interests and other income payments and redemptions.

The procedures were defined taking into account the Portuguese law and regulations, as well as the Corporate Actions standards and market practices, and basically assume that the issuer has to inform Interbolsa of the corporate event (once decided) with a prior notice of 15 days as from the relevant date (in case of dividends, the payment date); the securities will be traded without the relevant rights 2 days prior to the relevant date; the record date for determine which shareholders are eligible to receive the dividend or new shares (capital increase) is on the eve of the relevant date; in capital increase the rights are detached from the securities on the eve of the relevant date.

Samba Digital, SGPS, S.A. (“Samba”), a Portuguese Corporation, hereby declares that will comply with all Interbolsa rules and procedures while its shares are registered in the centralized system managed by Interbolsa and will notify Interbolsa if became aware of a Portuguese rule or law that prevents Samba from complying with the applicable rules and procedures established by Interbolsa in order to solve the issue and find a solution.

## 5. Consolidation Perimeter

Samba Digital, SGPS, S.A. accounts result of a consolidation process related to the acquisition of Samba Digital, Inc. through a contribution in kind by the amount of the estimated value of Samba Digital, Inc. in euros at the 31<sup>st</sup> of May, 2022. This evaluation generated the goodwill registered in the parent company's accounts.

The following balance sheets reflect this contribution in kind, and the individual and consolidated accounts of Samba Digital, SGPS, S.A. as of 2021.

### Individual Accounts 2021

Balance (€)	2021
<b>Assets</b>	
Net Intangible Assets	132 533
Goodwill	22 667 137
Financial Investments	
<b>Total non-current assets</b>	<b>22 799 669</b>
Customers	21 264
Government and Other Public Authorities	0
Related Parties Receivables	0
Other Assets	16 489
Cash and Cash Equivalents	679 788
<b>Total current assets</b>	<b>717 541</b>
<b>Total assets</b>	<b>23 517 210</b>
<b>Equity</b>	
Stockholders' Equity	23 300 000
Additional Paid-in-Capital	
Retained Earnings	
Earnings Current Period	
<b>Total equity</b>	<b>23 300 000</b>
<b>Liabilities</b>	
Non-Current	
Advance from Shareholders	7 868
<b>Total non-current liabilities</b>	<b>7 868</b>
<b>Current</b>	
Accounts Payable	114 815
Current Tax Liabilities	58 709
Accrued Expenses	23 926
Deffered Revenue	0
Customer Deposits	11 892
<b>Total current liabilities</b>	<b>209 342</b>
<b>Total liabilities</b>	<b>217 210</b>

Figure 1 Individual accounts

## Consolidated Accounts 2021

Balance (€)	2021
<b>Assets</b>	
<b>Non-current assets</b>	
Net Intangible Assets	
Goodwill	22 583 263
Financial Investments	716 737
<b>Total non-current assets</b>	<b>23 300 000</b>
<b>Current assets</b>	
Customers	
Government and Other Public Authorities	
Related Parties Receivables	
Other Assets	
Cash and Cash Equivalents	
<b>Total current assets</b>	<b>0</b>
<b>Total assets</b>	<b>23 300 000</b>
<b>Equity</b>	
Stockholders' Equity	23 300 000
Additional Paid-in-Capital	
Retained Earnings	
Earnings Current Period	
<b>Total equity</b>	<b>23 300 000</b>
<b>Liabilities</b>	
<b>Non-Current</b>	
Advance from Shareholders	
<b>Total non-current liabilities</b>	<b>0</b>
<b>Current</b>	
Accounts Payable	
Current Tax Liabilities	
Accrued Expenses	
Deferred Revenue	
Customer Deposits	
<b>Total current liabilities</b>	<b>0</b>
<b>Total liabilities</b>	<b>0</b>

Figure 2 Consolidated accounts

The accounts presented and analyzed in this document depict Samba Digital, Inc.'s accounts once Samba Digital, SGPS, S.A. only has the participation of Samba Digital, Inc. registered in its balance sheet.

## 6. Historical Financial Information

The Company does have sufficient liquidity to meet its obligations and operating cash requirements for the twelve-month period following its admission to listing on Euronext Access Lisbon.

The Financial Statements are adjusted to the dollar to euro exchange rate. For the year 2020, the exchange rate considered was USD/EUR = 0,83 and for 2021 the rate was USD/EUR = 0,94.

### Balance Sheet for Years Ended December 31, 2021, 2020 and 2019

Balance (€)	2019	2020	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	183 894	139 667	150 097
Security deposits	1 660	1 660	1 880
<b>Total non-current assets</b>	<b>185 554</b>	<b>141 327</b>	<b>151 977</b>
<b>Current assets</b>			
Cash and cash equivalents	156 441	420 046	769 880
Trade Receivables	75 067	20 108	24 082
Related party receivables	0	38 595	0
Other current assets	2 829	247	16 794
<b>Total Current Assets</b>	<b>234 337</b>	<b>478 997</b>	<b>810 756</b>
<b>Total assets</b>	<b>419 891</b>	<b>620 324</b>	<b>962 733</b>
<b>Equity</b>			
Common stock	830	830	940
Additional paid in capital	90 752	90 752	0
Retained Earnings	17 472	208 303	715 797
<b>Total Stockholders' Equity</b>	<b>109 054</b>	<b>299 885</b>	<b>716 737</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Advance from shareholders	157 700	121 956	8 911
<b>Total non-current liabilities</b>	<b>157 700</b>	<b>121 956</b>	<b>8 911</b>
<b>Current liabilities</b>			
Trade and other payables	149 667	102 069	170 595
Advance from shareholders	0	0	0
Deferred revenue	0	45 650	0
Current tax liabilities	3 470	50 764	66 490
<b>Total current liabilities</b>	<b>153 137</b>	<b>198 483</b>	<b>237 085</b>
<b>Total liabilities</b>	<b>310 837</b>	<b>320 439</b>	<b>245 996</b>
<b>Total liabilities and stockholders' equity</b>	<b>419 891</b>	<b>620 324</b>	<b>962 733</b>

## Income Statement for Years Ended December 31, 2021, 2020 and 2019

Income Statement (€)	2019	2020	2021
Revenue	1 060 953	1 440 159	3 021 800
Cost of sales	-102 238	-101 009	-59 634
Gross profit	958 716	1 339 150	2 962 166
Operating expenses	-909 047	-1 079 525	-2 347 501
Net operating income	49 669	259 626	614 665
Other Income	0	0	480
Other losses, net	-30 067	-18 031	-7 668
Profit before income tax	19 602	241 595	607 477
Income tax expense	-4 300	-50 764	-127 590
Profit for the period	15 302	190 831	479 887

## Statement of Cash Flows for Years Ended December 31, 2021, 2020 and 2019

Statement of Cash-Flows (€)	2019	2020	2021
Profit for the year	15 302	190 831	479 888
Adjustments for			
Loss on disposal of intangible	0	88	0
<b>Cash from operations before working capital changes</b>			
<b>(Increase) decrease in:</b>			
Trade and other receivables	-42 463	54 958	42 402
Related party receivables	0	-38 595	0
Prepaid expenses	225	1	0
Accrued income	-2 581	2 581	0
Security Deposits	-1 604	0	0
Advances received	0	0	13 468
<b>(Decrease) increase in:</b>			
Trade and other payables	-19 864	64 308	42 000
Accrued expenses	117 718	-106 926	-466
Related party payables	-45 597	0	0
Prepayments	0	0	-16 514
Deferred revenues	0	45 650	0
Income tax payables	2 893	47 293	8 985
Customer deposits	4 980	-4 980	0
<b>Net cash flows from operating activities</b>	<b>29 009</b>	<b>255 210</b>	<b>569 715</b>
<b>Investing activities</b>			
Proceeds from the sale of intangibles	0	45 650	-51 700
Purchase of intangibles	-183 894	-1 511	-42 746
<b>Net cash used in investing activities</b>	<b>-183 894</b>	<b>44 139</b>	<b>-94 446</b>
<b>Financing activities</b>			
Advance from shareholders	157 700	-35 744	-181 105
Common Stock	0	0	0
Additional paid in capital	90 752	0	0
<b>Net cash from financing activities</b>	<b>248 452</b>	<b>-35 744</b>	<b>-181 105</b>
<b>Net increase in cash and cash equivalents</b>	<b>93 567</b>	<b>263 605</b>	<b>294 165</b>
Cash and cash equivalents at beginning of year	62 875	156 441	475 715
Cash and cash equivalents at end of year	156 441	420 046	769 880



## **Notes to Financial Statements for years ended December 31, 2021, 2020 and 2019**

### **1. Reporting entity**

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

### **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**

Samba Digital, Inc. 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 were accounted in dollars, which is Samba Digital, Inc.'s functional currency but are presented in Euros for the reading of the information.

#### **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.

#### **Foreign exchange transactions**

Transactions in foreign currencies are translated into the functional currency of Samba Digital, Inc. 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 Samba Digital, Inc. 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 Samba Digital, Inc. 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.

## 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.

## 4. Intangible Assets

(€)	2019	2020	2021
Patents, Trademarks and Copyrights	90 917	45 179	0
Software Development	92 977	94 488	150 098
Total Intangible assets	183 894	139 667	150 098
Amortization	0	0	0
Intangible assets, net	183 894	139 667	150 098

Samba Digital, Inc. sold in 2020 the trademark Samba Foot and related website application with the related party Compufoot. Compufoot SAS is a French subcontractor of Samba Digital in the field of marketing and social networks, mainly for European clients.

Samba Digital and Compufoot have a common minority shareholder in both companies: Sylvie Pages.

The transactions between Compufoot and Samba Digital are made at market price and for the year 2021 represent an amount of € 189,716.

There was no profit nor loss recognized in connection with this transaction.

## 5. Related Party Transactions

The following transactions occurred with related parties:

(€)	2019	2020	2021
Purchase of management services from entities controlled by officers	300 834	182 199	206 346
Sales of intangibles to entities controlled by officers	0	91 300	0

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

(€)	2019	2020	2021
Entities controlled by officers	0	38 595	0

Loans to/from related parties:

(€)	2019	2020	2021
Beginning of the year	0	157 700	240 899
Loans advanced	157 700	0	0
Loan repayment made	0	-35 744	-231 987
Interests charged	0	0	5 601
Interests paid	0	0	-5 601
End of year	157 700	121 956	8 911

## 6. Trade and Other Payables

(€)	2019	2020	2021
Accounts payable	13 424	77 732	130 031
Customer deposits	4 980	0	13 468
Accrued expenses	131 264	24 337	27 096
Total Trades and other payables	149 667	102 069	170 595

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.

## 7. Other Losses, net

(€)	2019	2020	2021
Other income	0	0	480
Interest expense	0	0	-5 601
Net foreign exchange gains/(losses)	-30 067	-18 031	-2 066
Total	-30 067	-18 031	-7 187

Samba Digital, Inc. 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 Samba Digital, Inc..

Starting in 2020, Samba Digital, Inc. started to shift its clients billed in € to \$ to transfer the foreign exchange risk to its clients. Foreign exchange losses amounted to € 30,067 in 2019, € 18,031 in 2020 and € 7,187 in 2021

## 8. Subsequent Events

Samba Digital, Inc. 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.

## 6.1 – Financial Statements description

Thanks to a variable cost business model, 95 % of Samba Digital, Inc. costs are variable and not fixed costs and can be stopped within a month of a potential decision. This variable cost business model allows Samba Digital to enjoy a substantial cost and pricing advantage. Samba Digital, Inc. has been able to adapt its costs to the growth of its turnover since its creation and thus to be profitable since the first month of its existence in June 2018.

From the outset, Samba Digital, Inc. entered into a contractual relationship with some its customers based on renewable contracts of between 6 and 24 months, the average being 12 months. These contracts all provide for quarterly invoicing in advance, i.e., the invoice is sent on the first day of the calendar quarter and payment is made no later than the last day of the quarter, which explains why the amount in the Accounts Receivable account at the end of the quarter is very low, as the revenue generated in the past quarter is already in the cash position. Clients under non-renewable contracts amounted to € 195,000 in 2021.

The general trend, accelerated however by COVID-19, is to digitalize marketing offers, which are progressively accessible in a centralized manner on the different platforms of Samba Digital (Sports Translate and Sport Influencers), and explains the growth of the turnover.

(€)	2018 (7 months)	2019	2020	2021
Turnover	215 973	113 649	1 544 267	3 013 238

Given the current trends in the digital market, the implementation of new lead acquisition channels such as paid media (Google ADS, LinkedIn, Facebook) and the gradual ramp-up of activity on the Samba Digital, Inc.'s two platforms, we expect to be able to achieve these revenues:

(€)	2022 (1st Quarter)	2022	2023	2024
Expected Revenue	940 000	4 230 000	5 922 000	8 648 000

In terms of profitability, Samba Digital, Inc. now has a gross margin of around 50% and an EBIT of around 20% of sales:

(€)	2018 (7 months)	2019	2020	2021
EBIT	2 746	19 602	241 595	614 665

The EBIT forecast for the coming years is:

(€)	2022	2023	2024
EBIT Forecast	846 000	1 480 500	2 062 360

This increase is due to an increase in profitability beyond the 20% threshold due to the investments that will be made in 2022 and 2023 of € 230,000 per year in Artificial Intelligence in order to further automate the content production and translation process. These investments will result in an increase in Samba Digital, Inc. gross margin and therefore EBIT.

In terms of cash, Samba Digital, Inc. has a global cash position of € 756,500 at the beginning of December 2021 after taking into account the repayment of shareholders' current accounts of €133,500 during the year 2021.

## 6.2 - Financial Statement Analysis

### Assets

Total assets at 31 December 2021 amount to € 1,013,000 and are mainly composed of:

Account	Amount (€)	%
Bank Accounts	770 000	76%
Accounts Receivable	24 000	2,4%
Fixed Assets	150 000	14,8%
IPO Costs	51 000	5%
<u>Total of the 4 main assets</u>	<u>995 000</u>	<u>98,2%</u>

Total assets at 31 December 2020 amount to € 620,000 and are mainly composed of:

Account	Amount (€)	%
Bank Accounts	420 000	68,0%
Accounts Receivable	59 000	9,5%
Fixed Assets	139 000	22,5%
<b>Total of the 3 main assets</b>	<b>618 000</b>	<b>99,7%</b>

The main variations between the 2021 and 2020 reviews are as follows:

#### **Total Bank Accounts**

The position as at 31 December 2021 amounts to € 770,000 compared to € 420,000 as at 31 December 2020 due to the generation of the 2021 net result of € 480,000 less, however, the partial reimbursement of the shareholders' current accounts of € 221,000.

#### **Total Accounts Receivable (A/R)**

The position as at 31 December 2021 amounts to € 24,000 compared to € 59,000 as at 31 December 2020 due to the perfect collection of the 4<sup>th</sup> quarter 2021 receivables.

Samba Digital invoices its services quarterly in advance with payment due on the 30th of the first month of the relevant quarter. There are a few one-off services for which payment is only required upon completion, which explains the low balance of € 24,000, which must be set against the turnover generated in the fourth quarter of more than € 750,000, which is very low.

Overall, Samba Digital collects almost all customer invoices before the end of the relevant quarter by the services.

#### **Total Fixed Assets**

The position as at 31 December 2021 is € 150,000 compared to € 139,000 as at 31 December 2020. This low-growth masks a decrease of € 47,000 linked to the sale to CX Media of the two brands "Sambafoot" and "Samba d'Or", partly compensated by the development effort of the two Sports Translate and Sport Influencers (€ 58,000) platforms.

Intangible assets (IPO costs) include an amount of € 51,000 at 31 December 2021 that did not exist at 31 December 2020, and which corresponds to the costs already recorded for the stock market listing.

In summary, the assets at 31 December 2021 are still more liquid than those at 31 December 2020 (76% vs 67%).

## Equity and Liability

Total Liabilities at 31 December 2021 amount to € 1,013,000 and are mainly composed of:

Account	Amount (€)	%
Net Equity	716 000	70,7%
Accounts Payable	130 000	13,3%
Federal Income Tax	67 000	6,6%
Advance from Shareholder	60 000	5,9%
<b>Total of the 4 main assets</b>	<b>973 000</b>	<b>96,5%</b>

Total Liabilities at 31 December 2020 amount to € 620,000 and are mainly composed of :

Account	Amount (€)	%
Net Equity	300 000	48,3%
Accounts Payable	102 000	16,4%
Federal Income Tax	51 000	8,2%
Advance from Shareholder	122 000	19,7%
<b>Total of the 4 main assets</b>	<b>575 000</b>	<b>92,6%</b>

## Main variations between the 2020 and 2021 reviews

### Net Equity

The net equity amount at 31 December 2020 of € 300,000 includes € 90,000 advanced by shareholders. This advance is partially repaid at 31 December 2021 leaving a balance due of € 60,000 which is now classified as Other Current Liabilities as the repayment will be completed by 30 June 2022.

The amount of Net Equity at 31 December 2021 is therefore the following:

Net Equity	(€)
31 December 2020	300 000
Reclassification of the Advance Shareholder Account	-90 000
Net Income 2021	480 000
Difference Exchange €/€	26 000
<b>Net Equity 31 December 2021</b>	<b>716 000</b>

### Accounts Payable

Balance of accounts at 31 December 2021 is relatively stable compared to the balance at 31 December 2020 (€ 130,000 compared to € 102,000).

Samba Digital's clients are either major football clubs, national and international sports organizations or world-class betting companies. These clients since the inception of Samba Digital have respected the payment terms which consist of paying for the quarter over which the services are rendered before the end of the said quarter. These very favorable collection conditions (as of 31/12/2021 for an annual turnover of € 3,021,000 only € 24,000 were due) benefit Samba Digital, Inc.'s suppliers who are all paid during the month following the delivery of the service

### **Advance from shareholder**

Given the strong cash position, the amount shown as a liability on the balance sheet as at 31 December 2020, i.e., € 122,000 has been fully repaid as at 31 December 2021, this repayment being in addition to the partial repayment of € 42,000 from the Advance to shareholder account recorded in Net Equity as at 31 December 2020.

### **Federal Income Tax**

Although the amount of income tax increased from € 51,000 for 2020 to € 128,000 for 2021, the amount on the balance sheet is relatively stable because, unlike in 2020, the Samba Digital, Inc. made advance payments in 2021 for a total amount of € 61,000.

In summary, with assets becoming increasingly liquid between 31 December 2021 and 31 December 2020, the share of Net Equity becomes increasingly important, rising from € 210,000 (€ 300,000 - € 90,000) or 33.7% of liabilities at 31 December 2020 to € 716,000 or 71% of liabilities at 31 December 2021.

### **Operating Account Items**

The main changes between 2020 and 2021 in the operating account items are as follows:

#### **Revenues**

In 2021 Samba Digital, Inc. generated revenues of € 3,022,000 versus € 1,440,000, i.e., a growth of 85% not considering the appreciation of the dollar for the year 2021 and a growth of 110% in euros, with the rate €/€ as of 31 December 2021.

This growth is mainly due to the signing of new clients specializing in betting, as explained above (fans have deserted the stadiums because of the pandemic and have turned to their smartphones to play online).

The analysis of customers with more than € 94,000 in revenue per year shows the following conclusions:

<u>2020</u>	<u>(€)</u>
2 Betting Clients	224 000
3 Football Clubs	372 000
<u>5 Customers</u>	<u>596 000</u>

<u>2021</u>	<u>(€)</u>
7 Betting Clients	1 129 000
5 Football Clubs	756 000
<u>12 Customers</u>	<u>1 885 000</u>

## Expenses

The analysis of expenses, 98% of which are variable, i.e., "no revenues by expenses", shows firstly an improvement in profitability.

The main reason of expenses increase is linked to the revenue increase. The turnover increases from 2020 to 2021 by 85%, the business model is almost totally variable and the EBIT rate of return increases during the same period from 16.8% to 20%, which means that on average expenses have increased by 78% during this period in order to provide the growing demand of services sold to customers.

EBIT in 2020 was € 242,000 or 16.8% of revenue compared to € 607,000 or 20% of revenue in 2021.

<u>2020</u>	<u>(€)</u>
Freelancers	726 946
Management Fees	182 199
Advertising	80 088
<u>Operating Expenses</u>	<u>989 233</u>

These 3 main operating expenses amount to € 989,233 and represent 90% of the expenses for the year 2020.

<u>2021</u>	<u>(€)</u>
Freelancers	1 666 433
Management Fees	305 937
Advertising	183 762
<u>Operating Expenses</u>	<u>2 156 132</u>

These 3 main operating expenses amount to € 2,156,132 and represent 92% of the expenses for the year 2021.

Some of Samba Digital's suppliers are spread across the world and comprehend companies such as:



Supplier	Expense
Sambourg	Accounting
WELOVEWORDS	Inbound content production
Blinkfire	Analytics software
SINFIN	Software development
Mu	Software development
Google	Hosting & emails
Heepsy	Software
Pipedrive	Software
Typeform	Software
SendinBlue	Software
CV Future	Consulting

### Freelancer Expenses

The annual charge for freelancers, who represent the bulk of Samba Digital, Inc.'s content production costs, has increased by 130% in 2021 compared to 2020 (€ 1,667,000 and € 727,000 , respectively), i.e., faster than the growth in turnover. This investment made in 2021 reflects Samba Digital, Inc. 's desire to acquire more skills to handle the expected growth in turnover in the coming years.

In particular, the following recruitments efforts took place in 2021:

Position	Number of People Recruited
Creative Team	2
Translator	+200 evaluated by Samba
Technical Manager	1
Accounts Manager	2
Training	1
Consulting	1
Direct Marketing	2
Content Writer	2

The selection process is carefully described in page 36.

### Management Expenses

Management expenses remained stable between 2020 and 2021 despite revenue growth.

### Advertising Expenses

Advertising expenses, which are not advertising expenses for the benefit of Samba Digital but activation expenses paid to the major social media networks (Twitter, Facebook, Tik Tok, Instagram) on behalf of clients, increased from € 135,000 in 2020 to € 243,000 in 2021, i.e., an increase of 59% disregarding the exchange rate effect. This increase is lower than the increase in revenue (+85%) because 2 main football clubs have decided to reduce this type of expenses.

## 7. Risk Factors

Investing in and holding Ordinary Shares involves financial risk. Prospective investors in the Ordinary Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Ordinary Shares, the Samba Digital, Inc.'s business and the industry in which it participates.

The risk factors set out below apply to the Samba Digital, Inc. at the date of this document. The risk factors which are most material to an investment in the Ordinary Shares, in the assessment of the Directors, are set out first.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Samba Digital, Inc. and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Samba Digital, Inc., against which the Samba Digital, Inc. has taken protective measures, and should be used as guidance only. Additional risks and uncertainties relating to the Samba Digital, Inc. and/or the Ordinary Shares that are not currently known to Samba Digital, Inc., or which Samba Digital, Inc. currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on Samba Digital, Inc.'s business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

### 7.1 - Risks Related to Samba Digital, Inc.'s Business

- Samba Digital, Inc. may not expand or operate as envisaged

Samba Digital's totally flexible business model, with virtually no fixed costs, allows for adaptation to any risk by enabling the structure to be scaled in less than 30 days.

To address this risk, Samba has the ability to change its business model quickly and without cost.

- Samba Digital, Inc. is dependent on technology and product development

These risks are mitigated by the systematic use of:

- outsourcing and/or use of software as a service, Samba is not locked into internally developed systems;
- permanent technology watch on the technology market;
- beta-testing of new technologies;
- Intellectual know-how and property

In order to mitigate these risks:

1. Samba Digital has signed confidentiality agreements with each partner;
2. all the employees have signed confidentiality agreements;
3. Samba Digital brand is registered.

### **Coronavirus**

Since 2020, a high degree of uncertainty exists around the impact of the COVID-19 pandemic on the economy.

There may also be changes as a consequence of COVID-19 that impact Samba Digital, Inc. and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted.

The main risk remains the cessation of competitions but it has been significantly reduced thanks to the worldwide vaccination effort.

Furthermore, this risk has been mitigated due to Samba's business model. Samba Digital has always been a remote-working company, with its collaborators working in different parts of the world, enabling Samba Digital, Inc. to carry on its normal activity during these turbulent times. The dispersion of its customers locations also means that it is not directly affected by any specific government measures. Even though attendance in stadiums and sporting events has been unpredictable and restricted, Samba Digital has managed to quickly shift its business orientation and target customers to Online Gaming and Online Betting companies. Finally, COVID-19 is rather having a positive impact for Samba as clubs had to accelerate their digitalization efforts and online presence.

### **Dependence on key executives and personnel**

Samba Digital, Inc.'s development and prospects are dependent upon training and retaining qualified staff. In particular, Samba Digital, Inc.'s success depends to a significant degree upon the vision, technical and specialist skills, experience, performance, and continued service of its Directors, senior freelances and other key people. Whilst Samba Digital, Inc. has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed and the loss of the services of any of the Directors, senior management or key personnel may have a material adverse effect on Samba Digital, Inc. and its commercial and financial performance.

The following actions are implemented to manage this problem and are based on:

1. a performance review of each employee is carried out every six months, which makes it possible, among other things, to detect any issues and respond to them;
2. a systematic policy of training and dissemination of knowledge through cross-training;
3. systematic documentation of all critical processes in Samba Digital, Inc.'s operation with escalation programs to be activated if necessary.

Samba Digital, Inc.'s proven ability, over its short history, to recruit the most suitable profiles for its needs from all over the world, gives it an advantage that makes it less dependent on individual employees.

### **Ability to recruit and retain skilled personnel**

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Identifying and hiring any additional personnel and replacements could be costly and might require Samba Digital, Inc. to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that Samba Digital, Inc. will have sufficient financial resources. Effective product development and innovation, upon which Samba Digital, Inc.'s success is dependent, is in turn dependent upon attracting and retaining talented technical, engineering and marketing personnel, who represent a significant asset and serve as the source of Samba Digital, Inc.'s technological and product innovations. In addition, to expand Samba Digital, Inc.'s customer base and increase sales, Samba Digital, Inc. will need to hire additional qualified sales personnel. If Samba Digital, Inc. is unable to hire, train and retain such personnel in a timely manner, the development and introduction of Samba Digital, Inc.'s products could be delayed and its ability to sell its products and otherwise to grow its business will be impaired and such delay and inability may have a detrimental effect upon the performance of Samba Digital, Inc..

To minimize the impact of these risks Samba Digital, Inc. uses a Talent Identification Consultant for its recruitment process. Furthermore, Samba Digital, Inc. has offered a personalized working environment since its creation: home office, a competitive local remuneration, flexible working and has invested in partnerships with sports marketing universities allowing it to have access to students for certain projects who may become collaborators in due course: the FBA in Switzerland and other contacts are underway, in particular with Indian and LatAm universities.

### **Samba Digital, Inc. faces competition in a rapidly evolving market**

Although the Directors believe that significant barriers to entry exist in the markets in which Samba Digital, Inc. operates, Samba Digital, Inc. may face an increasing amount of competition. Competitors may seek to develop products which more successfully compete with Samba Digital, Inc.'s products and they may also adopt more aggressive pricing models or undertake more extensive marketing campaigns. This may have a negative impact on sales volumes or profit margins achieved by Samba Digital, Inc. in the future.

Samba Digital is evolving in the sports digital market. This market includes numerous companies of different sizes, prices and levels of service/coverage.

Samba differentiates from its competitors via the following criteria:

- Major international sports marketing agencies: Havas, Octagon, IMG, Wasserman, Dentsu, InFront, Sportfive.

These agencies have an international strike force with a multi-country presence and several levels of service. However, their core business is not purely digital and their prices can be prohibitive. Their main services include negotiation of athletes, TV rights or image rights, sponsorship/commercial management, development of apps/sites or events. Samba focuses on its primary mission: to develop the international audience of sports entities via social and digital-first services.

- Local or regional agencies: Extreme PR (Mexico), Mailman (China), Seven League (England), Two Ten Eight (China)



These are expert agencies in a particular country or region of the world. The differentiating factor of Samba is its global and centralized offer (30 languages today, a truly global network). A club can pool all of its digital internationalization needs with Samba for a more competitive price.

- Samba's competing agencies in all countries

Mainly MMC and Weplay. MMC is a sports translation agency based in Germany. It now has multicountry coverage similar to Samba. However, we differ in the level of services: we specialize in digital marketing and not just in translation. In addition, our approach is increasingly technological with a centralized platform for all internationalization needs.

Concerning WePlay: it is an English agency specialized in paid-media (Facebook ADS, Google ADS) and the growth of social networks. They don't handle organic strategies and campaigns (social media growth without advertising budget).

In order to mitigate these risks, Samba Digital, Inc. has been operating in a global market since its inception and has built its success on an alchemy based on a continuous investment in technology and development, a network of employees who in their respective fields of expertise are extremely qualified and a very competitive pricing model due to production costs being much lower than if they were located in Europe or in the USA, targeting collaborators living mainly in Latin America, MENA and Asia.

### **Risks of digital piracy**

Samba Digital, Inc. has security procedures in place for encrypted daily backups and even external storage that allows applications to be restarted in the event of an attack with minimal data loss.

In addition, all employees have signed a security charter when they log on to Samba Digital, Inc.'s internal system. However, it is impossible to ensure that a major and repeated attack would not end up blocking the management systems, putting Samba Digital, Inc. in serious difficulties.

Samba Digital, Inc. may suffer a security breach, computer malware and computer hacking attacks which have become more prevalent. Many companies have been the targets of such attacks. Any security breach caused by hacking which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm the business. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of network infrastructure to the satisfaction of clients may harm Samba Digital, Inc. reputation and its ability to retain existing clients and attract new clients.

Samba Digital's CEO, Frédéric Fausser, worked for 10 years in networks and IT security for a large multinational.

Taking into account security risks is a priority for Samba Digital, its customers demand that their IT standards and rules are respected. Samba Digital, Inc. has security procedures in place for encrypted daily backups and even external storage that allows applications to be restarted in the event of an attack with minimal data loss. From January 2022, a technical consultant (CTO) will join Samba Digital, Inc. and will have in his missions to control and identify any security issues.



To address this risk, Samba Digital, Inc. has implemented protection measures based on an IT security charter signed by all its employees, an SSL encryption and two-stage verification of e-mails and business platforms daily backups of servers and databases

### **Foreign exchange risks**

Samba Digital, Inc. has massively converted its invoicing from euro to dollar in 2020, however there is still a percentage of around 30% of invoices requested in euro by customers that constitute a currency risk.

To limit these risks Samba Digital, Inc. is progressively converting customer contracts into USD, continuing to develop turnover in the US and increasingly using transfer systems such as Transferwise to optimize the exchange rate.

### **Risk of change in income tax rate**

The Biden administration has announced its intention to increase the corporate tax rate from the current 21% to 28%. This tax change has not yet been voted so the forecast is presented with a 21% tax rate, but there is a strong probability that this rate will be increased to 28% when profits are taxed in the 2021 tax year.

At the time of the change of President at the beginning of 2021, the new Administration had announced that it wanted to increase the tax rate from the current 21% to 28%, a risk that has not yet been proven, as the rate remains at 21%.

## **7.2 - General Risks Related to an Investment in the Ordinary Shares**

### **General**

An investment in Ordinary Shares is only suitable for financially educated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in Samba Digital, Inc. may go down as well as up and investors may therefore not recover their original investment.

### **Legislation and tax status**

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of Samba Digital, Inc. or in tax legislation or practice may have an adverse effect on the returns available on an investment in Samba Digital, Inc..

### **General economic climate**



Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. Samba Digital, Inc.'s operations, business and profitability can be affected by these factors, which are beyond the control of Samba Digital, Inc..

#### **Economic, political, judicial, administrative, taxation, environmental or other regulatory matters**

In addition to the impact of the downturn of the world's economies, Samba Digital, Inc. may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. If Samba Digital, Inc. unintentionally violates or fails to comply with laws and regulations, it may be subject to penalties, fines and other sanctions.

#### **No prior market for the Ordinary Shares**

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on Euronext Lisbon, an active market may not develop.

#### **Share price volatility and liquidity**

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress Samba Digital, Inc. may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include the performance of Samba Digital, Inc., purchases or sales of the Ordinary Shares, legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in Samba Digital, Inc.'s shares. The share price for publicly traded companies, particularly those at an early stage of development, such as Samba Digital, Inc., can be highly volatile. Admission to Euronext Access Lisbon should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

#### **Substantial sales of Ordinary Shares**

There can be no assurance that certain Shareholders will not elect to sell their Ordinary Shares. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, Samba Digital, Inc. may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.



### **There is no guarantee that Samba Digital, Inc.'s Ordinary Shares will continue to be traded**

Samba Digital, Inc. cannot assure investors that the Ordinary Shares will always continue to be traded on the Access market or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the value of the Ordinary Shares. Additionally, if in the future Samba Digital, Inc. decides to obtain a listing on another exchange in addition or as an alternative to Euronext Access Lisbon, the level of liquidity of the Ordinary Shares traded on Euronext could decline.

### **Issue of additional Ordinary Shares**

It is possible that Samba Digital, Inc. may decide to issue, pursuant to a private offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by Samba Digital, Inc., or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.



## 8. Company Information

### 8.1 - Samba Digital history

In the early 2000s, Frédéric Fausser launched the SAMBAFOOT website, which swiftly became a focal point for Brazilian soccer information and news in Europe. Available in four languages, the site attracted over one million visits during the 2014 FIFA World Cup. The website was sold in 2021 to the Maltese company CX Media. Over that same period, Brazil started to become a priority country for major international clubs and brands, while, more generally, soccer teams' interest in the Internet and social media accelerated. The development of digital technology and social media networks created a significant growth potential in marketing services and monetization for clubs that were gradually making more of an effort to communicate in foreign languages.

In addition, Frédéric Fausser understood very early on that the world of professional soccer was going to have to evolve, and that this evolution would inevitably differentiate the major European clubs from the other clubs in their respective leagues:

- In one corner were the heavyweight clubs, equipped with substantial resources and capable of running long-term digital marketing campaigns at a global level, with the aim of recruiting as many fans as possible worldwide and therefore gaining access to global sponsorship.
- In the other corner were the vast majority of the other professional clubs, with much more limited resources and – by extension – ambitions.

The COVID-19 crisis has accelerated this trend:

- Stadium attendance has been replaced by growing online fan communities; matchday supporters have become virtual supporters.
- Most importantly, television broadcasting rights have been replaced by the direct collection of payment, from fans, of the price to watch a match live over the Internet.

The Internet and broadcasting platforms such as Amazon, Netflix, DAZN or OneFootball now enable a fan located in Jakarta to follow his or her favorite club's match live at exactly the same time as a fan in Lima. Broadcasting on online platforms helps to create an enhanced experience for the fan, with additional content, online interaction with other supporters, and live conversion opportunities for brands (e-commerce, sports betting, token purchases, etc.).

These far-reaching structural changes explain why Frédéric Fausser decided to establish Samba Digital in the USA to immediately offer a range of digital marketing services and products to the world of soccer, and subsequently to the basketball, cycling, Formula One and tennis industries, which specifically included:

- Creation of digital content, translation into languages selected by the client, and dissemination of said content via the main global social networks to the countries selected by the client.
- A process and network that increase engagement and client visibility on social media.
- Brand monetization.



All of these products and services help to attract a growing number of fans worldwide, a strategy that is proving to be win-win for both the clubs and Samba Digital, Inc..

This explains why the development of Samba Digital is part of an underlying trend – notable for the direct monetization of a sporting event with fans – that is likely to last for decades, and is not a fleeting fad. Despite a 2020 that was massively disrupted by the pandemic and that saw soccer clubs go through difficult times, Samba Digital, Inc. recorded a steady 50 % growth in turnover.

## **8.2 - Reasons for Listing on Euronext Access Lisbon**

Samba Digital has decided to admit its shares on Euronext Lisbon for three specific reasons:

- the possibility to have, as a small Company, a wider visibility than in a larger market, with the possibility to obtain a European scale from Lisbon;
- the Portuguese sporting culture, passion for football included, fundament to attract the interest of investors;
- the proximity to Brazil, Samba Digital, Inc.'s main market and the opportunity to attract in Lisbon, Brazilian investors with links to Football and to Portugal (Samba Digital, Inc.'s first working language on social networks is Portuguese).

## **8.3 - Products and Services**

The products and services provided by Samba Digital are built on 3 complementary principles listed below:

- Multilingual content for social media: The adaptation, by local community managers, of the content provided by the client to the particularities and/or languages of the target countries. They are supported by a creative team responsible for producing engaging content (images, animation, videos) and digital campaigns.
- PR & communications: Samba Digital, Inc. has 3 PR specialists, based in Brazil, Mexico and the United States, who are all tasked with amplifying results and content distribution through a network of media representatives, influencers and broadcasters. This team works closely with the social media managers.
- Monetization: Digital technology facilitates the generation of new sources of revenue via digital sponsoring or branded content, e-commerce, international membership, product licensing. Samba Digital, Inc. supports its clients locally to increase their revenues.

The Sports Translate platform was released into the market this year. It hosts all of the digital marketing services offered by Samba Digital. Plugins and artificial intelligence were developed in order to help reduce production costs and processing times. Nearly 200,000€ were invoiced in 2021, about 20 new clients were raised, a first Google Chrome plugin was developed and a project manager is now dedicated to the Sports Translate platform.

Sports Translate utilizes extensive knowledge and experience in translation, subtitle and voice-over localization to deliver quality products and added value to its clients.



### **Added values**

- Speed: Delivery possible within the hour with Samba's Rush Translation Service
- Flexibility: No commitment, payment per project
- Quality: Experienced and specialized sports translators

The Rush Translation Service or urgent translation is a translation with a tight deadline. The user can select this option on Sports Translate to get their content translated in a maximum 2 hours. In this case, a 25% additional fee is invoiced to the client.

### **Quality and project management**

Sports Translate's quality starts with the selection of the translators. These translators are exclusively native speakers of their target language and are systematically subjected to thorough assessment tests, which allow Samba Digital, Inc. to validate their skills and specializations with certainty.

Quality control does not stop at the selection and qualification of Samba Digital, Inc.'s translators. Its professional project managers ensure that the translations are carried out smoothly to guarantee quality.

Each translation delivered by Samba's translators is subject to a grading. Combined with its continuous quality processes, this systematic rating enables Samba to enrich and improve the quality of the translations Samba delivers every day.

### **Selection process**

When linguists or suppliers apply to Sports Translate, they are sent a test and questionnaire. Once returned, these are reviewed and rated by a trusted, independent linguist. Samba's team does individual interviews with all its translators. After each project, they're rated in the system. Additionally, they are continuously tested.

### **Monitoring process**

Each translation delivered by Samba Digital, Inc.'s translators is subject to a grading. Combined with its continuous quality processes, this systematic rating enables Samba Digital, Inc. to enrich and improve the quality of the translations the platform delivers every day. If a translator delivers subpar files or receives negative feedback from a client, they are removed from the Sports Translate roster.

The platform's USP will be based on products and targeted marketing actions.

### **Products**

Samba Digital, Inc. provides the following products:

- Plugins & AI: the first Google Chrome plugin is already available on the Google Market Place. The artificial intelligence prototype has already started, the aim is to identify key features and services that could be improved through AI.
- Directories: The presence of plugins in software directories (Google, Slack, Shopify) will enable Samba to organically increase Samba Digital, Inc.'s client acquisition rate.

- Sports Translate Express & packages: To distinguish Samba Digital, Inc. from the rest, Samba came up with “Sports Translate Express”, a social media post translation module aimed at sports brands. The feature is currently in its beta testing stage. It will be fully integrated into the platform during Q1 2022, with packages starting at 200 € per month per language.

Sports Translate Express & Package options: a social media post translation module aimed at sports brands. The feature is already available and integrated in the Sports Translate platform with packages starting at €200 per month per language for 10 translations. Samba Digital wants to enable all sports brands to reach fans around the world and take full advantage of their international assets on social networks.

This entails advantages such as:

- Low cost: from €200/month;
- Average processing time: 6 minutes;
- Translation performed by a professional sports translator;
- 30 languages available;
- Autonomy and control: you keep control of your social networks and posting capacity.

### **Marketing Activities**

In order to expand its customer base, Samba Digital is in the process of setting up the following acquisition channels:

- Weekly content on its website / social media.
- Landing Pages (average 5 new leads / week).
- SEO organic to improve Google ranking.
- Partnerships (Horizm, Two Ten Eight).
- Sports Events participation (Soccerex, Leaders, Sportel).
- Paid Media (Google, Facebook, LinkedIn).

## **8.4 - Business Model**

Well in advance of the Covid-19 pandemic and its knock-on effects, Frédéric Fausser imagined, as soon as Samba Digital, Inc. was established in May 2018, a revolutionary organization in terms of flexibility, profitability, financial security, and commercial performance, turning Samba Digital into an electronic network that is unique in the world, bringing together the best global digital marketing expertise to provide unrivaled customer service.

Samba’s business model can be described as follows:

- Samba Digital, Inc. does not have any salaried staff; all employees are on freelance contracts. More than 95 % of Samba Digital, Inc.’s expenditure can be stopped within a month of a potential decision, should it be faced with a decline in business.
- Out of a total of 50 community managers and 130 translators under contract, the vast majority are located in low-cost countries, allowing Samba Digital, Inc. to offer competitive rates to its clients – far below those charged by large digital marketing agencies based in Europe or the United States.

- Since May 2018, all employees have worked from home, given that they are spread out across the globe, without any physical fixed point, as Samba Digital, Inc. itself does not have any office space. Furthermore, its registered office is occupied by its CPA in Miami.
- Samba Digital, Inc.'s business model features a cycle and a counter-cycle: with soccer clubs no longer able to welcome fans into their stadiums due to the pandemic, those fans have found themselves in front of their screens, placing bets online, and so Samba Digital, Inc. has been able to compensate for clubs' stagnating turnovers with the increased turnovers enjoyed by bookmakers and eSports entities.
- From the outset, Samba Digital, Inc. adopted a zero-paper policy: legal, accounting and commercial documentation is generated in Brazil, verification is then carried out in France, and at the end of the chain, the accounting and archiving are carried out in Miami by its CPA: there are no paper documents in circulation.
- Due to the fact that 100 % of the employees work from home, Samba Digital, Inc.'s travel expenses amount to less than 1 % of its turnover.
- Samba Digital, Inc. has no bank debt, no overdraft and no leasing contract.
- Clients are invoiced quarterly in advance so that at the end of the quarter in which the services have been provided, over 90 % of all accounts receivables have been paid.
- From the outset, Samba Digital, Inc. has prepared quarterly closings, balance sheets and operating statements, as well as a budgeting plan that enables actual results to be compared with forecasts every quarter.
- the way in which Samba Digital, Inc. is organized, with a global network of competences, actually enables it to hire very good candidates and highly qualified experts. Samba Digital, Inc. has therefore been able to hire global specialists due to our remote and flexible working setup which provides close proximity to our global rights-holders.
- the remotes working set-up entails a thoroughly rigorous approach to procedures when compared to a traditional Company. In a normal company context, an employee can walk into his or her co-worker's office to ask for clarification, but as Samba Digital's employees are spread out across the globe, all exchanges and interactions must be comprehensively documented: Samba Digital, Inc. has devised and written up many more operating procedures than a normal firm of the same size, precisely because of the distance that separates its employees.
- Employees choose to come work at Samba Digital rather than remain with major soccer clubs, for financial reasons, but mainly for the quality of work, which is significantly more interesting and varied, because they can address the needs of several distinct clients: soccer clubs, cycling teams or basketball clubs, etc.

In summary, Samba Digital has come up with a business model that is:

- Strong turnover and profit growth (+ 50 % per year).
- No financial commitments whatsoever.
- Strong cash generation: more than 70 % of the balance sheet total is in cash.
- No litigation. There are no disputes of any kind: neither with customers nor with suppliers, neither with the Administration nor with other third parties

But also extremely groundbreaking:

- No salaried staff.



- No offices.
- Unique conditions of sale.
- A policy of developing an indirect network facilitated by plugins.

## 8.5 - Clients

In 2018, Samba Digital started out doing business with soccer clubs, first in France, and then elsewhere in Europe. Gradually, Samba Digital, Inc. ventured into other sports, such as tennis, basketball, rugby and cycling. At the end of 2020, Samba Digital, Inc. boasted around 30 clients, including leading firms in the field of sports betting. The range of services available via the Sports Translate platform have, since 2021, enabled Samba Digital, Inc. to reach a number of more modest clubs that wish to access digital services in a simpler and less costly fashion. Around 40 new clients were acquired during the first nine months of 2021. As of 30 September 2021, Samba had 70 clients.

Samba offers different contracts:

- retained contract - with the objective of building their international strategy via social and digital strategies. The average contract length signed with the client is one year. With the development of Samba Digital, Inc., Samba is now signing 2- or 3-years contracts with major international right-holders (national and international federations of major popular sports (basketball, football, rugby, golf, car races...). Important to note that its renewal rate is over 90%.
- campaign contract: sports properties frequently come to Samba for localized activations that require one off support for in market activations across a short period of time (one week, one-month etc....) these projects are usually high margin projects.
- platform-based contract: no retained options at the moment (intentionally), paid by project to allow a non-committal, frequent project-based input of content. The platforms enable Samba to increase its client base with quick wins and multiple projects of various sizes, widening the net of potential customers. From this platform relationship, Samba is often then seeing a conversion into developed customers, requiring wider campaign and retained needs. The objective this year is to use the SAAS (Software as a Service) model with monthly payments based on a license.

Samba's sales organization is based on:

- One Business Development Director based in England
- Two BDR's (Business Dev. Representative) based in Spain and Brazil
- One SDR (Sales Dev. Representative) in England targeting new prospects for the platforms
- Two account managers based in England and France in charge of the client relationship, renewals & upsells.

### 8.5.1 - Clients List



### 8.5.2 - Testimonials



**Sam Baker**  
Social Media Manager  
Formula One  
sbarker@f1.com

"F1 worked with Samba Digital and their Sports Translate platform to help improve accessibility with multi-lingual subtitling on our most popular video content for fans all over the world. Pushed with aggressive service targets, and the intrinsically technical set of vocabulary that the sport carries - the team at Samba excelled. Communication, commitment to delivery and final output has been exceptional from start to finish."



**Michael Forde**  
Chief Sales Officer  
Orlando Magic  
mforde@orlandomagic.com

"Samba has helped us build an engaged audience through digital content in international markets, specifically South America, and will continue to act as an extension of the Magic to help us with our commercial efforts to drive revenue through global digital content. We have been very happy with the relationship we've had with Samba, and the opportunity to work together in the future is very exciting for our team."

## 8.6 - The Global Advertising and Marketing Market

The COVID-19 pandemic resulted in people staying at home and/or working remotely from home, resulting in huge increase in online traffic. The large increases in online traffic provide opportunities for companies to keep their target audience engaged through digital marketing initiatives. While overall digital marketing spending declined due the pandemic-induced cuts in marketing and advertising budgets during the lockdown, available budgets are being directed at digital marketing initiatives. In addition, advertisers are realizing higher returns on their investments owing to lower competition for advertising space. As a result,



the pandemic is driving changes to digital marketing strategies at companies, especially at companies where digital marketing initiatives had relatively low priority.

Clicks and display ads are among the most prominent forms of digital marketing initiatives. Clicks are expensive compared to display ads, as clicks ensure the customer is directed to the advertiser's website. However, clicks provide a better return on investment. The declines in digital marketing budgets across the spectrum resulted in lower costs per click. As a result, marketers are gaining more clicks for the same cost. Proactive advertisers with long-term outlook are utilizing the lower costs of clicks to improve their marketing plans and stand to gain the most when conditions improve. The continued spending on digital marketing initiatives would ensure that such advertisers have a high recall for their products or services when the conditions improve. In addition, the lower costs of digital marketing, as well as the unfavourable circumstances for other marketing and advertising formats is resulting in advertisers exploring and/or increasing their marketing spends on digital marketing.

Amid the COVID-19 crisis, the global market for Digital Advertising and Marketing estimated at US\$350 Billion in the year 2020, is projected to reach a revised size of US\$786.2 Billion by 2026, growing at a CAGR (Compound Annual Growth Rate) of 13.9% over the analysis period. Display, one of the segments analyzed in the report, is projected to grow at a 15.5% CAGR (Compound Annual Growth Rate) to reach US\$521.5 Billion by the end of the analysis period. After a thorough analysis of the business implications of the pandemic and its induced economic crisis, growth in the Search segment is readjusted to a revised 12.2% CAGR (Compound Annual Growth Rate) for the next 7-year period. This segment currently accounts for a 40.9% share of the global Digital Advertising and Marketing market.

## 8.7 - Strategy

Samba enables all sports & I-Gaming organizations to connect to international markets in the fastest and most cost-effective way.

Samba Digital, Inc.'s strategy is in line with an irreversible underlying trend related to changes in media consumption patterns.

Television is gradually fading away, and is being replaced by the consumption of content and events via smartphone. Netflix is producing content with clubs, and OTT<sup>1</sup> platforms are emerging that enable clubs to offer content worldwide that they can then monetize.

The digitization of match broadcasting offers fans an enhanced experience, during which they can be engaged by other content, take advantage of special offers, buy items during the live coverage (jerseys, scarves, etc.), take part in contests, etc...

Three main priorities for Samba next year are:

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<sup>1</sup> OTT stands for "Over The Top" and refers to any streaming service that delivers content over the internet.



- Build a scalable Company based on predictive growth: sales organization (inbound/outbound), account management, acquisition channels, automations, platforms.
- Product Development: start developing new technology (AI) for Sports Translate.
- Africa: concentrate on this territory for social media & PR services

Samba has identified Africa as a fairly untapped market and a great opportunity to extend its social media and PR services. Last year Samba Digital, Inc. began social media management in Arabic language for various French club clients, now however, the objective is to provide a global coverage including African French speaking countries (Ivory Coast, Senegal, Mali) and English language countries (Nigeria, Tanzania, South Africa). With Samba's SAAS (Software as a Service) platform, Sports Translate, Samba already provides translation in regional languages like Dioula, Lingala or Swahili.

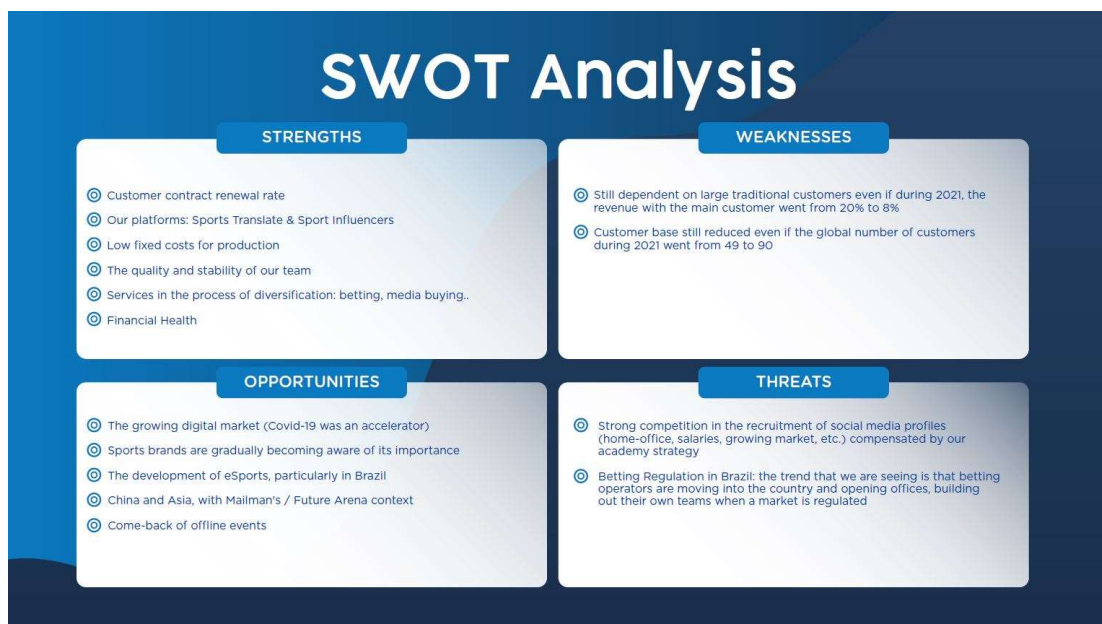
## 8.8 – Positioning

Samba Digital Is a B2B Company which helps sports brands and right holders to increase their fan base worldwide through customized digital and social media strategies.

### Samba Digital, Inc.'s USP:

- Expertise / Experience in local markets (Brazil, Latam, US, Asia etc).
- Production cost: Most of Samba's content is produced by freelancers in "low cost" markets like South America or Asia.
- Its platforms & investment in technology: Sports Translate (150 translators and content creators, covering 30 languages) & Sport Influencers (3000 influencers, most of them in LATAM).

## 8.9 – Swot Analysis



## Betting Regulation in Brazil

The trend that we are seeing is that when there is regulation in a specific market, betting operators tend to settle and invest in those markets independently, establishing themselves and investing internally, requesting less agency support. Therefore in 2022 Samba intends to expand its portfolio of services for betting companies (affiliation, customer service, media planning) but more importantly target further international markets (not only Brazil and Latam).

### 8.10 - Objective

Samba Digital has a very defined objective which is:

- To become the world leader in the internationalization of sports and sports entertainments brands by 2023, by increasing the number of managed fans from 400 million to 1 billion.

The following strategies will be used to reach Samba Digital, Inc. target:

- A global coverage with resources and collaborators in all continents which allows Samba Digital, Inc. to operate 24/24, 365 days a year.
- Two platforms offering “à la carte services” with responsiveness within the hour.
- the use of digital tools to increase and automate prospecting and commercial deals (CRM, Paid Media, SEO technics).

We identified from the outset the hugely important point that an increase in international fan growth and engagement plays a valuable role in the process of commercial value generated for a rights holder - generating new business opportunities alongside the protection of the current international partners and broadcast rights.

With the influx of partnerships between Blockchain companies and sports organizations that utilize NFTs, it has created a fast-growing opportunity for fan engagement and the monetization of international fanbases. And they need a robust partner, with a multinational presence and global experience, to help them to understand and activate these campaigns and identify opportunities using this new technology.

So having an understanding of the impact of Web3 and Blockchain is crucial for Samba Digital. Less so the creation of these services, more so the support required to promote these technological developments as they move into international markets. There are some really interesting new companies coming up in these spaces and it will be about finding out how they fit into sport, and when the right time will be for them to be adopted in a meaningful way.

In order for this to occur requirements include:

- a. launch of social channels and 'launch' activations in new markets
- b. promotional activity and mass brand awareness activations
- c. general language, translation needs
- d. media planning/buying
- e. creative, PR, amplification and other supporting services to move up their market rankings while educating new markets of these technological developments and their crossover into the sports market

## 8.11 - Context and competitive advantages

### Context

Samba Digital, Inc.'s strategy is in line with an irreversible underlying trend related to changes in media consumption patterns.

Television is gradually fading away, and is being replaced by the consumption of content and events via smartphone. Platforms such as Amazon are now acquiring the rights to some of the world's biggest leagues, like the English Premier League. Netflix is producing content with clubs, and OTT platforms are emerging that enable clubs to offer content worldwide that they can then monetize.

The digitization of match broadcasting offers fans an enhanced experience, during which they can be engaged by other content, take advantage of special offers, buy items during the live coverage (jerseys, scarves, etc.), take part in contests, etc.

An increase in the number of international fans boosts the market value of a club, and the future financial model for the valuation of TV/digital rights will be directly proportional to the size of the fan communities that clubs have built up on social media.

In this context, Samba Digital, Inc. expects the business model used by traditional sports marketing agencies to disappear, and the Sports Translate platform was launched to accelerate this trend.

Samba Digital, Inc. has already started a 4-stage development process:

- Translation of sports content into 30 languages.
- Distribution of international content via a multi-channel strategy.
- Improvement in processing times and general efficiency due to the use of plugins (Slack, Google, Wordpress, Shopify, etc.).
- And finally, the use of artificial intelligence, significantly reducing the production cost of digital services, which accounts for 50 % of turnover.

Samba Digital, Inc.'s objective is to centralize all digital services offered to clients on the platform by the end of 2023.

### Competitive advantages

- Quality of services delivered: All of the translators are highly experienced and specialized in their respective sports, which are divided up by area (soccer, golf, F1, eSports, betting, etc.). All of them are tested before being added to the database and assigned a rating after each project.
- Rates: There is no license or contractual commitment to use the platform. The client pays per use: per word or per minute, in the case of videos. The price includes proofreading and project management by an account manager. In addition, the vast majority of community managers and translators are based in low-cost countries, which enables Samba Digital, Inc. to offer the best rates on the market.

- Speed: Samba Digital, Inc. delivers projects within the hour in the case of urgent press releases, for example. Plugins enables Samba to enhance the efficiency of the way customer requests are processed, populating its databases electronically.
- Centralized management: A club can easily manage all of its translation requests from various departments in a centralized manner, and gain an overview of the associated costs, which are currently difficult to track in the majority of sports organizations.
- Availability: 24/7, courtesy of Samba Digital, Inc.'s international presence in North & South America, Europe, Asia, Middle East and Africa.

## 8.12 - Mission

Samba Digital, Inc. fulfils 4 main missions:

- Boost the visibility and engagement of sports and entertainment brands on social networks.
- Offer a unique experience to fans via content and campaigns that are tailored to the target market.
- Provide monetization solutions to clients.
- Improve the ROI of products and services through the Sports Translate platform.

## 8.13 - Market presence

Samba Digital, Inc., ever since its inception in 2018, has always had international aspirations. It spurred the launch of the Brazilian market, then quickly followed this up with the Spanish market, to consolidate its presence in Latin America. Then came the development of the English-speaking market, aided by its presence in the United States. Today, Samba Digital, Inc. manages several projects in countries like India, Indonesia, Japan and Russia. Samba Digital, Inc. can also call on a partner in China, the Two Ten Eight agency.

## 8.14 - General Data Protection Regulation

Samba Digital, Inc. has implemented its compliance with the General Data Protection Regulation (Regulation 2016/679).

A lawyer has been appointed for the implementation of the 5 rules:

- the principle of purpose of the recorded data (article 5,9, 10);
- the principle of proportionality and relevance of recorded data (articles 10, 30);
- the principle of limited storage time of the recorded data (articles 4, 32, 45, 63, 81);
- the principle of security and confidentiality of recorded data (articles 39, 49, 50, 52, 71, 75, 78, 81, 83, 85, 94);
- the rights of individuals (articles 22, 45, 50, 75, 91).

Confidentiality and data retention clauses are already included in the contracts signed between Samba Digital, Inc. and freelancers, translators and clients.

## 9. Company Organization

### 9.1 - Shareholding

Frédéric Fausser, after devising the project, made enquiries about finding a financial partner able to assist Samba Digital as it began to take off. Sylvie Pages, as investor, was convinced by the quality of the project and its prospects for added value, and subscribed, on the 18<sup>th</sup> of June 2018, 50 % of the share capital and undertook to support Samba Digital, Inc. by funding its initial working capital requirements.

Later, on May 10, 2021 Sylvie Pages sold a parcel of her shares to Jerzy Saber who now detains 15% of Samba Digital, Inc..

The company is subjected to a 95 % share lockup on the first six months following the admission and an 85 % share lockup between the 7<sup>th</sup> and 10<sup>th</sup> month.

The current shareholding structure of Samba Digital, SGPS; S.A. is as follows:

- Frédéric Fausser, 5 million shares;
- Sylvie Pages, 3,499,999 shares;
- Jerzy Cremades Saby, 1,499,999 million shares;
- Rita Neto Pinho with 1 share;
- Mário Rui Costa with 1 share;

Samba Digital, SGPS, S.A. holds 100% of Samba Digital Inc.

### 9.2 - Organization chart





Although Samba Digital, Inc. is a virtual network of competence, it is organized vertically rather than horizontally, with CEO Frédéric Fausser having no more than five direct reports under his responsibility.

The generally accepted rules of effective management stipulate that one person cannot manage more than 7 people directly, the ideal being 5. This is the case at Samba Digital where Frédéric Fausser directly manages the 5 key functions of a Company, namely sales, marketing, content and translation production, administration and finance.

The development of Samba Digital, Inc. will be done by respecting this rule of 5 direct reports, simply and as Samba Digital, Inc. grows, Frédéric Fausser may be led to change some Direct Reports for more experienced profiles.

The divisions presented below are spearheaded by experienced employees who came from large, renowned soccer clubs or major marketing agencies:

Tom Moxon, 29, ex-SoLive, Commercial Director, based in England. He works closely with Roberta Michel, ex-Olympique Lyonnais, based in Brazil, who handles the South American market and monetization opportunities.

### **9.2.1 - Marketing**

The marketing department is run by Jean-Philippe Dubois, 37, former Head of Digital at AS Monaco, based in France. He manages all acquisition strategies, as well as new development channels. He also attends to Samba Digital, Inc.'s French clientele.

### **9.2.2 - Sports Translate production**

The Sports Translate platform is managed by Aurora Galimberti, 35, ex-TransPerfect, based in Barcelona. She oversees 130 translators covering 30 different languages. In addition, she supervises all translation projects, improves processes and workflow, and conducts quality testing.

### **9.2.3 - Content and social media production**

Dan McLaren, 46, is responsible for managing digital production. Based in England, he directly manages the various Social Media Managers, organized by language, and the digital design team. Following up on clients located outside France is also part of his remit.

### **9.2.4 - Administration:**

The two-person team is headed up by Marielle Furlaneto, who is responsible for:

- Issuing invoices to clients.
- Client reminders.
- Validation of supplier invoices.
- the Cash flow is under the responsibility of the CEO.



#### **9.2.5 - Legal/Contracts**

The legal services connected to the performance of the normal business activity of Samba Digital are not frequently required and are outsourced to:

- Stephanie Messas, a lawyer based in New York City.

#### **9.2.6 - Finance and production of financial statements**

Since its inception, Samba Digital, Inc. has used the services of Sambourg & Associates, a Miami-based accountancy firm that provides all the digital tools for the electronic capture of accounting transactions, as well as all the reporting necessary for the CEO to manage Samba Digital, Inc.. Once Samba Digital, Inc. has grown to a larger size, the decision to recruit an internal CFO will be made.

## 10. Turnover and Forecasts

### 10.1 – Turnover analysis

The Turnover analysis is divided into 2 categories, the cycle turnover analysis and the counter-cycle turnover analysis.

The cycle analysis focuses on the turnover generated via clubs, leagues and sports federations.

The counter-cycle analysis relies betting houses and platforms in the broad sense.

Analyzing mathematically and independently each of these categories, the total turnover can be determined.

#### 10.1.1 – Past Figures Analysis

##### Turnover 2019

2019 (€)	Cycle	Counter-Cycle	Total
Initial Turnover	1 064 324	73 324	1 137 649
Number of Clients Lost	-4	-2	-6
Turnover (Clients Lost)	123 557	8 443	132 000
Turnover Increase	234 310	132 897	367 208
<b>Total (€)</b>	<b>1 175 078</b>	<b>197 778</b>	<b>1 372 855</b>

##### Turnover 2020

2020 (€)	Cycle	Counter-Cycle	Total
Initial Turnover	1 175 077	197 778	1 372 855
New Clients	5	16	21
Turnover Increase	26 701	144 708	171 409
<b>Total</b>	<b>1 201 778</b>	<b>342 486</b>	<b>1 544 264</b>

#### 10.1.2 - Turnover analysis – 2021

2021 (€)	Cycle	Counter-Cycle	Total
Initial Turnover	1 201 778	0	1 201 778
Turnover (Clients Lost)	-139 397	0	-139 397
New Clients	5	50	55
Turnover Increase	338 029	1 447 590	1 785 619
<b>Total</b>	<b>1 400 410</b>	<b>1 447 590</b>	<b>2 848 000</b>

All cycle clients signed a contract, in the vast majority of cases for 12 months, except for the largest client, who signed for 18 months and two small ones who signed for 3 months, which are renewable.



The vast majority of counter-cycle customers are not on 12-month contracts, at most a minority operate on 3-month renewable contracts.

### 10.1.3 - Turnover Analysis - 2022

2022 (€)	Cycle	Counter-Cycle	Total
Initial Turnover	1 388 329	0	1 388 329
Turnover (Clients Lost)	-165 687	0	-165 687
New Clients	7	70	77
Turnover Increase	1 002 342	1 780 000	2 782 342
<b>Total</b>	<b>2 224 984</b>	<b>1 780 000</b>	<b>4 004 984</b>

Increased revenue existing cycle client due to end of COVID-19 pandemic (re-opening of stadiums, increase of sponsor budgets, etc.) by 40% as past percentages show before COVID.

Given the recovery of football clubs and the return of fans to stadiums, we expect the growth of the wider betting sector to be less strong than during the COVID-19 period.

### 10.1.4 - Turnover Analysis - 2023

2023 (€)	Cycle	Counter-Cycle	Total
Initial Turnover	2 224 984	0	2 224 984
Turnover (Clients Lost)	-258 099	0	-258 099
New Clients	12	90	102
Turnover Increase	1 370 601	2 269 491	3 640 092
<b>Total</b>	<b>3 337 486</b>	<b>2 269 491</b>	<b>5 606 977</b>

Increased revenue existing cycle client due to end of COVID-19 pandemic (re-opening of stadiums, increase of sponsor budgets, etc.) by 40% as past percentages show before COVID-19.

Given the recovery of football clubs and the return of fans to stadiums, we expect the growth of the wider betting sector to be less strong than during the COVID-19 period.

## 10.2 – Financial Forecasts

### 10.2.1 – Main Assumptions

To perform the forecast analysis and estimate the financial statements of Samba Digital, the following assumptions were applied:

## Assumptions

Assumptions	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Fiscal and Macroeconomic Assumptions</b>											
Inflation Rate	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
Tax Rate	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%	21,0%
Number of days	365	365	365	365	365	365	365	365	365	365	365
<b>Operational Cycle</b>											
Sales Growth Rate	35,7%	85,1%	30,8%	50,0%	46,0%	40,0%	35,0%	30,0%	25,0%	20,0%	15,0%
Churn Rate		11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%
COGS	57,0%	42,0%	42,5%	40,0%	39,0%	39,0%	37,0%	37,0%	37,0%	37,0%	37,0%
Operating Expenses Rate	24,0%	38,0%	37,4%	35,0%	35,0%	35,0%	34,0%	34,0%	34,0%	34,0%	34,0%
Accrued Expenses	-81,5%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
Average Receivables Ratio (days)	5	15	15	15	15	15	15	15	15	15	15
Average Payable Ratio (days)	80	46	46	46	46	46	46	46	46	46	46
<b>Investment Cycle</b>											
Depreciation rate	0,0%	0,0%	0,0%	0,0%	16,7%	16,7%	16,7%	16,7%	16,7%	16,7%	16,7%
CAPEX	-24,1%	6,0%	9,0%	8,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
<b>Financing Cycle</b>											
Capital Increase	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Debt Reimbursement	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
New Loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Payout ratio (% dividends distribution)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

## Tax Rate

The tax rate supporting Samba's projections is the tax rate for US companies, 21 %.

## Sales Growth Rate

The Sales growth rate is based on the projections Samba Digital provided up until 2023. The initiation of the Sports Translate Platform alongside the current products and services rendered by Samba are expected to promote a substantial growth of the sales of Samba Digital and persist at a high growth rate until 2024. Afterwards the growth rate starts to decrease stabilizing at 5% in 2029.

## COGS, Operating Expenses and Accrued Expenses

The integration of AI software to improve the processes of Samba Digital, Inc. alongside the increasing returns to scale and the no office space and no employee nature of the business allows the expenses and cost rates to decrease gradually as their sales growth rate continues to increase.

## CAPEX

The value of the Capex increases until 2023 which is when the Sports Translate platform is launched. The following years remains constant as the main investments concern the update and maintenance of the platform and the current products and services.

## WACC

### Cost of Equity (Ke)

US Bond 10y YTM (Rf)	1,67%
Market Yield (Rm)	0,00%
Total Equity Risk Premium US (Rm- Beta Software (Entertainment US) (	4,72%
Leveraged Beta (Bl) $Bl = Bu^*(1+L$	0,96
Ke = Rf + B(Rm- Rf)	96,00%
	6,20%

### Cost of Debt (Kd)

Libor 6 months	0,20%
Spread	3,00%
Kd = Rf + Spread	4,67%

### Weighted Average Cost of Capital (WACC)

Cost of Equity (Ke)	6,20%
Cost of Debt (Kd)	4,67%
Equity (Eq)	302 954
Debt Value (D)	0
Federal Income Tax Rate	21,00%
Weighted Average Cost of Equity	6,20%
Weighted Average Cost of Debt	4,67%
WACC	6,20%

## 10.2.2 - Balance Forecast

Balance (€)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<strong>Assets</strong>												
Net Intangible Assets	183 894	139 667	150 097	355 017	517 637	795 968	1 146 148	1 571 710	2 065 005	2 643 874	3 263 974	3 890 168
Customers	75 067	20 108	24 082	173 836	243 370	355 320	497 448	671 555	873 021	1 091 277	1 309 532	1 505 962
Government and Other Public Authorities	0	0	0	0	0	0	0	0	0	0	0	0
Related Parties Receivables	0	38 595	0	21 855	10 928	16 391	13 659	15 025	14 342	14 684	14 513	14 598
Other Assets	4 489	1 907	18 674	10 417	14 546	12 481	13 513	12 997	13 255	13 126	13 191	13 159
Cash and Cash Equivalents	156 441	420 046	769 881	1 499 448	2 652 539	4 358 184	6 912 222	10 431 955	14 937 797	20 483 917	27 018 880	34 390 006
<strong>Total Assets</strong>	<strong>419 891</strong>	<strong>620 324</strong>	<strong>962 734</strong>	<strong>2 060 573</strong>	<strong>3 439 020</strong>	<strong>5 538 344</strong>	<strong>8 582 991</strong>	<strong>12 703 242</strong>	<strong>17 903 421</strong>	<strong>24 246 877</strong>	<strong>31 620 090</strong>	<strong>39 813 893</strong>
<strong>Equity</strong>												
Stockholders' Equity	830	830	940	940	940	940	940	940	940	940	940	940
Additional Paid-in-Capital	90 752	90 752	0	0	0	0	0	0	0	0	0	0
Retained Earnings	2 170	17 472	235 909	715 797	1 352 948	2 457 936	4 112 209	6 588 251	10 022 730	14 440 204	19 932 224	26 463 759
Earnings Current Period	15 302	190 831	479 888	637 151	1 104 989	1 654 273	2 476 042	3 434 479	4 417 474	5 492 020	6 531 535	7 442 598
<strong>Total Equity</strong>	<strong>109 054</strong>	<strong>299 885</strong>	<strong>716 737</strong>	<strong>1 353 888</strong>	<strong>2 458 876</strong>	<strong>4 113 149</strong>	<strong>6 589 191</strong>	<strong>10 023 670</strong>	<strong>14 441 144</strong>	<strong>19 933 164</strong>	<strong>26 464 699</strong>	<strong>33 907 297</strong>
<strong>Liabilities</strong>												
<strong>Non-Current</strong>												
Advance from Shareholders	157 700	121 956	8 911	0	0	0	0	0	0	0	0	0
<strong>Current</strong>												
Accounts Payable	13 424	77 732	130 031	426 477	559 751	806 340	1 098 365	1 462 199	1 900 858	2 376 073	2 851 287	3 278 980
Current Tax Liabilities	3 470	50 764	66 490	169 369	293 731	439 743	658 188	912 963	1 174 265	1 459 904	1 736 231	1 978 412
Accrued Expenses	131 264	24 337	27 096	78 255	103 635	151 307	211 830	277 800	361 140	451 425	541 710	622 966
Deferred Revenue	0	45 650	0	25 850	12 925	19 388	16 156	17 772	16 964	17 368	17 166	17 267
Customer Deposits	4 980	0	13 468	6 734	10 101	8 418	9 259	8 839	9 049	8 944	8 996	8 970
<strong>Total Liability</strong>	<strong>310 837</strong>	<strong>320 439</strong>	<strong>245 997</strong>	<strong>706 685</strong>	<strong>980 143</strong>	<strong>1 425 195</strong>	<strong>1 993 799</strong>	<strong>2 679 572</strong>	<strong>3 462 276</strong>	<strong>4 313 713</strong>	<strong>5 155 390</strong>	<strong>5 906 596</strong>

## 10.2.3 - Income Statement Forecast

Income Statement (€)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sales	1 060 953	1 440 159	3 021 800	4 230 000	5 922 000	8 646 120	12 104 568	16 341 167	21 243 517	26 554 396	31 865 275	36 645 067
Cost of Sales	607 374	827 955	59 634	1 818 900	2 368 800	3 371 987	4 478 690	6 046 232	7 860 101	9 825 127	11 790 152	13 558 675
Operating Expenses	403 910	352 578	2 347 501	1 565 100	2 072 700	3 026 142	4 236 599	5 555 997	7 222 796	9 028 495	10 834 194	12 459 323
Other Losses	30 067	18 031	7 187	0	0	0	0	0	0	0	0	0
Operating Profit	19 602	241 595	607 478	846 000	1 480 500	2 247 991	3 389 279	4 738 938	6 160 620	7 700 775	9 240 930	10 627 069
Depreciations	0	0	0	39 480	81 780	153 975	255 048	391 497	568 880	748 851	973 164	1 206 059
EBIT	19 602	241 595	607 478	806 520	1 398 720	2 094 016	3 134 231	4 347 441	5 591 740	6 951 924	8 267 766	9 421 010
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
Profit Before Income Tax	19 602	241 595	607 478	806 520	1 398 720	2 094 016	3 134 231	4 347 441	5 591 740	6 951 924	8 267 766	9 421 010
Income Tax	4 300	50 764	127 590	169 369	293 731	439 743	658 188	912 963	1 174 265	1 459 904	1 736 231	1 978 412
Profit for the Period	15 302	190 831	479 888	637 151	1 104 989	1 654 273	2 476 042	3 434 479	4 417 474	5 492 020	6 531 535	7 442 598

## 10.2.4 - Cash Flow Forecast and Multiple Analysis

Cash-Flow Statement (€)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EBIT	19 602	241 595	607 478	806 520	1 398 720	2 094 016	3 134 231	4 347 441	5 591 740	6 951 924	8 267 766	9 421 010
Depreciations	0	0	0	39 480	81 780	153 975	255 048	391 497	568 880	748 851	973 164	1 206 059
Changes in Working Capital	-73 581	-64 291	-38 186	-306 247	-210 723	-329 702	-428 176	-510 816	-581 663	-632 969	-623 528	-554 723
Operational Cash-Flow	93 183	305 886	645 663	1 061 944	1 275 127	2 577 694	3 817 455	5 249 754	6 742 283	8 333 744	9 864 458	11 181 792
Income Tax	4 300	50 764	127 590	169 369	293 731	439 743	658 188	912 963	1 174 265	1 459 904	1 736 231	1 978 412
Financing Cost	0	0	0	0	0	0	0	0	0	0	0	0
Financing Activities	88 883	255 122	518 073	904 418	1 431 395	2 137 950	3 159 266	4 336 791	5 568 018	6 873 840	8 128 227	9 203 380
Repayment of Long-term Borrowings	157 700	-35 744	-129 208	-8 911	0	0	0	0	0	0	0	0
Change in Equity	93 752	0	0	0	0	0	0	0	0	0	0	0
Total Cash-Flow	340 335	219 378	388 866	895 507	1 431 395	2 137 950	3 159 266	4 336 791	5 568 018	6 873 840	8 128 227	9 203 380
CAPEX	183 894	-44 227	-8 079	244 400	244 400	432 306	605 228	817 058	1 062 176	1 327 720	1 593 264	1 832 253
CAPEX Financial Investments	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Change in Cash and Cash Equivalents	156 441	263 606	396 945	729 567	1 153 092	1 705 644	2 554 038	3 519 733	4 505 842	5 546 120	6 534 963	7 371 126
Free Cash Flow	88 883	255 122	518 073	982 878	1 397 492	2 137 950	3 159 266	4 336 791	5 568 018	6 873 840	8 128 227	9 203 380
WACC	6,20%											
Current Cash Flow				432 554	772 736	1 034 578	1 490 372	2 073 797	2 680 595	3 240 755	3 767 280	4 194 760
NPV	24 159 835											

## Multiple Analysis

	Multiple Analysis	2021 (€)	Sector (€)
EV/EBITDA	25,09	607 478	15 241 619
EV/EBIT	38,04	607 478	23 108 456

## Equity Evaluation Methods

In order to evaluate Samba Digital, Inc.'s Equity, the Discounted Cash Flow (DCF) methodology has been employed.



- DCF: evaluation based on the past free cash flows of the firm and relying on the financial projections of Samba Digital until 2023 and estimating the subsequent years.

For verification of the valuation previously assessed, the multiple value analysis was used to confirm that the value is in accordance with the Software Entertainment sector.

- Multiples Analysis: evaluation based on multiples – enterprise value / EBITDA and Enterprise Value / EBIT – of companies operating in the same sector (software entertainment), both from past transactions and listed companies.

The estimation for Samba Digital, Inc.'s Equity Value is € 24 million using the previous methodology.

## **11. Other Relevant Information**

### **Bankruptcy, settlement or fraud processes**

Samba Digital, Inc. does not have any report of processes or cases of such nature.

### **Legal and arbitral lawsuits**

Samba Digital, Inc. does not have any report of processes or cases of such nature.

## 12. Listing Sponsor

This Information Document intends to instruct Samba Digital's request to the technical admission of shares to trading on the Euronext Access Lisbon. As technical admission, as stated on the Euronext Access Lisbon Rule Book, Samba Digital will not raise new capital through public offer or private placement.

The primary reason for applying to the admission to trading is to facilitate the negotiation and liquidity of the shares through a renowned platform.

According to the Euronext Access Lisbon Rule Book, the issuer must elect a listing sponsor in order to apply for the admission to trading on Euronext Access Lisbon.

Carmo & Cerqueira, SROC, Lda. is the listing sponsor responsible for assisting the issuer in the admission process to Euronext Access Lisbon.

Carmo & Cerqueira, SROC, Lda. is the responsible, under the terms and in accordance with the Euronext Access Lisbon Rule Book, for providing assistance, ensuring that legal precepts and requirements abide by the rules, namely the quality of the information. Nevertheless, Carmo & Cerqueira, SROC, Lda. did not perform an autonomous verification of all the facts and information present in this Information Document.

Carmo & Cerqueira, SROC, Lda. NIF 507707192, limited Company based in Rua 28 de Janeiro, nº 350, Candal Park, Fraction T.09, 4400-335 Vila Nova de Gaia registered in the Certified Auditors' Association (OROC) nº202 and registered in the Portuguese Securities Market Commission as an auditor.

Carmo & Cerqueira, SROC, Lda. is one of a group that provides in addition to auditing/legal accounts certificate services, tax, financial and strategy consultancy and other ancillary services to private and public companies.

Carmo & Cerqueira is a Listing Sponsor of Euronext since February 2016.

## 13. Contacts

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## 14. Appendix

### BALANCE SHEETS FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

#### ASSETS

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
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>
<b>Total assets</b>	<u><b>\$ 747,378</b></u>	<u><b>\$ 505,893</b></u>

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

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>

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

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

	<u>2020</u>	<u>2019</u>
<b>Profit for the year</b>	<b>\$ 229,917</b>	<b>\$ 18,436</b>
Adjustments for:		
Loss on disposal of intangible	106	-
<b>Cash from operations before working capital changes</b>		
(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
<b>Net cash flows from operating activities</b>	<b>307,482</b>	<b>34,950</b>
<b>Investing activities</b>		
Proceeds from the sale of intangibles	55,000	-
Purchase of intangibles	(1,821)	(221,559)
<b>Net cash used in investing activities</b>	<b>53,179</b>	<b>(221,559)</b>

**Financing activities**

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

**BALANCE SHEETS**  
**FOR YEARS ENDED DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Assets</b>		
Non-current assets		
Intangible assets (Notes 2 and 4)	\$ 159,678	\$ 168,273
Security deposits	2,000	2,000
<b>Total non-current assets</b>	<u>161,678</u>	<u>170,273</u>
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
<b>Total current assets</b>	<u>862,506</u>	<u>577,105</u>
<b>Total assets</b>	<u><b>\$ 1,024,184</b></u>	<u><b>\$ 747,378</b></u>

# **Liabilities**

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
Total liabilities and stockholders' equity	\$ 1,024,184	\$ 747,378

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

	<b><u>2021</u></b>	<b><u>2020</u></b>
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>

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

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

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