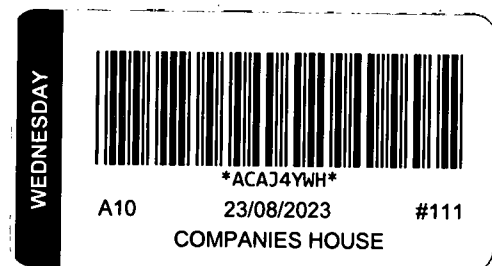


Registered number: 08758857

SANNPA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



SANNPA LIMITED

COMPANY INFORMATION

Directors	Lev Leviev Samuel Matthews Karen McCormick Chris Pallotta Hannes Wallin Tiantian Kullander (appointed 1 July 2022, resigned 23 November 2022)
Registered number	08758857
Registered office	1 Kingsland Passage London United Kingdom E8 2BB
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

SANNPA LIMITED

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SANNPA LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors of Sannpa Limited are pleased to present their Strategic Report and audited group accounts for the year ended 31 December 2022.

Business review

Sannpa Limited is the holding company of Fnatic, the leading esports performance brand.

Fnatic has the most proven track record at building winning teams in the most watched esports titles, including notably League of Legend, Valorant, CSGO, DOTA2, Rainbow6. We entered Apex Legend this year, building a leading Team in the Asian League in just a few weeks, and decided to leave Halo in 2022 to keep our efforts focused.

Thanks to our history of performance, we have built strong partnerships with game publishers and brands willing to target the esports audience, enabling us to be selected amongst only 10 Teams in Europe for the future Valorant League. We are the only esports brand with a full set of products to improve gamers, from apparel to gear, uniquely built directly with our professional players. There has been significant movement in Digital Products which has led to growth in our investments towards digital in-game items in 2022.

Revenues at a group level in 2022, excluding prize money, increased year-on-year by +19% (vs a prior year like-for-like increase of +33%). Pro gaming revenues and partnerships had another strong year at +44% and +26% increase respectively. On the product divisions, Physical products in gear and apparel remain relatively flat, but digital products increased +31% vs prior year.

During 2022, gross profit improved by 15%. This movement has been largely due to high growth and high margin digital in games items in 2022.

The resulting loss before tax figure for the year 2022 is £6.9m vs a loss of £5.8m in 2021.

Principal risks and uncertainties

Sannpa Limited is aware of many of the risks and uncertainties it faces in the fast-changing market in which it operates. Management have implemented policies and procedures to eliminate or mitigate risks as they arise.

Foreign Exchange (FOREX)

A large proportion of our revenue and costs are derived in USD and EUR. As such, Sannpa Limited incurs foreign exchange gains and losses when transferring money internationally and is impacted when reporting gains and losses on the timing differences between billing and settling invoices. FOREX risk is reduced by maintaining a USD and EUR position at all times.

Market conditions

Release of Covid-19 restrictions and increased cost of living have impacted our sales of physical products, but enabled the lifting of restrictions on Esport tournaments, enabling us to generate ever more significant digital revenues. Overall we don't anticipate significant impact on the business going forward due to Covid-19.

Hiring

We identified a strong rebound of the job market in 2022 with candidates quickly being offered several job offers. Our strong brand enables us to still attract leading candidates, but time to recruit has been increased and salaries have increased.

Investment

In order to finance further our international development and creation of new products, we plan to raise additional investment in the future to finance our path to profitability in the mid term. We engage on a permanent basis with our Board to build this funding strategy and mitigate the risks.

SANNPA LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

Sannpa Limited uses several key financial performance indicators across the profit and loss account as well as the balance sheet. These include but are not limited to; revenue, gross profit margin, adjusted EBITDA, the quick ratio, aged receivables and aged payables.

Other key performance indicators

Sannpa Limited operates many differing types of business and as such measures numerous key non-financial performance indicators including but are not limited to; watched hours, follower growth, commerce items sold, average order price, basket size, purchased location.

This report was approved by the board on 4 August 2023 and signed on its behalf.



Samuel Matthews
Director

SANNPA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £6,646,991 (2021 - loss £5,827,588).

No dividends were declared in the year (2021 - £NIL).

Directors

The directors who served during the year were:

Lev Leviev
Samuel Matthews
Karen McCormick
Chris Pallotta
Hannes Wallin
Tiantian Kullander

SANNPA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The financial statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts through to 31 December 2024, covering the 12-month period beyond the signing date of these financial statements. These forecasts include forecasts of cash flows under various future reasonably likely scenarios and project the directors' best estimates of cash flows from expected revenue profiles from the continued operation and performance of the core Fnatic teams and products, together with projections of the results of future fundraising rounds.

Should the expected levels of revenue and fundraising not be reached, these events could cast significant doubt over the Group's ability to continue to operate as a going concern, but the directors have an expectation that this could be mitigated by the Group via the realisation of cost savings in the form of delays in staff hiring, or realising the value from the sale of some of Fnatic's assets which the Directors believe to be of sufficient value having reviewed transactions for similar assets in an active market.

The cash flow forecasts through to 31 December 2024 includes fundraising during the period. As presented in the Principal risks and uncertainties of the Director Report, given current Investment market conditions, the company will plan ahead at realising the value from the sale of some of its assets should the Group be unable to raise the required funds from existing or third party investors. The Directors are confident that there is sufficient value in these assets, as well as a sufficiently active market in which to realise these assets, to ensure that the Group can continue to operate as a going concern should the required investment not be obtained.

Due to the continued support of existing shareholders and new investors who have contributed further funding post year end (see note 26), and the various scenarios demonstrated through the forecasts where the group is able to continue to operate without additional funding, the Board has concluded that the use of the going concern assumption is appropriate in preparing these financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

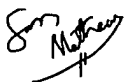
Post balance sheet events

Post year end Sannpa Ltd, the parent company of the group, entered into long term debt financing agreements with various parties amounting to \$3.55m.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4 August 2023 and signed on its behalf.



Samuel Matthews
Director

SANNPA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANNPA LIMITED

Opinion

We have audited the financial statements of Sannpa Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

SANNPA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANNPA LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

SANNPA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANNPA LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We design procedures in line with our responsibilities. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the financial statement disclosures and perform testing on balances and disclosures.
- We inspected correspondence with regulators and tax authorities, and reviewed the companies tax computations.
- We held discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- We evaluated management's controls designed to prevent and detect irregularities;
- We identified and tested journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- We challenged assumptions and judgements made by management in their critical accounting estimates.

We considered the following areas to be those where the financial statements are most susceptible to fraud:

- Revenue recognition: We evaluated management's controls designed to prevent and detect irregularities in revenue, we completed a cash reconciliation to agree the revenue recognised to bank receipts and we completed cut off testing on receipts around the year end.
- Valuation of intangible fixed assets: We obtained and challenged managements assessment of the intangible fixed assets and ensured they had been appropriately classified under IAS 38.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

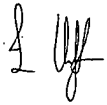
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

SANNPA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANNPA LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Cliffe (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

4 August 2023

SANNPA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	17,687,611	14,470,553
Cost of sales		(10,988,871)	(8,637,628)
Gross profit		6,698,740	5,832,925
Administrative expenses		(13,571,105)	(12,037,740)
Other operating income	5	388,763	395,933
Operating loss	6	(6,483,602)	(5,808,882)
Interest payable and similar expenses	10	(363,050)	(186,134)
Loss before taxation		(6,846,652)	(5,995,016)
Tax on loss	11	160,588	167,428
Loss for the financial year		(6,686,064)	(5,827,588)
Total comprehensive income for the year		(6,686,064)	(5,827,588)
(Loss) for the year attributable to:			
Non-controlling interests		(39,073)	(30,134)
Owners of the parent Company		(6,646,991)	(5,797,454)
		(6,686,064)	(5,827,588)

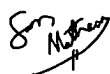
The notes on pages 16 to 36 form part of these financial statements.

SANNPA LIMITED
REGISTERED NUMBER: 08758857

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	5,960,643	4,767,942
Tangible assets	13	394,836	375,640
		<u>6,355,479</u>	<u>5,143,582</u>
Current assets			
Stocks	15	1,317,131	2,931,100
Debtors: amounts falling due after more than one year	16	150,790	140,903
Debtors: amounts falling due within one year	16	4,626,198	4,006,009
Cash at bank and in hand	17	3,021,012	2,679,162
		<u>9,115,131</u>	<u>9,757,174</u>
Creditors: amounts falling due within one year	18	<u>(7,004,504)</u>	<u>(5,483,091)</u>
Net current assets		<u>2,110,627</u>	<u>4,274,083</u>
Total assets less current liabilities		<u>8,466,106</u>	<u>9,417,665</u>
Creditors: amounts falling due after more than one year	19	<u>(3,100,833)</u>	<u>(2,958,195)</u>
Net assets		<u><u>5,365,273</u></u>	<u><u>6,459,470</u></u>
Capital and reserves			
Called up share capital	21	221	221
Share premium account	22	34,748,803	34,721,725
Foreign exchange reserve	22	(408,004)	(314,151)
Other reserves	22	9,161,425	3,502,783
Profit and loss account	22	(37,827,744)	(31,180,753)
Non-controlling interests		(309,428)	(270,355)
		<u><u>5,365,273</u></u>	<u><u>6,459,470</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2023.



Samuel Matthews
Director


The notes on pages 16 to 36 form part of these financial statements.

SANNPA LIMITED
REGISTERED NUMBER: 08758857

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	4,289,377	3,568,245
		<u>4,289,377</u>	<u>3,568,245</u>
Current assets			
Debtors: amounts falling due within one year	16	41,890,623	37,367,871
Cash at bank and in hand	17	218,834	-
		<u>42,109,457</u>	<u>37,367,871</u>
Creditors: amounts falling due within one year	18	(305,608)	(175,333)
Net current assets		<u>41,803,849</u>	<u>37,192,538</u>
Total assets less current liabilities		<u>46,093,226</u>	<u>40,760,783</u>
Creditors: amounts falling due after more than one year	19	(3,100,833)	(2,958,195)
Net assets		<u><u>42,992,393</u></u>	<u><u>37,802,588</u></u>
Capital and reserves			
Called up share capital	21	221	221
Share premium account	22	34,692,065	34,664,987
Other reserves	22	9,161,425	3,502,783
Profit and loss account brought forward		(365,403)	(172,880)
Loss for the year		(495,915)	(192,523)
Profit and loss account carried forward		(861,318)	(365,403)
		<u><u>42,992,393</u></u>	<u><u>37,802,588</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2023.


Samuel Matthews
 Director

The notes on pages 16 to 36 form part of these financial statements.

SANMPA LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2021	201	26,420,975	(35,481)	2,896,393	(25,383,299)	3,898,789	(240,221)	3,658,568
Loss for the year	-	-	-	-	(5,797,454)	(5,797,454)	(30,134)	(5,827,588)
Share option charge	-	-	-	606,390	-	606,390	-	606,390
Foreign exchange translation	-	-	(278,670)	-	-	(278,670)	-	(278,670)
Shares issued during the year	20	8,300,750	-	-	-	8,300,770	-	8,300,770
At 1 January 2022	221	34,721,725	(314,151)	3,502,783	(31,180,753)	6,729,825	(270,355)	6,459,470
Loss for the year	-	-	-	-	(6,646,991)	(6,646,991)	(39,073)	(6,686,064)
SAFE investment into shares	-	-	-	4,937,510	-	4,937,510	-	4,937,510
Share option charge	-	-	-	721,132	-	721,132	-	721,132
Foreign exchange translation	-	-	(93,853)	-	-	(93,853)	-	(93,853)
Shares issued during the year	-	27,078	-	-	-	27,078	-	27,078
At 31 December 2022	221	34,748,803	(408,004)	9,161,425	(37,827,744)	5,674,701	(309,428)	5,365,273

The notes on pages 16 to 36 form part of these financial statements.

SANNPA LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2021	201	26,364,237	2,896,393	(172,880)	29,087,951
Comprehensive income for the year					
Loss for the year	-	-	-	(192,523)	(192,523)
Share option charge	-	-	606,390	-	606,390
Shares issued during the year	20	8,300,750	-	-	8,300,770
At 1 January 2022	221	34,664,987	3,502,783	(365,403)	37,802,588
Comprehensive income for the year					
Loss for the year	-	-	-	(495,915)	(495,915)
SAFE investment into shares	-	-	4,937,510	-	4,937,510
Share option charge	-	-	721,132	-	721,132
Shares issued during the year	-	27,078	-	-	27,078
At 31 December 2022	221	34,692,065	9,161,425	(861,318)	42,992,393

The notes on pages 16 to 36 form part of these financial statements.

SANNPA LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(6,686,064)	(5,827,588)
Adjustments for:		
Amortisation of intangible assets	1,307,516	763,666
Depreciation of tangible assets	203,799	102,811
Loss on disposal of tangible assets	88,993	(72,478)
Interest paid	363,050	186,134
Taxation charge	(160,588)	(167,428)
Decrease/(increase) in stocks	1,613,969	(1,990,590)
(Increase) in debtors	(366,381)	(1,447,498)
Increase in creditors	1,444,025	923,574
Share option charge	721,132	606,390
Corporation tax received	-	135,000
FCTR	(93,853)	(278,670)
Net cash generated from operating activities	<u>(1,564,402)</u>	<u>(7,066,677)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,669,073)	(1,979,766)
Sale of intangible assets	158,856	580,000
Purchase of tangible fixed assets	(311,538)	(255,083)
Net cash from investing activities	<u>(2,821,755)</u>	<u>(1,654,849)</u>
Cash flows from financing activities		
Issue of ordinary shares	27,078	8,300,770
Repayment of loans	-	250
Other new loans	2,085,798	2,958,195
Repayment of other loans	(1,959,329)	-
Interest paid	(363,050)	(186,134)
SAFE investments	4,937,510	-
Net cash used in financing activities	<u>4,728,007</u>	<u>11,073,081</u>
Net increase in cash and cash equivalents	<u>341,850</u>	<u>2,351,555</u>
Cash and cash equivalents at beginning of year	2,679,162	327,607
Cash and cash equivalents at the end of year	<u><u>3,021,012</u></u>	<u><u>2,679,162</u></u>
Cash at bank and in hand	3,021,012	2,679,162

SANNPA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2022 £	2021 £
<u>3,021,012</u>	<u>2,679,162</u>

The notes on pages 16 to 36 form part of these financial statements.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Sannpa Limited is a private company, limited by shares, incorporated and domiciled in England and Wales, registration number 08758857. The registered office address is 1 Kingsland Passage, London, E8 2BB. The company was incorporated on 1 November 2013 in the United Kingdom and Ireland.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts through to 31 December 2024, covering the 12-month period beyond the signing date of these financial statements. These forecasts include forecasts of cash flows under various future reasonably likely scenarios and project the directors' best estimates of cash flows from expected revenue profiles from the continued operation and performance of the core Fnatic teams and products, together with projections of the results of future fundraising rounds.

Should the expected levels of revenue and fundraising not be reached, these events could cast significant doubt over the Group's ability to continue to operate as a going concern, but the directors have an expectation that this could be mitigated by the Group via the realisation of cost savings in the form of delays in staff hiring, or realising the value from the sale of some of Fnatic's assets which the Directors believe to be of sufficient value having reviewed transactions for similar assets in an active market.

The cash flow forecasts through to 31 December 2024 includes fundraising during the period. As presented in the Principal risks and uncertainties of the Director Report, given current Investment market conditions, the company will plan ahead at realising the value from the sale of some of its assets should the Group be unable to raise the required funds from existing or third party investors. The Directors are confident that there is sufficient value in these assets, as well as a sufficiently active market in which to realise these assets, to ensure that the Group can continue to operate as a going concern should the required investment not be obtained.

Due to the continued support of existing shareholders and new investors who have contributed further funding post year end (see note 26), and the various scenarios demonstrated through the forecasts where the group is able to continue to operate without additional funding, the Board has concluded that the use of the going concern assumption is appropriate in preparing these financial statements.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

League Contract	-	10	years
Development costs	-	3	years
Website costs	-	3	years
Trademarks	-	3	years
Player contracts	-		across the length of contract

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20% on straight-line method
Tooling	-	33% on straight-line method
Office equipment	-	33% on straight-line method
Computer equipment	-	33% on straight-line method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.21 Financial instruments (continued)

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.21 Financial instruments (continued)

ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire, or are discharged or cancelled.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

(a) Useful life of the LEC contract

Management have determined that there is an indefinite useful economic life relating to the capitalised LEC contract. This is based on the fact that the contract is a 4 year automatically rolling contract allowing the Company to participate in the League of legends Europe. Should the team no longer be allowed to compete in the league, for example due to poor performance, the Company will receive the total cost of the contract upon exiting the league. As the asset's value is fully recoverable should the Company cease to be party to the league, management consider it to have an indefinite useful life.

Under UK GAAP FRS 102, intangible assets can not have an indefinite life and therefore this has been assessed to have the maximum useful life of 10 years.

(b) Capitalisation of development costs

Distinguishing the research and development phases of a new product and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and determine whether there is any indication that the capitalised costs are impaired. There is estimation uncertainty when considering the impairment of capitalised development costs on the basis that this exercise is performed using forecasts which include a range of assumptions requiring a high level of estimation and judgement.

(c) Share based payments

The Group issues equity settled share based payments to certain Directors and employees, which have included grants of options in the current period. Equity settled share based payments are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the period of service to which the grant relates.

The fair value of share options is measured using a Black-Scholes framework. The Directors have used judgement in the calculation of the fair values of the share based compensation which has been granted during the period, and different assumptions in the model would change the financial result of the business.

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Esports	4,082,901	3,038,536
Commercial Partnerships	7,150,055	5,654,178
Gear	3,566,211	3,365,682
Apparel	631,222	688,121
Digital	2,257,222	1,724,036
	<u>17,687,611</u>	<u>14,470,553</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,965,613	112,087
Rest of Europe	10,097,282	9,069,472
Rest of the world	4,624,716	5,288,994
	<u>17,687,611</u>	<u>14,470,553</u>

5. Other operating income

	2022 £	2021 £
Other operating income	388,763	395,933
	<u>388,763</u>	<u>395,933</u>

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation	254,237	102,811
Exchange differences	(153,580)	91,218
Share based payment	721,132	606,390
Amortisation	1,436,727	767,472
	<u>1,436,727</u>	<u>767,472</u>

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	82,900	64,200
Fees payable to the Group's auditors and associates in respect of:		
Taxation compliance services	19,425	15,850

8. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	9,586,441	7,034,112	-	-
Social security costs	484,450	418,916	-	-
Cost of defined contribution scheme	84,481	67,906	-	-
	<u>10,155,372</u>	<u>7,520,934</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Product	39	27
Sales	8	13
Marketing	36	33
Administration	17	15
	<u>100</u>	<u>88</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL)

9. Directors' remuneration

The total directors remuneration for the group for the year was £150,000 (2021: £165,222).

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	363,050	186,134
	<u>363,050</u>	<u>186,134</u>

Interest payable relates solely to a secured loan note bearing interest of 10% per annum.

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(160,588)	(167,428)
	<u>(160,588)</u>	<u>(167,428)</u>
Total current tax	<u>(160,588)</u>	<u>(167,428)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(160,588)</u>	<u>(167,428)</u>

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(6,846,652)	(5,995,016)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,300,864)	(1,139,053)
Effects of:		
Fixed asset differences	(14,110)	(6,585)
Expenses not deductible for tax purposes	189,546	181,765
Capital allowances for year in excess of depreciation	(127,720)	(123,272)
Surrender of tax losses for R&D tax credit refund	45,006	51,654
Adjustments in respect of prior periods	(96,348)	986
Deferred tax not recognised	916,709	2,285,158
Remeasurement of deferred tax for changes in tax rates	156,539	(1,421,932)
Other permanent differences	70,654	3,851
Total tax charge for the year	(160,588)	(167,428)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SANPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Intangible assets

Group

	League Contracts £	Development expenditure £	Trademarks £	Computer software £	Player Contracts £	Total £
Cost						
At 1 January 2022	4,876,928	437,236	220,092	138,850	903,866	6,576,972
Additions	1,372,510	82,291	23,879	-	1,190,393	2,669,073
Disposals	-	-	-	-	(304,189)	(304,189)
At 31 December 2022	6,249,438	519,527	243,971	138,850	1,790,070	8,941,856
Amortisation						
At 1 January 2022	1,261,763	186,029	66,601	138,850	155,787	1,809,030
Charge for the year on owned assets	510,606	132,844	19,667	-	644,399	1,307,516
On disposals	-	-	-	-	(135,333)	(135,333)
At 31 December 2022	1,772,369	318,873	86,268	138,850	664,853	2,981,213
Net book value						
At 31 December 2022	4,477,069	200,654	157,703	-	1,125,217	5,960,643
At 31 December 2021	3,615,165	251,207	153,491	-	748,079	4,767,942

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Intangible assets (continued)

13. Tangible fixed assets

Group

	Short-term leasehold property £	Tooling £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	167,096	242,438	49,826	198,382	657,742
Additions	47,648	172,902	35,110	55,878	311,538
Disposals	-	(108,075)	-	-	(108,075)
At 31 December 2022	214,744	307,265	84,936	254,260	861,205
Depreciation					
At 1 January 2022	70,571	83,413	12,707	115,411	282,102
Charge for the year on owned assets	36,446	99,899	21,305	46,149	203,799
Disposals	-	(19,532)	-	-	(19,532)
At 31 December 2022	107,017	163,780	34,012	161,560	466,369
Net book value					
At 31 December 2022	107,727	143,485	50,924	92,700	394,836
At 31 December 2021	96,525	159,025	37,119	82,971	375,640

There are no tangible fixed assets held in the Parent Company.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	3,568,245
Additions	721,132
At 31 December 2022	4,289,377
Net book value	
At 31 December 2022	4,289,377
At 31 December 2021	3,568,245

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Fnatic Limited	1 Kingsland Passage, London, E8 2BB	Ordinary	100%
Fnatic Gear Limited	1 Kingsland Passage, London, E8 2BB	Ordinary	97%
Fnatic PTY Limited	Australia	Ordinary	100%
Fnatic GmbH	Germany	Ordinary	100%
Deathbrush Limited	1 Kingsland Passage, London, E8 2BB	Ordinary	100%
Fnatic Business Services D.O.O	Serbia	Ordinary	100%

15. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	1,317,131	2,931,100
	1,317,131	2,931,100

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Other debtors	150,790	140,903	-	-
	<u>150,790</u>	<u>140,903</u>	<u>-</u>	<u>-</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	2,251,634	1,217,857	-	-
Amounts owed by group undertakings	-	-	41,854,033	37,367,871
Other debtors	712,995	677,714	-	-
Prepayments and accrued income	1,661,569	2,110,438	36,590	-
	<u>4,626,198</u>	<u>4,006,009</u>	<u>41,890,623</u>	<u>37,367,871</u>

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	3,021,012	2,679,162	218,834	-
	<u>3,021,012</u>	<u>2,679,162</u>	<u>218,834</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	3,070,453	2,245,092	-	-
Amounts owed to group undertakings	-	-	280,432	150,157
Corporation tax	-	4,540	-	-
Other taxation and social security	432,752	319,578	-	-
Other creditors	82,489	132,595	-	-
Accruals and deferred income	3,418,810	2,781,286	25,176	25,176
	<u>7,004,504</u>	<u>5,483,091</u>	<u>305,608</u>	<u>175,333</u>

SANNPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	3,100,833	2,958,195	3,100,833	2,958,195
	<u>3,100,833</u>	<u>2,958,195</u>	<u>3,100,833</u>	<u>2,958,195</u>

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due 2-5 years				
Other loans	3,100,833	2,958,195	3,100,833	2,958,195
	<u>3,100,833</u>	<u>2,958,195</u>	<u>3,100,833</u>	<u>2,958,195</u>
	<u>3,100,833</u>	<u>2,958,195</u>	<u>3,100,833</u>	<u>2,958,195</u>

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
12,081,202 (2021 - 11,958,000) Ordinary shares of £0.00001 each	120	120
10,098,267 (2021 - 10,098,000) Series A Preferred shares of £0.00001 each	101	101
	<hr/>	<hr/>
	221	221
	<hr/>	<hr/>

22. Reserves

Share premium account

The amount of capital contributed in excess of the nominal value of each Ordinary Share.

Foreign exchange reserve

The foreign exchange translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Other reserves

Amount of proceeds on issue of convertible debt relating to the equity component (ie option to convert the debt into share capital) and aggregate fair value of vested share based payments awarded.

Other reserves contains simple agreement for future equity ("SAFE") agreements, exchanging investments for the right to preferred shares in a future funding round.

Profit and loss account

All other net gains and losses and transactions with owners not recognised elsewhere.

SANNPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Share-based payments

Sannpa operates an EMI and Non-EMI option scheme for eligible parties for its subsidiaries. At the date of the statement of financial position, the parent company granted 3,473,444 options at an exercise price of ranging between £0.0073 and £0.316 to 44 parties. A total of 163,200 (2021: 3,000) options were issued in the year and 35,000 (2021: 3,000) options were exercised. 50,000 (2021: 297,000) share options lapsed in the year. Share options have a vesting period of 3-4 years.

All share options issued by the Company are valued using the Black-Scholes pricing model.

Details of the inputs into the Black-Scholes pricing model are detailed below:

Risk free rate: 0.3%
Expected volatility: 66% - 82%
Exercise price: £0.0073 - £0.316

The expense of the scheme is recognised in this company with the corresponding credit reflected in equity, other reserves.

The share-based payment charge recognised in the year was £721,132 (2021: £606,390).

24. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	-	249,058
Later than 1 year and not later than 5 years	-	1,146,116
Later than 5 years	-	58,904
	<u>-</u>	<u>1,454,078</u>

The Group and the Company had no commitments under non-cancellable operating leases at the balance sheet date.

25. Related party transactions

During the year Fnatic Limited were charged £52,332 (2021: £87,234) by Sports Entertainment Creative Consulting Capital SAS (a company with a common director). No amounts were outstanding at the year end.

Key management personnel costs for the year were £942,925 (2021: £835,611).

26. Post balance sheet events

Post year end Sannpa Ltd, the parent company of the group, entered into long term debt financing agreements with various parties amounting to \$3.55m.