

**Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 31 December 2021
for
Sumo Digital Holdings Limited
Registered no: 09155970**

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Sumo Digital Holdings Limited

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Sumo Digital Holdings Limited

**Company Information
for the year ended 31 December 2021**

DIRECTORS:	C Cavers D C Wilton P R Porter
SECRETARY:	S J Webb
REGISTERED OFFICE:	32 Jessops Riverside Brightside Lane Sheffield South Yorkshire S9 2RX United Kingdom
REGISTERED NUMBER:	09155970 (England and Wales)
AUDITOR:	Ernst & Young LLP 1, Bridgewater Place, Water Lane, Leeds, LS11 5QR

Sumo Digital Holdings Limited

Strategic Report for the year ended 31 December 2021

The directors present their strategic report and the financial statements of the Company for the year ended 31 December 2021.

BUSINESS REVIEW

During the current and prior year, the Company acted as an intermediate holding company and did not undertake any trading. The profit for the year, after taxation, amounted to £nil (2020: £nil). The Company had net liabilities of £595,000 at the end of the year (2020: £595,000). The Directors expect the company to remain as an intermediate holding company with no trading transactions for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company does not undertake any trade, the principal risks and uncertainty for the Company is the carrying value of investments. This carrying value is supported by the trading cash flows of the indirect subsidiaries of the company. Management perform regular cash flow forecasts for the Sumo Group Limited ("Sumo Group" or "The Group"), and these are used to assess the carrying value of investments of the Company and to identify any impairments.

The Company continues to receive support from its parent company Sumo Group Limited (formerly Sumo Group plc).

PANDEMICS

Despite the cancellation or postponement of major trade events and the severe travel restrictions in place to protect the health of our people, we are continuing to see business development opportunities. We actively mitigated the loss of face time through the increased use of telephony and video conferencing.

There remains a risk that other pandemics occur in future. If so, we believe the effects and mitigating actions are likely to be similar to those for COVID-19 and that the Group's experience in dealing with these during COVID-19 would be valuable in doing so again.

GLOBAL EVENTS

Globally, countries are faced with cost of living and climate change challenges. In addition, the conflict between Russia and Ukraine remains ongoing. The impact of these challenges on the company have been considered and no material impact is anticipated.

SECTION 172 STATEMENT

With regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, three directors of the Company are also directors of the parent company Sumo Group Limited, and they operate the Company in line with the objectives of Sumo Group including with regard to stakeholder engagement. Further details how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 and a detailed directors' statement required under section 414CZA of that Act, are available in the consolidated financial statements of Sumo Group Limited.

ON BEHALF OF THE BOARD:



.....
D C Wilton
Director

15 August 2022

Sumo Digital Holdings Limited

Directors' Report for the year ended 31 December 2021

The directors present their report and the financial statements of the Company for the year ended 31 December 2021.

The principal activity is that of a holding company.

RESULTS

The profit for the year, after taxation, amounted to £nil (2020: £nil).

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the period from 1 January 2021 to the date of this report.

C Cavers

D C Wilton

P R Porter

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in UK GAAP FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance.

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Sumo Digital Holdings Limited

Directors' Report - continued for the year ended 31 December 2021

SUBSEQUENT EVENTS

On 17th January 2022, the ultimate parent undertaking (Sumo Group plc) was acquired by Tencent Holdings Limited, through its indirect wholly owned subsidiary, Sixjoy Hong Kong Limited ("Tencent"). This resulted in the delisting of Sumo Group plc's shares on the London Stock Exchange's Alternative Investment Market and, following the delisting, the Group changed its name to Sumo Group Limited.

Subsequent to period end, Russia invaded Ukraine and the conflict remains ongoing. To date, this has not had an impact on the operations or financial performance of the Company and no material financial impact is anticipated.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report.

At Balance sheet date, the Company had net liabilities of £595,000. The Company has also obtained a letter of parental support and guarantees, which provide a safeguard to support the company's liquidity position until 15 August 2023. The directors therefore consider that the Company has adequate resources to continue in operation throughout the going concern assessment period to 15 August 2023.

Financial projections have been prepared at Sumo Group Limited (the "Group") to 30 September 2023 which show positive earnings and cash flow generation and project compliance with banking covenants at each testing date. The Group has applied downside sensitivities to these financial projections to assess the Group's ability to continue operating as a going concern. This process included a reverse 'stress test' to identify the break points in the Group's liquidity or banking covenants compliance. The break points identified in this exercise are considered to be unlikely scenarios as they are triggered only by a significant reduction in forecast revenue which is not contracted or near contracted, and do not consider any mitigating cost control measures which could be taken by the Group.

Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period to 15 August 2023 and they have adopted the going concern basis of accounting in preparing the financial statements.

SMALL COMPANIES NOTES

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

AUDITOR

The auditor, Ernst & Young LLP, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD:



.....
D C Wilton
Director

15 August 2022

Sumo Digital Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUMO DIGITAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sumo Digital Holdings Limited for the year ended December 31, 2021 which comprise the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 14, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at December 31, 2021 and of its result 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 company's ability to continue as a going concern for a period ending August 15th, 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the other information, we are required to report that fact.

Sumo Digital Holdings Limited

We have nothing to report in this regard.

Opinions 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 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 strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 5, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are UK GAAP - FRS 101, the Companies Act 2006 and the relevant tax compliance regulations within the United Kingdom.

Sumo Digital Holdings Limited

- We understood how Sumo Digital Holdings Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes, papers provided to and discussions with those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals to revenue and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved using data analytics to consider the full population of journal entries, focusing our work on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and UK legislation.

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

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 auditor's 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.

Ernst & Young LLP

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

19 August, 2022

Sumo Digital Holdings Limited

**Statement of Comprehensive Income
for the year ended 31 December 2021**

During the current financial year, the Company received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss and had no other recognized gains or losses.

Sumo Digital Holdings Limited

Statement of Financial Position
As at 31 December 2021

		2021		2020	
	Notes	£'000s	£'000s	£'000s	£'000s
FIXED ASSETS					
Investments	6		-		-
CURRENT ASSETS					
Debtors	7	730		730	
		730		730	
CREDITORS					
Amounts falling due within one year	8	1,325		1,325	
NET CURRENT LIABILITIES			(595)		(595)
TOTAL NET LIABILITIES			(595)		(595)
CAPITAL AND RESERVES					
Share capital	9		-		-
Share premium	10		-		-
Retained earnings	10		(595)		(595)
SHAREHOLDERS' FUNDS			(595)		(595)

The financial statements were approved by the Board of Directors on 15 August 2022 and were signed on its behalf by:



.....
D C Wilton
Director

The notes on pages 13 – 18 form part of these financial statements.

Sumo Digital Holdings Limited

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Share capital	Retained earnings	Share premium	Total equity
	£'000s	£'000s	£'000s	£'000s
Balance at 1 January 2020	-	(595)	-	(595)
Changes in equity				
Total comprehensive income	-	-	-	-
Balance at 31 December 2020	-	(595)	-	(595)
Changes in equity				
Total comprehensive income	-	-	-	-
Balance at 31 December 2021	-	(595)	-	(595)

The notes on pages 13 – 18 form part of these financial statements.

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

1. GENERAL INFORMATION

Sumo Digital Holdings Limited is a limited liability company, limited by shares, incorporated and domiciled in England and Wales. Its registered head office is located at 32 Jessops Riverside, Brightside Lane, Sheffield, S9 2RX.

The principal activity of the Company is that of a holding company.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The results of the Company and its subsidiaries are included in the consolidated accounts of Sumo Group Limited and the Company has therefore taken advantage of the exemption available under section 400 of the Companies Act 2006 and not prepared group accounts.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n(ii)), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The following principal accounting policies have been applied:

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report.

At Balance sheet date, the Company had net liabilities of £595,000. The Company has obtained a letter of parental support and guarantees, which provide a safeguard to support the company's liquidity position until 15 August 2023. The directors therefore consider that the Company has adequate resources to continue in operation throughout the going concern assessment period to 15 August 2023.

Financial projections have been prepared at Sumo Group Limited (the "Group") to 30 September 2023 which show positive earnings and cash flow generation and project compliance with banking covenants at each testing date. The Group has applied downside sensitivities to these financial projections to assess the Group's ability to continue operating as a going concern. This process included a reverse 'stress test' to identify the break points in the Group's liquidity or banking covenants compliance. The break points identified in this exercise are considered to be unlikely scenarios as they are triggered only by a significant reduction in forecast revenue which is not contracted or near contracted, and do not consider any mitigating cost control measures which could be taken by the Group.

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - continued

Going concern - continued

Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period to 15 August 2023 and they have adopted the going concern basis of accounting in preparing the financial statements.

Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Amounts owed by group undertakings include balances owed by fellow members of Sumo Group Limited group.

Financial liabilities

The Company classifies its financial liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

Amounts owed to group undertakings include balances owed by fellow members of Sumo Group Limited group.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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.

3. JUDGEMENTS IN ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the preparation of the financial statements the Directors, in applying the accounting policies of the Company, make some judgements and estimates that effect the reported amounts in the financial statements.

The following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements:

Impairment of investments

Management reviews the carrying value of investments at each reporting date, based on the forecast cash flows of those investments.

Impairment of intercompany debtors

Management reviews the carrying value of intercompany debtors at each reporting date, based on the forecast cash flows of those companies.

4. AUDITOR'S REMUNERATION

Auditor's remuneration was borne by Sumo Digital Limited within the Group headed by Sumo Group Limited in the financial period.

5. EMPLOYEES AND DIRECTORS

There were no employees during the period other than directors as disclosed. Other directors were remunerated by other members of the Group, headed by Sumo Group Limited, of which the Company is a member during the period.

6. INVESTMENTS

	Investments in subsidiaries £'000s
COST	
At 1 January 2021 and 31 December 2021	-
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

6. INVESTMENTS (CONTINUED)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

	Class of shares	Holding	Nature of Business
Sumo Digital Group Limited	Ordinary	100%	Holding Group
Sumo Digital Entertainment Limited	Ordinary	100%	Holding Group
Sumo Digital Limited	Ordinary	100%	Video game development
Sumo Digital (Genus) Limited	Ordinary	100%	Video game development
Cirrus Development Limited	Ordinary	100%	Video game development
Aghoco 1337 Limited	Ordinary	100%	Employee benefit trust trustee
Mistral Entertainment Limited	Ordinary	100%	Video game development
Sumo Video Games Private Limited	Ordinary	100%	Video game development
Sumo Games Development Limited	Ordinary	100%	Video game development
Atomhawk Design Limited	Ordinary	100%	Visual design
Atomhawk Canada Limited	Ordinary	100%	Visual design
The Chinese Room Limited	Ordinary	100%	Video game development
Riverside Games Limited	Ordinary	100%	Dormant
Sumo Digital (Chili) Limited	Ordinary	100%	Video game development
Sumo Digital (Locus) Limited	Ordinary	100%	Video game development
Red Kite Games Limited	Ordinary	100%	Video game development
Red Kite Games Development Limited	Ordinary	100%	Video game development
Lab42 Limited	Ordinary	100%	Video game development
Auroch Digital (Coco) Limited	Ordinary	100%	Video game development
AGHOCO 1952 Limited	Ordinary	100%	Dormant
PixelAnt Games sp. Z.o.o.	Ordinary	100%	Video game development

All the companies listed above are incorporated in England and Wales, and have a registered address of 32 Jessops Riverside Brightside Lane, Sheffield, S9 2RX, with the following exceptions:

Name	Country of incorporation	Address
Sumo Video Games Private Limited	India	MCCIA Trade Tower, B Building, 205-206, Senapati Bapat Rd, Chattushringi, Gokhale Nagar, Pune, Maharashtra 411016
Atomhawk Canada Ltd	Canada	Suite 678, 999 Canada Place, Vancouver, British Columbia, V6C 3E1

Of the above subsidiaries, only Sumo Digital Group Limited is held directly.

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000s	2020 £'000s
Amounts owed by subsidiary undertakings	<u>730</u>	<u>730</u>

The above amounts are repayable on demand and non-interest bearing.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000s	2020 £'000s
Amounts owed to subsidiary undertakings	<u>1,325</u>	<u>1,325</u>

The above amounts are repayable on demand and non-interest bearing.

9. SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	2021	2020
			£	£
7,349	Ordinary A	£0.01	73	73
2,840	Ordinary B	£0.01	28	28
4,000	C1-C4 Ordinary	£0.00001	-	-
400	D1	£0.01	4	4
2	D2	£0.01	-	-
190	D3	£0.01	2	2
465	D4	£0.01	5	5
500	D5	£0.01	5	5
4	E1-E4	£0.01	-	-
			<u>117</u>	<u>117</u>

All shares rank pari passu in all respects except as noted below:

- 1) A and E shares have rights to certain dividends should certain performance targets (as specified in the Articles of Association) be achieved;
- 2) C and D shares carry no rights to dividends;
- 3) E shares carry no rights to dividends other than as noted in point 1 above;
- 4) Certain provisions exist in event of the realisation (a sale, listing or winding up) which vary between the type of shares held (as specified in the Articles of Association);
- 5) Except in certain circumstances specified in the Articles of Association:
 - i. The votes capable of being cast by each holder of the D1, D2, D3 and D4 shares shall be 5% of all the votes capable of being cast on any resolution of the Company (such that the D shares in aggregate hold 20% of the voting rights);
 - ii. The balance of all the votes capable of being cast on any resolution of the Company shall be cast by the holders of A shares pro rata to their holdings of A shares;
 - iii. The B, C and E shares carry no voting rights.

Sumo Digital Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2021

10. RESERVES

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares is deducted from share premium.

Retained earnings

Includes all current and prior period profit and losses.

11. CONTINGENT LIABILITIES

The Company is party to the Sumo Group Limited ("Sumo Group" or "The Group") £45m bank facility (£42m RCF; £3m overdraft). The Group had gross cash balances of £39.9m at 31 July 2022 after all drawdowns were fully repaid in July 2022. The facility has a maturity date of November 2023.

Yorkshire Bank holds a debenture giving a fixed and floating charge over the Company's assets as security for any borrowings held by the group of companies, headed by Sumo Group Limited, of which this Company is a member.

12. RELATED PARTY TRANSACTIONS

There are no related party transactions in the year (2020: £nil).

13. CONTROLLING PARTY

The Company's immediate parent undertaking is Project Republica Bidco Limited, a company incorporated in England and Wales.

Up until 17 January 2022, the ultimate parent undertaking and the largest and smallest group for which consolidated financial statements are prepared was Sumo Group Limited (formerly Sumo Group Plc).

Following 17 January 2022, the ultimate parent undertaking became Tencent Holdings Limited, through its indirect wholly owned subsidiary, Sixjoy Hong Kong Limited.

14. SUBSEQUENT EVENTS

On 17th January 2022, the ultimate parent undertaking (Sumo Group plc) was acquired by Tencent Holdings Limited, through its indirect wholly owned subsidiary, Sixjoy Hong Kong Limited ("Tencent"). This resulted in the delisting of Sumo Group plc's shares on the London Stock Exchange's Alternative Investment Market and, following the delisting, the Group changed its name to Sumo Group Limited.

Subsequent to period end, Russia invaded Ukraine and the conflict remains ongoing. To date, this has not had an impact on the operations or financial performance of the Company and no material financial impact is anticipated.