



**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.**

**In the event of a conflict between this Letter and the terms of the Sumo Long Term Incentive Plan, or any relevant legislation, the terms of the Sumo Long Term Incentive Plan or the legislation will prevail.**

**References to taxation are for information only. If you are internationally mobile, you may be subject to tax in more than one jurisdiction. If you have any questions in relation to the tax treatment that applies to you, you should seek professional independent tax advice.**

16 August 2021

**To:** Participants in the Sumo Long Term Incentive Plan (the **LTIP**) who hold nil-cost options

**Recommended cash acquisition of Sumo Group plc (Sumo) by Sixjoy Hong Kong Limited (Bidco), an indirect wholly-owned subsidiary of Tencent Holdings Limited (Tencent)**

**1. BACKGROUND**

On 19 July 2021 the boards of Sumo and Bidco announced that they had agreed the terms of a recommended cash offer by Bidco for the acquisition of the entire issued and to be issued share capital of Sumo that members of the Tencent Group do not already own (the **Acquisition**). The Acquisition is to be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**).

The purpose of this letter (the **Letter**) is to explain the effect of the Acquisition on the nil cost option(s) (**Option(s)**) granted to you under the LTIP.

Under the terms of the Acquisition, Sumo Shareholders will be entitled to receive:

**for each Sumo Share 513 pence in cash (the Consideration)**

Further information relating to the Scheme is set out in a scheme document dated 16 August 2021 (the **Scheme Document**), a copy of which is available (together with a copy of this Letter) online at <https://www.sumogroupplc.com>. You should read this Letter in conjunction with the Scheme Document. Defined terms used in this Letter have the meanings given to them in the Scheme Document, unless otherwise defined in this Letter.

The current estimated timeline for the Scheme is set out below.

Court Hearing to sanction the Scheme ( <b>Court Sanction</b> )	A date expected to be in December 2021, ( <b>D</b> )
Scheme Record Time	6.00 p.m. on D + 1 Business Day
Effective Date of the Scheme ( <b>Effective Date</b> )	D + 2 business days

If you participate in the Sumo Share Incentive Plan or hold joint ownership equity options under the LTIP, you will receive separate letters.

## 2. COURT SANCTION

Options granted in the first half of 2018 have already vested and are exercisable. Unvested Option(s) will vest on Court Sanction to the extent determined by the Remuneration Committee in accordance with the rules of the LTIP and any applicable performance conditions shortly before the date of Court Sanction. The Remuneration Committee has indicated that it is likely that your unvested Option(s) will vest in full. The number of Sumo Shares in respect of which your unvested Option(s) vest(s) will be available to view on your Sumo Share Portal account shortly after the time of Court Sanction.

## 3. OPTION PROPOSAL

Ordinarily your unvested Option(s) would become exercisable, and your vested Options would remain exercisable, for a period of six months from Court Sanction (or a shorter period where your Option(s) otherwise lapse in accordance with the terms of the LTIP), following which they would lapse.

However, the Board has determined (in accordance with the LTIP rules) that your unvested Option(s) will become exercisable, to the extent they are vested, immediately on Court Sanction. It is proposed that you exercise all of your vested Option(s) at this time (the **Option Proposal**).

If you accept the Option Proposal, the Sumo Shares you acquire on the exercise of your Option(s) will be automatically acquired by Bidco on the Effective Date in accordance with the terms of the Scheme. You will be entitled to the same Consideration for each Sumo Share acquired, as is due to all Sumo Shareholders under the Scheme (your **Proceeds**). Any tax withholding liabilities due (see paragraph 6 below) will be deducted from your Proceeds.

**Please note that if you exercise your Option(s) otherwise than in accordance with the Option Proposal, depending on the timing of your exercise, it may not be possible to fund your tax liability by the sale of Sumo Shares, and you will need to arrange for the payment of tax before exercising your Option(s). Receipt of the Consideration for your Sumo Shares may also be delayed.**

To exercise your Option(s) in accordance with the Option Proposal, please log in to your Sumo Share Portal account (<http://www.esp-portal.com/clients/sumogroup>) using your usual log in details. On logging in, you will be able to confirm your acceptance of the Option Proposal by selecting “Corporate Action Journey”.

**If you wish to accept the Option Proposal, you must do this by 5pm (UK time) on 15 October 2021, or any earlier deadline notified to you once the date of Court Sanction is known .**

#### 4. WHAT HAPPENS IF I TAKE NO ACTION?

If you do nothing, your Option(s), to the extent exercisable, will continue to be exercisable for a period of six months from Court Sanction (or a shorter period where your Option(s) otherwise lapse in accordance with the terms of the LTIP). **All Options will lapse at the end of that period to the extent not exercised.**

If you exercise your Option(s) after the Scheme Record Time, the Sumo Shares to which you become entitled will be automatically acquired by Bidco for the Consideration payable under the Scheme, pursuant to the revised articles of association of Sumo approved by Sumo Shareholders as part of the Scheme. To exercise your Option(s) after the Scheme Record Time you will need to log in to your Sumo Share Portal account (<http://www.esp-portal.com/clients/sumogroup>) using your usual log in details and, as mentioned above, you will need to arrange for payment of your tax liability before exercising your Option(s).

#### 5. CESSATION OF EMPLOYMENT

If you cease to hold employment with the Sumo Group **before** the date of Court Sanction, your Option(s) may continue to be exercisable or become exercisable (as applicable) or may lapse, in accordance with the rules of the LTIP. If your Option(s) lapse under the rules of the LTIP, you will no longer be entitled to exercise your Option(s) and if you have already agreed to exercise your Option(s) in accordance with the Option Proposal, that exercise will be of no effect.

If you cease to hold employment with the Sumo Group **after** Court Sanction, and you have exercised your Option(s) in accordance with the Option Proposal, your cessation of employment will have no effect on your Option(s).

If you cease to hold employment with the Sumo Group **after** Court Sanction and you have **not** exercised your Option(s), your Option(s) may remain exercisable for up to six months from Court Sanction, or may lapse earlier in accordance with the rules of the LTIP.

#### 6. TAX

On the exercise of your Option(s), there will be a charge to income tax and employee social security contributions on the market value of the Sumo Shares to which you become entitled. Any applicable withholding liabilities in respect of income tax and employee social security contributions will be deducted from your Proceeds and will be settled directly by your employer with the local tax authority.

The balance of your Proceeds will be paid to you in the next practicable payroll following the Effective Date. If you are not tax resident in the United Kingdom, further information on the tax implications of the exercise of your Option(s) may be obtained from [REDACTED] at [REDACTED].

This tax information is provided for information purposes only. If you have any doubt about the tax treatment of your Option(s), you should obtain your own independent tax advice.

#### 7. WHAT IF THE SCHEME IS NOT SANCTIONED BY THE COURT?

If the Scheme is not sanctioned by the Court and the Acquisition does not proceed, unvested Options will not vest early and all Options will remain in place on their existing terms.

#### 8. DIRECTORS' RECOMMENDATION

The Sumo Directors, who have been so advised by Goldman Sachs International and Zeus Capital Limited as to the financial terms of the Option Proposal, consider the terms of the Option Proposal set out in this Letter to be fair and reasonable in the context of the Acquisition. In providing advice to the Sumo Directors, each of

Goldman Sachs International and Zeus Capital Limited has taken into account the commercial assessments of the Sumo Directors.

The Sumo Directors recommend that you accept the Option Proposal.

If you have any queries about this Letter (not requiring the giving of financial or investment advice) please contact the Equiniti helpline on [REDACTED] if calling from overseas. Lines are open between 8:30 am - 5:30 pm, Monday to Friday (excluding public holidays in England and Wales).

Please note, if you wish to receive a hard copy form of this Letter (and any future documentation, announcements and / or information sent to you in relation to the Acquisition), you may request this via the Equiniti helpline (detailed above).

You should note that none of Equiniti, Sumo or Bidco can provide legal, tax, financial or investment advice on the Acquisition.

**You are reminded that if you hold (an) Option(s) and you take no action, your Option(s) will, in due course, lapse and become worthless.**

Yours faithfully,

Sumo Group plc

Yours faithfully,

Sixjoy Hong Kong Limited

## NOTES

The Sumo Directors, whose names are set out in paragraph 2.1 of Part Six of the Scheme Document, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to the paragraphs below. To the best of the knowledge and belief of the Sumo Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Tencent Bidco Directors, whose names are set out in paragraph 2.2 of Part Six of the Scheme Document, accept responsibility for the information contained in this document (including any expressions of opinion) relating to Bidco, the Bidco Group, themselves and their respective close relatives, related trusts and connected companies, and any other person acting, or deemed to be acting, in concert (as such term is defined in the Code) with Bidco. To the best of the knowledge and belief of the Tencent Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Tencent Directors, whose names are set out in paragraph 2.3 of Part Six of the Scheme Document, accept responsibility for the information contained in this document (including any expressions of opinion) relating to Tencent, the Tencent Group, themselves and their respective close relatives, related trusts and connected companies, and any other person acting or deemed to be acting in concert (as such term is defined in the Code) with Bidco or Tencent. To the best of the knowledge and belief of the Tencent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Goldman Sachs International (**Goldman Sachs**), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for Sumo and no one else in connection with the Acquisition and any other matters referred to in this document and will not be responsible to anyone other than Sumo for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the matters referred to in this document.

Zeus Capital Limited (**Zeus**), which is authorised and regulated in the United Kingdom by the FCA, is acting as Rule 3 adviser for Sumo and no one else in connection with the Acquisition and any other matters referred to in this document and will not regard any other person as its client in relation to the matters in this document and will not be responsible to anyone other than Sumo for providing the protections afforded to clients of Zeus, nor for providing advice in relation to any matter referred to herein.

Morgan Stanley & Co. International Plc (**Morgan Stanley**), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Tencent and Tencent Bidco and no one else in connection with the matters set out in this document and will not be responsible to any person other than Tencent and Tencent Bidco for providing the protections afforded to clients of Morgan Stanley, nor for providing advice in relation to the content of this document or any matter referred to herein. Neither Morgan Stanley nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Morgan Stanley in connection with this document, any statement contained herein or otherwise.

Each of Goldman Sachs, Zeus and Morgan Stanley has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.

The release, publication or distribution of this Letter in or into certain jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws or regulations of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Acquisition or

otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Letter has been prepared for the purposes of complying with the laws of England and Wales, the Takeover Code and the AIM Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales.

This Letter does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Accidental omission to dispatch this Letter to, or any failure to receive the same by, any person shall not invalidate any of the proposals set out in this Letter.

Receipt of documents, acceptances and elections will not be acknowledged. All documents sent by or to you will be sent at your risk. The Option Proposal (and acceptances and elections in respect thereof) shall be governed by and construed in accordance with the laws of England and Wales.