

Ultimate Sports Group Plc (“USG” or the “Company”)

Interim Results

Ultimate Sports Group Plc, the AIM listed investment vehicle, announces its results for the six months ended 30th June 2016.

Chairman’s Statement and Chief Executive’s Review

For the six months ended 30th June 2016 we are reporting a pre-tax loss of £199,253 (2015: loss £69,062).

Westside’s net cash balances as at 30th June 2016 were £461,814 (2015: £449,996). The Directors are not recommending the payment of a dividend.

We are continuing our programme to develop the UltimatePlayer.me brand and we expect to secure definitive progress in 2016.

UltimatePlayer.me

As shareholders are aware, we have been developing an innovative online platform for children. This is a “free to view” method of measuring, motivating and incentivising young children to enhance their own personal sporting performance. Ultimate Player now covers 13 different sports.

We are pleased to report that the programme became fully operational in 2016 and is now being put through its paces with a core group of coaches, children and parents.

We are enthusiastic about the future of the Ultimate Player brand as we launch UltimatePlayer.me and tap into our ESS platform which as outlined below is already established and continues to grow.

We have invested considerable time and money in the development of the UltimatePlayer.me programme and the second stage is expected to make definitive progress in the last quarter of 2016.

Pantheon Leisure Plc (“Pantheon”)

Westside holds 85.87% of the issued share capital of Pantheon, which in turn owns 100% of the operating business of Pantheon’s sport and leisure division.

Pantheon’s sports and leisure division comprises two trading companies, Sport in Schools Limited (‘ESS’), also known as The Elms Sport in Schools, and Football Partners Limited (‘FPL’) - also known as The Elms Small Sided Football.

Pantheon as a group made a profit of £36,259 for the 6 months ended 30th June 2016 (2015: loss £24,942).

Sport in Schools Limited (‘ESS’ - Elms Sport in Schools)

On a turnover of £664,087 (2015: loss £670,681), ESS has contributed a divisional profit of £117,404 as compared with £101,359 to 30th June 2015.

ESS specialises in the delivery of primary school sport - covering the National Curriculum during the day and The Extended Day before and after school hours (breakfast, lunchtime and after-school clubs).

The majority of the breakfast and lunchtime clubs are provided and paid for by the school, whilst the majority of after-school clubs are paid for by parents.

Holiday camps are a successful area for ESS where it provides sports tuition during the school holidays. The majority of the camps are paid for by parents, whilst a few are paid for by the school.

The ESS directors have developed bespoke skill sets which have been adopted with great enthusiasm by its full time staff and part time coaches. On average, 21,000 children are coached between 12 to 25 hours a week. All its coaches are highly qualified (minimum level 2), DBS checked, child protection vetted and rigorously trained by ESS in all the main disciplines required by the National Curriculum. The management of ESS constantly monitors and assesses the level of performance of its coaches throughout the school year.

Football Partners Limited ('FPL')

The 5-a-side football operation enjoys full FA accreditation and its activities (conducted through FPL) continue to be influenced by a difficult market. Turnover (net of corporate fees) decreased by 1.7% to £216,536 which resulted in an operating loss of £38,805 (2015: Loss £33,886).

Outlook

The continuing success of the sports tuition activities of ESS is encouraging and the directors consider that together with the ongoing development of the Ultimate Player.me website there is potential for significant growth.

We look forward to updating shareholders on progress.

R.L Owen

G.M. Simmonds

28 September 2016

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For further information, please visit www.ultimatesportsgroup.me or contact:

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Consolidated statement of comprehensive income for the six months ended 30 June 2016

| | Unaudited 6 months ended 30 June 2016 | Unaudited 6 months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|--|--|---|
| | £ | £ | £ |
| Revenues | 881,864 | 891,009 | 1,674,521 |
| Cost of sales | (456,454) | (490,980) | (976,037) |
| Gross profit | 425,410 | 400,029 | 698,484 |
| Administrative expenses | (559,382) | (533,560) | (1,035,747) |
| Website costs written off | (64,297) | (17,651) | (62,510) |
| Provision for impairment in value of investments | | - | (9,306) |
| | (623,679) | (551,211) | (1,107,563) |
| Operating loss | (198,269) | (151,182) | (409,079) |
| Finance income | 1,002 | 123 | 1,150 |
| Finance costs | (1,986) | (1,986) | (3,972) |
| Other gains and losses | - | 83,983 | 55,480 |
| | (984) | 82,120 | 52,658 |
| (Loss) before taxation | (199,253) | (69,062) | (356,421) |
| Taxation | 15 | (17,376) | (23,334) |
| Profit/(loss) after taxation | (199,238) | (86,438) | (379,755) |
| Attributable to: | | | |
| Owners of the company | (202,946) | (89,989) | (377,424) |
| Non- controlling interests | 3,708 | 3,551 | (2,331) |
| | (199,238) | (86,438) | (379,755) |
| Other comprehensive (loss)/income | | | |
| Net gain/ (loss) arising on revaluation of available-for-sale investments | 75 | (84,660) | (14,553) |
| Tax relating to components of other comprehensive income | (15) | 17,376 | 23,334 |
| | 60 | (67,284) | 8,781 |
| Total comprehensive loss | | | |
| Owners of the company | (202,886) | (157,273) | (368,643) |
| Non- controlling interests | 3,708 | 3,551 | (2,331) |
| | (199,178) | (153,722) | (370,974) |
| Loss per share (basic) | | | |
| Loss per share | (0.0133)p | (0.0063)p | (0.0265)p |
| Total comprehensive loss | (0.0133)p | (0.011)p | (0.0261)p |

Statement of financial position as at 30 June 2016

| | Unaudited as at 30 June 2016 | Unaudited as at 30 June 2015 | Audited As at 31 December 2015 |
|---|------------------------------------|------------------------------------|---|
| | £ | £ | £ |
| Non current assets | | | |
| Goodwill and patents | 60,054 | 60,054 | 60,054 |
| Plant and equipment | 61,985 | 107,994 | 80,975 |
| Social media website development costs | 457,725 | 295,879 | 426,967 |
| Total non-current assets | 579,764 | 463,927 | 567,996 |
| Current assets | | | |
| Available-for-sale investments | 29,348 | 38,967 | 29,273 |
| Trade and other receivables | 290,409 | 325,236 | 182,254 |
| Cash and cash equivalents | 461,814 | 449,996 | 357,915 |
| Total current assets | 781,571 | 814,199 | 569,442 |
| Total assets | 1,361,335 | 1,278,126 | 1,137,438 |
| Current liabilities | | | |
| Trade and other payables | 377,044 | 450,787 | 385,114 |
| Borrowings | 16,377 | 16,377 | 18,877 |
| Total current liabilities | 393,421 | 467,164 | 403,991 |
| Non current liabilities | | | |
| Borrowings | 41,000 | 59,877 | 47,939 |
| Total non-current liabilities | 41,000 | 59,877 | 47,939 |
| Total liabilities | 434,421 | 527,041 | 451,930 |
| Net assets | 926,914 | 751,085 | 685,508 |
| Equity | | | |
| Share capital | 2,026,164 | 1,426,164 | 1,526,164 |
| Share premium | 381,954 | 304,289 | 401,039 |
| Merger reserve | 325,584 | 325,584 | 325,584 |
| Fair value reserve | 1,210 | 8,904 | 1,150 |
| Retained earnings | (1,766,099) | (1,320,689) | (1,569,380) |
| Equity attributable to owners of the company | 968,813 | 744,252 | 684,557 |
| Non-controlling interest | (41,899) | 6,833 | 951 |
| Total Equity | 926,914 | 751,085 | 685,508 |

Consolidated statement of changes in equity

| | Six months ended 30 June 2016 £ | Six months ended 30 June 2015 £ | Year ended 31 December 2015 £ |
|---|--|--|--|
| Total equity at the beginning of period/year | 685,508 | 898,583 | 947,183 |
| Issue of shares | 480,915 | - | 196,750 |
| Revaluation gains/(losses) on available-for sale investments | 75 | - | (14,552) |
| Release on disposal of available -for-sale investment | - | (84,660) | (99,900) |
| Taxation on items taken directly to equity | (15) | 17,376 | 23,334 |
| Share based payments | 6,224 | 6,224 | 12,448 |
| Loss for the period/year | (199,238) | (86,438) | (379,755) |
| Acquisition of non- controlling interest | <u>(46,555)</u> | <u>-</u> | <u>-</u> |
| At end of period/year | <u>926,914</u> | <u>751,085</u> | <u>685,508</u> |

Consolidated statement of cash flows for the six months ended 30 June 2016

| | Six months ended 30 June 2016 £ | Six months ended 30 June 2015 £ | Year ended 31 December 2015 £ |
|--|--|--|--|
| Cash flow from operating activities | | | |
| (Loss)/profit before taxation | (199,253) | (69,062) | (356,421) |
| Adjustments for: | | | |
| Other gains and losses | - | (83,983) | (55,480) |
| Depreciation and amortisation | 46,272 | 23,012 | 55,487 |
| Finance income | (1,002) | (123) | (1,150) |
| Finance costs | 1,986 | 1,986 | 3,972 |
| Share based payments | 6,224 | 6,224 | 12,448 |
| Operating cash flow before working capital movements | (145,773) | (121,946) | (341,144) |
| (Increase)/decrease in receivables | (108,155) | (183,056) | (40,074) |
| (Decrease)/Increase in payables | (8,070) | 112,006 | 46,333 |
| Net cash absorbed by operations | (261,998) | (192,996) | (334,885) |
| Investing activities | | | |
| Finance income | 1,002 | 123 | 1,150 |
| Property, plant and equipment acquired | (3,228) | (14,412) | (10,563) |
| Social media website development | (54,812) | (129,856) | (270,250) |
| Proceeds on disposal of available-for-sale investments | | 89,230 | 89,230 |
| Net cash (used)/from investing activities | (57,038) | (54,915) | (190,433) |
| Financing activities | | | |
| Proceeds from share issues | 480,915 | - | 196,750 |
| Acquisition of non- controlling interest | (46,555) | | |
| Finance costs | (1,986) | (1,986) | (3,972) |
| Repayment of borrowings | (9,439) | (9,439) | (18,877) |
| Net cash from/(used) in financing activities | 422,935 | (11,425) | 173,901 |
| Net increase/(decrease) in cash and cash equivalents | 103,899 | (259,336) | (351,417) |
| Cash and cash equivalents and bank overdraft at the beginning of the period/year | 357,915 | 709,332 | 709,332 |
| Cash and cash equivalents at the end of the period/year | 461,814 | 449,996 | 357,915 |

Notes to the financial statements for the six months ended 30 June 2016

1. General information

Ultimate Sports Group plc (the “company”) is a company domiciled in England and its registered office address is 130 City Road, London EC1Y 2AB. The condensed consolidated interim financial statements of the company for the six months ended 30 June 2016 comprise the company and its subsidiaries (together referred to as “the group”).

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 31 December 2015 has been extracted from the statutory accounts. The auditors’ report on those statutory accounts was unqualified and did not contain a statement under Section 434 of the Companies Act 2006. A copy of those accounts has been filed with the Registrar of Companies.

The group has presented its results in accordance with the measurement principles set out in International Financial Reporting Standards as adopted by the EU using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 December 2015. As permitted, the interim report has been prepared in accordance with the AIM rules for companies and is not compliant in all respects with IAS34 ‘Interim Financial Statements’.

The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and therefore cannot be construed to be in full compliance with IFRS.

The condensed consolidated interim financial statements were approved by the board and authorised for issue on 28 September 2016.

2. Business segment analysis

Six months ended 30 June 2015

| | Sports and leisure £ | Social media website £ | Consolidated £ |
|---|----------------------------|---------------------------------|-------------------|
| Results from operations | | | |
| Revenue | <u>880,623</u> | <u>1,241</u> | <u>881,864</u> |
| Segment operating profit/(loss) | <u>78,689</u> | <u>(64,778)</u> | 13,911 |
| Group operating expenses | | | <u>(212,180)</u> |
| Operating loss | | | (198,269) |
| Finance costs net | | | <u>(984)</u> |
| Profit before taxation | | | (199,253) |
| Taxation | | | <u>15</u> |
| Loss after taxation from continuing activities | | | <u>(199,238)</u> |

Six months ended 30 June 2015

| | Sports and leisure £ | Social media website £ | Consolidated £ |
|---|----------------------------|---------------------------------|-------------------|
| Results from operations | | | |
| Revenue | <u>891,009</u> | <u>-</u> | <u>891,009</u> |
| Segment operating profit | <u>67,473</u> | <u>(17,651)</u> | 49,822 |
| Group operating expenses | | | <u>(201,004)</u> |
| Operating loss | | | (151,182) |
| Other gains and losses | | | 83,983 |
| Finance income | | | <u>(1,863)</u> |
| Loss before taxation | | | (69,062) |
| Taxation | | | <u>(17,376)</u> |
| Loss after taxation from continuing activities | | | <u>(86,438)</u> |

Year Ended 31 December 2015

| | Sports and leisure £ | Social media website £ | Consolidated £ |
|---|----------------------------|---------------------------------|-------------------|
| Results from operations | | | |
| Revenue | <u>1,674,521</u> | <u>-</u> | <u>1,674,521</u> |
| Segment operating (loss)/profit | <u>67,241</u> | <u>(93,105)</u> | (25,864) |
| Group operating expenses | | | (383,215) |
| Operating loss | | | (409,079) |
| Other gains and losses | | | 55,480 |
| Finance revenues less costs | | | (2,822) |
| Loss before taxation | | | (356,421) |
| Taxation | | | (23,334) |
| Profit after taxation from continuing activities | | | <u>(379,755)</u> |

3. Taxation

The tax charge in the accounts represents adjustments for deferred tax arising from origination and reversal of timing differences.

4. Basic and diluted loss per share

The basic and diluted loss per ordinary share for the six month period ended on 30 June 2016 has been calculated on the group's loss attributable to owners of the company of £202,946 and on the weighted average number of shares in issue during the period of 15,261,268.

The basic and diluted loss per ordinary share for the six month period ended on 30 June 2015 has been calculated on the group's loss attributable to owners of the company of £89,989 and on the weighted average number of shares in issue during the period of 14,261,638 adjusted for a subsequent share consolidation in October 2015.

The basic and diluted loss per ordinary share for the year ended on 31 December 2015 has been calculated on the group's loss attributable to owners of the company of £377,424 and on the weighted average number of shares in issue during the year of 14,302,364.

Comprehensive loss per share for the six month period ended 30 June 2016 has been calculated on the comprehensive loss attributable to owners of the company of £202,886 and on the weighted average number of shares in issue during the period of 1,5261,268.

Comprehensive loss per share for the six month period ended 30 June 2015 has been calculated on the comprehensive loss attributable to owners of the company of £157,273 and on the weighted average number of shares in issue during the period of 14,261,638 adjusted for a subsequent share consolidation in October 2015.

Comprehensive loss per share for the year ended 31 December 2015 has been calculated on the comprehensive loss attributable to owners of the company of £368,643 and on the weighted average number of shares in issue during the year of 14,302,364

For the six month period ended 30 June 2016, six month period ended 30 June 2015 and for the year ended 31 December 2015, share options and warrants to subscribe for shares in the company are anti-dilutive and therefore diluted earnings per share information is the same as the basic loss per share.