

**23 February 2018**

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.*

**Ultimate Sports Group PLC**

("USG" or the "Company" or the "Group")

**Subscription & Notice of General Meeting**

Ultimate Sports Group PLC, the AIM listed investment vehicle, is pleased to announce that it has conditionally raised £537,500 from the issue of 10,750,000 Subscription Shares at a price of 5p per share (the "Subscriptions").

In addition, the Company is proposing a reorganisation of the share capital with the sub-division of each existing ordinary share of 10p each into one new ordinary share of 1p each and one deferred share of 9p each.

A circular to shareholders (the "Circular") containing a notice of General Meeting is being posted to shareholders today and will be available on the Company's website [www.ultimatesports.me](http://www.ultimatesports.me). The General Meeting is to be held at 10.00 a.m. on 12 March 2018 at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG. Capitalised terms in this announcement shall have the same meaning ascribed to them in the Circular.

**Further details on the Subscriptions**

In aggregate, the Company is proposing to raise gross proceeds of approximately £537,500 pursuant to the Subscriptions, conditional upon shareholder approval.

*Richard Bernstein's subscription and related arrangements*

The Directors have conducted a number of meetings with Richard Bernstein to establish ways of developing the Company and have concluded that a share subscription by him would benefit the Company and Shareholders. Richard Bernstein has agreed to subscribe for 9,000,000 Subscription Shares.

The net proceeds of Richard Bernstein's subscription for 9,000,000 Subscription Shares will provide additional working capital for the Company. In addition, the Company has entered into an agreement with Richard Bernstein pursuant to which Richard Bernstein will seek to introduce the Company to potential investment or acquisition opportunities for the Company. Should any such introduction lead to a successful transaction, the Company has agreed to pay to Richard Bernstein a fee equal to 1 per cent (1%) of the value of the first acquisition (whether of a business and assets or a company) introduced to the Company by Richard Bernstein provided such transaction is completed prior to 30 September 2019 (or after such date if the introduction occurred prior that date). The fee payable pursuant to the Introduction Agreement, together with any VAT, shall be payable in cash upon completion of any such acquisition. As at the date of this announcement, the Company and Richard Bernstein have not identified any such opportunities and there can therefore be no certainty that any such transaction may be concluded.

Richard Bernstein qualified as a Chartered Accountant in 1989 and between 1994 and 1996 he ran his own specialist research house, Amber Analysis, which provided a risk management service for UK institutions managing over £100 billion. From 1996 to 1999 he was an equity analyst at Schroder Securities Ltd. Richard is the founder shareholder and chief executive of Eurovestech plc ("EVT") which between 2000 and 2012 was admitted to trading on AIM. Between 2000 and 2008, EVT raised capital of some £21.6 million and between 2010 and 2012 made cash distributions back to shareholders of £27.4 million. As at 30 June 2017 the ongoing shareholder funds of EVT totalled £39 million. In August 2012, EVT shareholders approved the delisting from AIM to reduce ongoing costs of the listing. In 2008, Richard was instrumental in the development of Crystal Amber Fund Limited ("CAFL"), where he acts as investment adviser. CAFL is run as an activist fund and invests in a concentrated portfolio of undervalued companies which have a typical market value of between £100 million and £1 billion. As at 31 January 2018 the unaudited net asset value of CAFL was approximately £199 million.

#### *David Kyte's subscription*

In addition, David Kyte has conditionally agreed to subscribe for 1,750,000 of the Subscription Shares at the Subscription Price per share, for an aggregate subscription amount of £87,500. David Kyte is the beneficial owner of 1,760,000 Existing Ordinary Shares representing approximately 7.7 per cent. of the Existing Ordinary Shares in issue at the date of this Document. The Subscription Shares being subscribed by David Kyte will represent approximately 5.2 per cent. of the Enlarged Share Capital and following completion of the Subscriptions and Admission, David Kyte will be the beneficial owner of 3,510,000 New Ordinary Shares representing approximately 10.4 per cent. of the Enlarged Share Capital.

#### *Further information on the Subscription Shares*

In aggregate, the Company is proposing to raise gross proceeds of approximately £537,500 pursuant to the Subscriptions. The Subscriptions are conditional upon all the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 13 March 2018 (or such later date as may be agreed, but in any event not later than 20 April 2018).

The Subscriptions are not being made on a pre-emptive basis and existing Shareholders will not have the right to participate in the Subscriptions. The Directors have decided to effect the fundraising by way of the Subscriptions rather than by offering all Shareholders the opportunity to acquire further shares. The Directors believe that the additional cost and delay incurred in connection with any such offer would not have been in the best interests of the Company. The Subscriptions are not being underwritten.

The Subscription Price represents a discount of approximately 41 per cent. to the closing middle market price of an Existing Ordinary Share of 8.5 pence on 22 February 2018, being the latest practicable date prior to the publication of this Document.

The Subscription Shares will be issued credited as fully paid and will rank pari passu in all respects, including the rights to receive all dividends and other distributions on or after the date on which they are issued.

Application will be made to AIM for the Enlarged Share Capital (comprising the New Ordinary Shares and the Subscription Shares) to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 13 March 2018.

#### **Share Capital Reorganisation**

The Company is prohibited by the Act from issuing new ordinary shares of 10p each at a price below their nominal value. The price at which the Company has been able to raise additional capital in the

Subscriptions is 5p, being less than the current 10 pence nominal value of its Existing Ordinary Shares. Accordingly, it will be necessary to undertake the Share Capital Reorganisation to enable the Subscriptions to proceed. Save for the dilution which will result from the issue and allotment of the Subscription Shares, the interests of existing Shareholders (both in terms of their economic interest and voting rights) will not be diluted by the implementation of the Share Capital Reorganisation.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. Dealings in the Existing Ordinary Shares will cease at the close of business on the date of the General Meeting and dealings in the New Ordinary Shares are expected to commence on the following Business Day, being 8.00 a.m. on 13 March 2018.

The ISIN and SEDOL numbers of the New Ordinary Shares will be the same as the Existing Ordinary Shares and any share certificates for the Existing Ordinary Shares will remain valid for the New Ordinary Shares.

The net effect of the Share Capital Reorganisation is that each holder of one Existing Ordinary Share of 10p each will hold one New Ordinary Share of 1p each and one Deferred Share of 9p each. Therefore, following the Share Capital Reorganisation, the Company will have in issue, and Shareholders' individual holdings will be for, the same number of New Ordinary Shares as the number of Existing Ordinary Shares held immediately prior to the General Meeting.

Further details of the Share Capital Reorganisation is set out in the Circular.

### **Issue of Warrants**

As part of Richard Bernstein's subscription of 9,000,000 Subscription Shares, the Company has agreed to issue to Richard Bernstein 500,000 A Warrants and 500,000 B Warrants, exercisable at a price of 10p and 25p respectively per New Ordinary Share, within an exercise period of 3 years from the date of issue.

As part of the arrangements for the Subscriptions and Admission, the Independent Directors have agreed to issue to each of Richard Owen and Geoffrey Simmonds 125,000 A Warrants each and 125,000 B Warrants each, exercisable at a price of 10p and 25p per New Ordinary Share respectively, within an exercise period of 3 years from the date of issue.

Further details of the A Warrants and the B Warrants are set out in the Circular.

### **Lock- In and Orderly Market Arrangements**

In order to show their continued commitment and support to the Company following Richard Bernstein's investment in the Company, the Directors and certain Shareholders have agreed to enter into the Lock-In Agreements. Under the Lock-in Agreements made between Cantor Fitzgerald and the Company and each of the Locked-In Shareholders (who include all of the Directors), the Locked-In Shareholders have each undertaken that, conditional on Admission, they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any New Ordinary Shares held by them at the date of Admission (or rights arising from any such shares or other securities or attached to any such shares) for a period of 12 months from the date of Admission.

The Lock-In Agreements are in respect of the following numbers of Existing Ordinary Shares:

<b>Name</b>	<b>No. of Existing Ordinary Shares</b>
<i>Shareholders (excluding the Directors)</i>	
David Kyte (1)	3,510,000
James Shulman	1,375,000
Nicholas Slater	1,350,000
Norman Slater	1,000,000
Michael Coppeard	699,250
Rosemary Coppeard	300,000
Clive Mattock	1,183,000
<i>The Directors</i>	
Richard Owen	2,444,672
Geoffrey Simmonds	2,557,092
David Hillel	86,406
John Zucker	449,373
David Coldbeck	99,015
<b>Total</b>	<b>15,053,808</b>

#### **Total**

(1) This includes the 1,750,000 New Ordinary Shares which are being subscribed by David Kyte pursuant to his subscription and following the Share Capital Reorganisation. David Kyte currently beneficially owns 1,760,000 Existing Ordinary Shares.

Under the Orderly Market Deed made between Richard Bernstein, Cantor Fitzgerald and the Company, Richard Bernstein has undertaken that, conditional on Admission and except in certain specified circumstances, for a period 12 months from Admission he will only deal in the New Ordinary Shares beneficially owned by him to such person or persons as are known to him and then through Cantor Fitzgerald (or the Company's broker from time to time) in such a manner as they and the Company may reasonably require to ensure an orderly market in the New Ordinary Shares.

#### **Irrevocable undertakings**

The Directors have undertaken to vote in favour of the Resolutions in respect of their aggregate beneficial holdings of 5,636,558 Existing Ordinary Shares, representing approximately 24.7 per cent. of the Existing Ordinary Shares.

In addition, certain other Shareholders, as listed above being David Kyte, James Shulman, Nicholas Slater, Norman Slater, Michael Coppeard, Rosemary Coppeard and Clive Mattock have undertaken to vote in favour of the Resolutions in respect of their aggregate beneficial holdings of 7,667,250 Existing Ordinary Shares, representing approximately 33.6 per cent. of the Existing Ordinary Shares.

In aggregate irrevocable undertakings to vote in favour of the Resolutions have been received by the Company in respect of beneficial holdings of 13,303,808 Existing Ordinary Shares, representing approximately 58.3 per cent. of the Existing Ordinary Shares.

#### **Current Trading**

Further to the Company Update announcement made earlier today, the Directors confirm that the Group's annual results for the year ended 31 December 2017 will, as is customary, be issued on or shortly before 30 June 2018. A trading update was issued by the Company earlier today which contained an update on the Company's trading together with further information on the Company's investment in

Ultimate Player Ltd, details of which are available on the Company's website at [www.ultimatesportsgroup.me/press-releases1.php](http://www.ultimatesportsgroup.me/press-releases1.php).

The Company's principal subsidiary Sport in Schools Ltd accounts for the majority of the Group's turnover and its profitable ongoing business will continue to incorporate the UltimatePlayer.me programme in its offering. The Group's cash balance as at 31 December 2017 was approximately £130,000.

## **Recommendation**

**The Directors consider the Proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole.**

**Accordingly, the Directors unanimously recommend all Shareholders vote in favour of the Resolutions at the General Meeting as they have undertaken to do in respect of their own beneficial holdings of 5,636,558 Existing Ordinary Shares, representing approximately 24.7 per cent. of the Existing Ordinary Shares.**

Shareholders should be aware that, in relation to the arrangements concerning the grant to each of Richard Owen and Geoffrey Simmonds of A Warrants and B Warrants, given their interest in these arrangements, each of Richard Owen and Geoffrey Simmonds have not taken part in any of the discussions as regards the same.

\* \* ENDS \* \*

For further information, please visit [www.ultimatesportsgroup.me](http://www.ultimatesportsgroup.me) or contact:

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

	<i>2018</i>
Announcement of the Subscriptions and posting of the Circular	23 February
Latest time and date for receipt of Forms of Proxy	10.00 am on 10 March
General Meeting	10.00 am on 12 March
Record date and time for implementation of the Share Capital Reorganisation	12 March
Admission of the Subscription Shares and New Ordinary Shares to trading on AIM	8.00 am on 13 March