

Ultimate Sports Group PLC

("USG" or the "Company")

27 September 2017

Interim Results

Ultimate Sports Group Plc, the AIM listed investment vehicle, is pleased to announce its interim results for six months ended 30 June 2018.

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW

For the six months ended 30 June 2018 we are reporting a total comprehensive loss of £45,552 (30 June 2017: loss £53,375).

USG's cash balances as at 30 June 2018 were £479,722 (30 June 2017: £208,022). The directors are not recommending the payment of a dividend.

FUNDRAISE

As reported comprehensively in the Circular to Shareholders issued in February 2018, the Company raised £537,500 (before legal and other professional expenses) by the issue of 10,750,000 new shares at 5p per share following approval obtained from shareholders at the General Meeting in March 2018

SUBSTANTIAL SHAREHOLDERS

The Company welcomes the involvement of Mr. Richard Bernstein as a strategic shareholder following on from fundraising concluded in February 2018. In addition, the company entered into an agreement with Mr. Bernstein pursuant to which Mr. Bernstein will seek to introduce the Company to potential investment or acquisition opportunities. To date he has carried out and continues to undertake due diligence on potential introductions at his own expense.

PANTHEON LEISURE PLC ("PANTHEON")

USG 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 sport and leisure division is the owner of Sport in Schools Limited also known as The Elms Sport in Schools ("ESS").

Pantheon as a group made a profit of £43,913 for the six months ended 30 June 2018 (30 June 2017: £33,057 (excluding the non - recurring net proceeds on the sale of the business of Football Partners Ltd).

SPORT IN SCHOOLS LIMITED

On a turnover of £800,705 (30 June 2017 - £739,249), ESS has contributed a divisional profit of £80,059 (30 June 2017: £70,644).

CORPORATE GOVERNANCE CODE

In accordance with changes to AIM Rules regarding corporate governance our website will be updated to reflect our compliance with (and explains any departures from) the standard set by the Quoted Companies Alliance.

PROSPECTS

As outlined in the Report and Accounts for the year ended 30 December 2017 issued in June 2018 we continue to pursue, from a firm financial base, a strategy of developing Sport in Schools Limited and to carefully appraise any and all acquisition opportunities, including those proposed by Mr. Bernstein.

R.L. Owen

G.M. Simmonds

26 September 2018

Consolidated statement of comprehensive income for the six months ended 30 June 2018

| | Unaudited 6 months ended 30 June 2018 | Unaudited 6 months ended 30 June 2017 | Audited Year ended 31 December 2017 |
|---------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| | £ | £ | £ |
| Continuing and discontinued activities: | | | |
| Revenues | 800,836 | 839,599 | 1,369,193 |
| Cost of revenues | (385,274) | (391,624) | (793,310) |
| | 415,562 | 447,975 | 599,883 |
| Administrative expenses | (461,285) | (467,028) | (833,533) |
| Exceptional item and non-recurring costs | - | (65,707) | (563,325) |
| | (461,285) | (532,735) | (1,396,858) |
| Operating loss | (45,723) | (84,760) | (796,975) |
| Finance income | 171 | - | - |
| Finance costs | - | (1,986) | (3,714) |
| Other gains | - | - | 20,497 |
| Loss before taxation | (45,552) | (86,746) | (780,192) |
| Taxation | - | 20,144 | 17,572 |
| Loss after taxation from continuing activities | (45,552) | (66,602) | (762,620) |
| Profit from discontinued activities | - | - | 53,567 |
| | (45,552) | (66,602) | (709,053) |
| Attributable to: | | | |
| Owners of the company | (51,755) | (81,046) | (709,470) |
| Non- controlling interests | 6,203 | 14,444 | 417 |
| | (45,552) | (66,602) | (709,053) |
| Other comprehensive (loss)/income | | | |
| Net gain/(loss) arising on revaluation of available-for-sale investments | - | 16,130 | (1,838) |
| Tax relating to components of other comprehensive income | - | (2,903) | 331 |
| | - | 13,227 | (1,507) |
| Total comprehensive loss attributable to: | | | |
| Owners of the company | (51,755) | (67,819) | (710,977) |

| | | | |
|-----------------------------------------------------------------|------------------|------------------|-----------|
| Non- controlling interests | 6,203 | 14,444 | 417 |
| | (45,552) | (53,375) | (710,560) |
| | | | |
| | | | |
| Diluted and undiluted total comprehensive loss per share | (0.0018)p | (0.0032)p | (0.0320p) |

Statement of financial position as at 30 June 2018

| | Unaudited as at 30 June 2018 | Unaudited as at 30 June 2017 | Audited As at 31 December 2017 |
|-----------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------|
| | £ | £ | £ |
| Non- current assets | | | |
| Goodwill and patents | 60,054 | 60,054 | 60,054 |
| Plant and equipment | 13,713 | 15,343 | 12,923 |
| Social media website development costs | - | 491,432 | - |
| Total non-current assets | 73,767 | 566,829 | 72,977 |
| Current assets | | | |
| Available-for-sale investments | - | 42,128 | - |
| Trade and other receivables | 205,684 | 231,019 | 68,981 |
| Cash and cash equivalents | 479,722 | 208,022 | 129,611 |
| Total current assets | 685,406 | 481,169 | 198,592 |
| Total assets | 759,173 | 1,047,998 | 271,569 |
| Current liabilities | | | |
| Trade and other payables | 218,397 | 253,196 | 173,661 |
| Borrowings | 1,000 | 38,500 | 2,000 |
| Total current liabilities | 219,397 | 291,696 | 175,661 |
| Total liabilities | 219,397 | 291,696 | 175,661 |
| Net assets | 539,776 | 756,302 | 95,908 |
| Equity | | | |
| Share capital | 2,388,664 | 2,281,164 | 2,281,164 |
| Share premium | 775,374 | 385,641 | 393,454 |
| Merger reserve | 325,584 | 325,584 | 325,584 |
| Fair value reserve | - | 11,720 | - |
| Retained earnings | (2,892,550) | (2,198,335) | (2,840,795) |
| Equity attributable to owners of the company | 597,072 | 805,774 | 159,407 |

| | | | |
|--------------------------|----------------|----------------|---------------|
| Non-controlling interest | (57,296) | (49,472) | (63,499) |
| Total Equity | 539,776 | 756,302 | 95,908 |

Consolidated statement of changes in equity

| | Six months ended 30 June 2018 £ | Six months ended 30 June 2017 £ | Year ended 31 December 2017 £ |
|--------------------------------------------------------------|------------------------------------------|------------------------------------------|----------------------------------------|
| Total equity at the beginning of period/year | 95,908 | 578,767 | 578,767 |
| Issue of shares | 489,420 | 224,686 | 224,687 |
| Revaluation gains/(losses) on available-for sale investments | - | 16,130 | 1,838 |
| Taxation on items taken directly to equity | - | (2,903) | (331) |
| Share based payments | - | 6,224 | - |
| Loss for the period/year | (45,552) | (66,602) | (709,053) |
| At end of period/year | 539,776 | 756,302 | 95,908 |

Consolidated statement of cash flows for the six months ended 30 June 2018

| | Six months ended 30 June 2018 £ | Six months ended 30 June 2017 £ | Year ended 31 December 2017 £ |
|----------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|----------------------------------------|
| Cash flow from all activities: | | | |
| Loss before taxation from continuing activities | (45,552) | (86,746) | (780,192) |
| Profit before taxation from discontinued activities | - | - | 53,567 |
| | <u>(45,552)</u> | <u>(86,746)</u> | <u>(726,625)</u> |
| Adjustments for: | | | |
| Depreciation and amortisation | 3,557 | 47,709 | 546,937 |
| Finance income | (171) | - | - |
| Finance costs | - | 1,986 | 3,714 |
| Share based payments | - | 6,224 | - |
| Profit on sale of tangible assets | - | - | (30,865) |
| Other gains and losses | - | - | (103,097) |
| | <u>(42,166)</u> | <u>(30,827)</u> | <u>(309,936)</u> |
| Operating cash flow before working capital movements | | | |
| (Increase)/decrease in receivables | (136,703) | (133,317) | 28,720 |
| (Increase)/decrease in payables | 44,736 | 30,649 | (48,886) |
| | <u>(134,133)</u> | <u>(133,495)</u> | <u>(330,102)</u> |
| Net cash absorbed by operations | | | |
| Taxation | - | 17,241 | 17,241 |
| Cash flow from Investing activities | | | |
| Property, plant and equipment acquired | (4,347) | (2,122) | (9,820) |
| Intangible asset development costs | - | (16,300) | (16,300) |
| Proceeds on sale of property, plant and equipment | - | - | 33,187 |
| Proceeds on disposal of available for sale investments | - | - | 48,334 |
| Net proceeds on sale of business | - | - | 82,600 |
| | <u>(4,347)</u> | <u>(18,422)</u> | <u>138,001</u> |
| Net cash from/(used) in investing activities | | | |
| Financing activities | | | |
| Proceeds from share issues | 489,420 | 224,686 | 224,687 |
| Finance income | 171 | - | - |
| Finance costs | - | (1,986) | (3,714) |
| Repayment of borrowings | (1,000) | (9,439) | (45,939) |
| | <u>488,591</u> | <u>213,261</u> | <u>175,034</u> |
| Net cash from/(used) in financing activities | | | |
| Net increase/(decrease) in cash and cash equivalents | 350,111 | 78,585 | 174 |
| Cash and cash equivalents and bank overdraft at the beginning of the period/year | 129,611 | 129,437 | 129,437 |
| | <u>479,722</u> | <u>208,022</u> | <u>129,611</u> |
| Cash and cash equivalents at the end of the period/year | | | |

Notes to the financial statements for the six months ended 30 June 2018

1. General information

Ultimate Sports Group plc (the “company”) is a company domiciled in England and its registered office address is 30 City Road, London EC1Y 2AB. The condensed consolidated interim financial statements of the company for the six months ended 30 June 2018 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 2017 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 2017. 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 26 September 2018.

2. Business segment analysis

Six months ended 30 June 2018

| Continuing activities | Discontinued Sports and leisure | Continuing Sports and leisure | Social media website | Consolidated |
|---------------------------------------------------|------------------------------------------------|----------------------------------------------|---------------------------------|---------------------|
| | £ | £ | £ | £ |
| Results from operations | - | 800,705 | 131 | 800,836 |
| Revenue | <u>-</u> | <u>800,705</u> | <u>131</u> | <u>800,836</u> |
| Segment operating profit/(loss) | | <u>80,059</u> | <u>(20,079)</u> | 59,980 |
| Group operating expenses | | | | <u>(105,703)</u> |
| Operating loss | | | | (45,723) |
| Finance income | | | | <u>171</u> |
| Loss before tax from continuing activities | | | | (45,552) |
| Net revenue from discontinued Activities | <u>-</u> | | | <u>-</u> |
| Loss before tax | | | | (45,552) |
| Taxation | | | | <u>-</u> |
| Operating profit/(loss) after tax | | | | <u>(45,552)</u> |

| Six months ended 30 June 2017 | Discontinued Sports and leisure £ | Continuing Sports and leisure £ | Social media website £ | Consolidated £ |
|---------------------------------------------------|------------------------------------------------------|----------------------------------------------------|---------------------------------------|---------------------------|
| Results from operations | | | | |
| Revenue | <u>100,000</u> | <u>739,249</u> | <u>350</u> | <u>839,599</u> |
| Segment operating profit/(loss) | | <u>70,644</u> | <u>(78,020)</u> | (7,376) |
| Group operating expenses | | | | <u>(146,582)</u> |
| Operating loss | | | | (153,958) |
| Finance costs net | | | | <u>(1,986)</u> |
| Loss before tax from continuing activities | | | | (155,944) |
| Net Revenue from discontinued Activities | <u>69,198</u> | | | <u>69,198</u> |
| | | | | (86,746) |
| Taxation | | | | <u>20,144</u> |
| Loss after taxation from all activities | | | | <u>(66,602)</u> |
| | | | | |
| Year Ended 31 December 2017 | Discontinued Sports and leisure £ | Continuing Sports and leisure £ | Social media website £ | Consolidated £ |
| Results from operations | | | | |
| Revenue | <u>-</u> | <u>1,366,710</u> | <u>483</u> | <u>1,369,193</u> |
| Segment operating (loss)/profit | | <u>28,255</u> | <u>(587,536)</u> | (559,281) |
| Group operating expenses | | | | <u>(237,694)</u> |
| Operating loss | | | | (796,975) |
| Other gains and losses | | | | 20,497 |
| Finance costs | | | | <u>(3,714)</u> |
| Loss before tax from continuing activities | | | | (780,192) |
| Discontinued activities | <u>53,567</u> | | | <u>53,567</u> |
| | | | | (726,625) |
| Taxation | | | | <u>17,572</u> |
| Loss after taxation from all activities | | | | <u>(709,053)</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

Comprehensive loss per share for the six month period ended 30 June 2018 has been calculated on the comprehensive loss attributable to owners of the company of £51,755 and on the weighted average number of shares in issue during the period of 29,344,788.

Comprehensive loss per share for the six month period ended 30 June 2017 has been calculated on the comprehensive loss attributable to owners of the company of £67,819 and on the weighted average number of shares in issue during the period of 21,029,720.

Comprehensive loss per share for the year ended 31 December 2017 has been calculated on the comprehensive loss attributable to owners of the company of £710,977 and on the weighted average number of shares in issue during the year of 22,211,434.

For the six month period ended 30 June 2018, six month period ended 30 June 2017 and for the year ended 31 December 2017, 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.

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

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