

## Ultimate Sports Group PLC

("USG" or the "Company")

26 September 2019

### Interim Results

Ultimate Sports Group plc ("USG" or the "Company"), the AIM listed investment company, is pleased to announce its interim results for the six months ended 30 June 2019.

#### CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW

For the six months ended 30 June 2019 we are reporting a total comprehensive loss of £15,258 (30 June 2018: loss £45,552).

USG's cash balances as at 30 June 2019 were £440,233, falling £95,096 during the period (31 December 2018: £535,329) mainly due to an increase in trade receivables of £163,340, offset in part by a £75,092 increase in trade payables.

The directors are not recommending the payment of a dividend.

#### FUNDRAISE

Subsequent to the half year end, we reported on 15 July 2019, that the Company had raised £290,000 (before legal expenses) by the issue of 2,000,000 new shares at 14.5p per share.

#### SUBSTANTIAL SHAREHOLDERS

The Company continues to welcome the involvement of Mr. Richard Bernstein as a strategic shareholder following the fundraising announced in February 2018 and appreciates the additional confidence he has shown in the Company as reflected by recent purchases in the open market that increased his shareholding from 27.02% to 29.82% of the total issued share capital of the Company.

#### APPOINTMENT OF A NEW CHIEF EXECUTIVE

The Company was also pleased to announce the appointment of Matthew Farnum-Schneider as Chief Executive Officer effective from 1 August 2019. The Board considers that his appointment will spearhead the corporate development of the Group.

#### 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 £62,533 for the six months ended 30 June 2019 (30 June 2018: £43,913).

#### SPORT IN SCHOOLS LIMITED ("SSL")

SSL increased turnover in the period by 18% to £943,392 (30 June 2018: £800,705). The increase is attributable to business expansion. This increased turnover resulted in an improved profit margin due to operational gearing and a divisional 41% increase in profit to £113,130 (30 June 2018: £80,059).

#### CORPORATE GOVERNANCE CODE

In accordance with the AIM Rules regarding corporate governance our website reflects our compliance with (and explains any departures from) the guidance set out in the QCA Corporate Governance Code.

## PROSPECTS

As outlined in the Report and Accounts for the year ended 31 December 2018, we continue to pursue, from a firm financial base, a strategy of developing SSL and to carefully appraise any and all acquisition opportunities, including those proposed by Mr. Bernstein. Led by Matthew Farnum-Schneider, the Board is currently reviewing a number of acquisition opportunities operating in high growth markets. These opportunities are at various stages of discussion and there is no guarantee that they will result in a transaction. The Company will provide further updates as and when appropriate.

R.L. Owen (Chairman)

25 September 2019

	Unaudited 6 months ended 30 June 2019	Unaudited 6 months ended 30 June 2018	Audited Year ended 31 December 2018
	£	£	£
Revenues	943,433	800,836	1,547,006
Cost of revenues	(464,540)	(385,274)	(725,638)
	<u>478,893</u>	<u>415,562</u>	<u>821,368</u>
Administrative expenses	(494,734)	(461,285)	(965,943)
	<u>(15,841)</u>	<u>(45,723)</u>	<u>(144,575)</u>
<b>Operating loss</b>	<b>(15,841)</b>	<b>(45,723)</b>	<b>(144,575)</b>
Finance income	583	171	718
Finance costs	-	-	(628)
	<u>(15,258)</u>	<u>(45,552)</u>	<u>(144,485)</u>
<b>Loss before taxation</b>	<b>(15,258)</b>	<b>(45,552)</b>	<b>(144,485)</b>
Taxation	-	-	-
<b>Loss after taxation</b>	<b>(15,258)</b>	<b>(45,552)</b>	<b>(144,485)</b>
<b>Attributable to:</b>			
Owners of the company	(24,091)	(51,755)	(149,121)
Non- controlling interests	8,833	6,203	4,636
	<u>(15,258)</u>	<u>(45,552)</u>	<u>(144,485)</u>
<b>Total comprehensive loss attributable to:</b>			
Owners of the company	(24,091)	(51,755)	(149,121)
Non- controlling interests	8,833	6,203	4,636
	<u>(15,258)</u>	<u>(45,552)</u>	<u>(144,485)</u>
<b>Basic and diluted total comprehensive loss per share</b>	<u>(0.0007)p</u>	<u>(0.0018)p</u>	<u>(0.0051p)</u>

	Unaudited as at 30 June 2019	Unaudited as at 30 June 2018	Audited As at 31 December 2018
	£	£	£
<b>Non- current assets</b>			
Goodwill and patents	59,954	60,054	59,954
Property, Plant and equipment	89,158	13,713	13,168
<b>Total non-current assets</b>	<u>149,112</u>	<u>73,767</u>	<u>73,122</u>
<b>Current assets</b>			
Trade and other receivables	253,100	205,684	89,760
Cash and cash equivalents	440,233	479,722	535,329
<b>Total current assets</b>	<u>693,333</u>	<u>685,406</u>	<u>625,089</u>
<b>Total assets</b>	<b>842,445</b>	<b>759,173</b>	<b>698,211</b>
<b>Current liabilities</b>			
Trade and other payables	325,871	218,397	239,911
Borrowings	-	1,000	-
<b>Total current liabilities</b>	<u>325,871</u>	<u>219,397</u>	<u>239,911</u>
<b>Non-current liabilities</b>			
Trade and other payables	65,208	-	-
<b>Total liabilities</b>	<u>391,079</u>	<u>219,397</u>	<u>239,911</u>
<b>Net assets</b>	<b>451,366</b>	<b>539,776</b>	<b>458,300</b>
<b>Equity</b>			
Share capital	2,388,664	2,388,664	2,388,664
Share premium	782,031	775,374	782,031
Merger reserve	325,584	325,584	325,584
Retained earnings	(2,994,883)	(2,892,550)	(2,979,116)
<b>Equity attributable to owners of the company</b>	<u>501,396</u>	<u>597,072</u>	<u>517,163</u>
Non-controlling interest	(50,030)	(57,296)	(58,863)
<b>Total Equity</b>	<u><u>451,366</u></u>	<u><u>539,776</u></u>	<u><u>458,300</u></u>

	Six months ended 30 June 2019 £	Six months ended 30 June 2018 £	Year ended 31 December 2018 £
<b>Total equity at the beginning of period/year</b>	<b>458,300</b>	<b>95,908</b>	<b>95,908</b>
Issue of shares	-	489,420	537,500
Share issue costs	-	-	(41,423)
Share based payments	5,400	-	10,800
Loss for the period/year	(15,258)	(45,552)	(144,485)
Impact of change in accounting policy	2,924	-	-
<b>At end of period/year</b>	<b><u>451,366</u></b>	<b><u>539,776</u></b>	<b><u>458,300</u></b>

	Six months ended 30 June 2019 £	Six months ended 30 June 2018 £	Year ended 31 December 2018 £
<b>Cash flow from all activities:</b>			
Loss before taxation	(15,258)	(45,552)	(144,485)
<b>Adjustments for:</b>			
Depreciation and amortisation	4,105	3,557	7,607
Finance income	(583)	(171)	(718)
Finance costs	-	-	628
Share based payments	5,400	-	10,800
Loss on disposed tangible assets	-	-	1
<b>Operating cash flow before working capital movements</b>	<b>(6,336)</b>	<b>(42,166)</b>	<b>(126,167)</b>
Increase in receivables	(163,340)	(136,703)	(20,779)
Increase in payables	75,092	44,736	66,250
<b>Net cash absorbed by operations</b>	<b>(94,584)</b>	<b>(134,133)</b>	<b>(80,696)</b>
<b>Cash flow from Investing activities</b>			
Property, plant and equipment acquired	(1,095)	(4,347)	(7,753)
Finance income	583	171	718
<b>Net cash used in investing activities</b>	<b>(512)</b>	<b>(4,176)</b>	<b>(7,035)</b>
<b>Financing activities</b>			
Proceeds from share issues	-	489,420	496,077
Finance costs	-	-	(628)
Repayment of borrowings	-	(1,000)	(2,000)
<b>Net cash from financing activities</b>	<b>-</b>	<b>488,420</b>	<b>493,449</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(95,096)</b>	<b>350,111</b>	<b>405,718</b>
Cash and cash equivalents and bank overdraft at the beginning of the period/year	535,329	129,611	129,611
<b>Cash and cash equivalents at the end of the period/year</b>	<b>440,233</b>	<b>479,722</b>	<b>535,329</b>

## 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 2019 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 2018 has been extracted from the statutory accounts. The auditors’ report on those statutory accounts was unqualified and did not contain a statement under Section 498(2) or (3) 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 (“IFRS”) using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 December 2018 with exception of the application of new accounting standards. As permitted, the interim report has been prepared in accordance with the AIM rules for companies but is not compliant in all respects with IAS34 ‘Interim Financial Statements’.

In the current financial year, the Group has adopted IFRS 16 Leases which has resulted in the Group recognising a right-of-use asset and lease liability for all contracts that are or contain a lease. The Group has applied the modified retrospective adoption method, with no restatement of prior year comparatives. Full disclosure of the accounting policy in respect of IFRS 16 will be made in the consolidated annual financial statements of the Group for the year ending 31 December 2019. The impact of the adoption of IFRS 16 has resulted in an increase in opening tangible fixed assets of £79,000, offset by an increase in opening liabilities of £79,000, due to the recognition of the lease assets and liabilities.

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 25 September 2019.

## 2. Business segment analysis

### Six months ended 30 June 2019

	Sports and leisure	Social media website	Consolidated
	£	£	£
Results from operations			
Revenue	<u>943,392</u>	<u>41</u>	<u>943,433</u>
Segment operating profit/(loss)	<u>113,130</u>	<u>(12,493)</u>	100,637
Group operating expenses			<u>(116,478)</u>
<b>Operating loss</b>			(15,841)
Finance income			<u>583</u>
<b>Loss before tax from all activities</b>			(15,258)
Taxation			<u>-</u>
<b>Operating loss after tax</b>			<u>(15,258)</u>

### Six months ended 30 June 2018

	Sports and leisure	Social media website	Consolidated
	£	£	£
Results from operations			
Revenue	<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>
<b>Operating loss</b>			(45,723)
Finance income			<u>171</u>
<b>Loss before tax from all activities</b>			<u>(45,552)</u>
			<u>(15,258)</u>

**Year Ended 31 December 2018**

	<b>Sports and leisure £</b>	<b>Social media website £</b>	<b>Consolidated £</b>
<b>Results from operations</b>			
Revenue	<u>1,546,733</u>	<u>273</u>	<u>1,547,006</u>
Segment operating profit/(loss)	<u>100,754</u>	<u>(32,399)</u>	68,355
Group operating expenses			(212,930)
<b>Operating loss</b>			(144,575)
Finance revenues			718
Finance costs			(628)
<b>Loss before tax from all activities</b>			<u>(144,485)</u>

**3. Basic and diluted loss per share**

Comprehensive loss per share for the six months period ended 30 June 2019 has been calculated on the comprehensive loss attributable to owners of the company of £24,091 and on the weighted average number of shares in issue during the period of 33,561,639.

Comprehensive loss per share for the six months 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 year ended 31 December 2018 has been calculated on the comprehensive loss attributable to owners of the company of £149,121 and on the weighted average number of shares in issue during the year of 29,174,996.

For the six month period ended 30 June 2019, six month period ended 30 June 2018 and for the year ended 31 December 2018, 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](http://www.ultimatesportsgroup.me) or contact:

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