

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Ordinary Shares please send this Document together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into the United States.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the FCA (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 FSMA.

Your attention is drawn to the letter from the Chairman on behalf of the Board of the Company in Part I of this Document and which contains a unanimous recommendation by them that you vote in favour of the Resolutions to be proposed at the General Meeting.

Application will be made for the Enlarged Share Capital to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. It is anticipated that Admission will become effective and that dealings in the Enlarged Share Capital (comprising the New Ordinary Shares and the Subscription Shares) will commence on AIM at 8.00 a.m. on 13 March 2018. The Subscription Shares will rank in full for all dividends and other distributions declared, made or paid after the date of issue of the Subscription Shares and will otherwise rank *pari passu* in all respects with the New Ordinary Shares.

Ultimate Sports Group Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)

**Subscription of 10,750,000 Subscription Shares
at a price of 5p per Subscription Share
Proposed Share Capital Reorganisation
Proposed Grant of Warrants
and
Notice of General Meeting**

The distribution of this Document or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Subscription Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with the Subscriptions. The responsibility of Cantor Fitzgerald Europe as the Company's nominated adviser under the AIM Rules is owed solely to the London Stock Exchange and is not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company or reliance on any part of this Document.

Notice of a General Meeting of the Company to be held at the offices of Howard Kennedy LLP at No.1 London Bridge, London, SE1 9BG at 10.00 a.m. on 12 March 2018 is set out at the end of this Document. Shareholders will find attached to this Document a Form of Proxy for use at the General Meeting. To be valid, the attached Form of Proxy, completed in accordance with the

instructions thereon, should be returned as soon as possible but, in any event, so as to be received by Share Registrars Limited, Proxy Department, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR at least 48 hours before the time appointed for the General Meeting.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and accompanying Form of Proxy. Your attention is drawn to the letter from the Chairman of the Company which includes recommendations that you vote in favour of the Resolutions to be proposed at the General Meeting referred to in this Document.

Cautionary note regarding forward-looking statements: This Document contains statements about the Company that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the operations of the Company. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules and/or the Prospectus Rules), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Responsibility for this Document

The issue of this Document has been approved by the Board. The Directors, whose names are set out on page 3, accept responsibility for the information contained in this Document. Subject as aforesaid, to the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Directors accepts responsibility accordingly.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard Owen Geoffrey Simmonds David Hillel John Zucker David Coldbeck	<i>Executive Chairman</i> <i>Managing Director</i> <i>Finance Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	David Hillel	
Registered Office	30 City Road London EC1Y 2AB	
Nominated Adviser and Broker	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London E14 5RB	
Legal Advisers to the Company	Howard Kennedy LLP No.1 London Bridge London SE1 9BG	
Auditors to the Company	Hazlewoods LLP Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX	
Registrars to the Company	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2018

Announcement of the Subscriptions and posting of this Document	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

Notes:

- (1) References to times in this Document and the Notice of General Meeting are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement from the Company through an RIS.
- (3) The timing of the events in the above timetable and in the rest of this Document is indicative only.

Calls to the Share Registrars Limited 01252 821390 number are charged at your service provider's network standard rate. Calls to the Share Registrars Limited's +44 1252 821390 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Share Registrars Limited cannot provide advice on the merits of the Subscriptions, the Proposals nor give any financial, legal or tax advice.

SUBSCRIPTIONS STATISTICS

Number of Existing Ordinary Shares in issue ⁽¹⁾	22,811,638
Number of New Ordinary Shares in issue following the Share Capital Reorganisation (prior to the Subscriptions)	22,811,638
Number of Deferred Shares in issue following the Share Capital Reorganisation	22,811,638
Subscription Price of each Subscription Share	5 pence
Number of Subscription Shares being subscribed	10,750,000
Gross proceeds of Subscriptions	£537,500
Enlarged Share Capital	33,561,638
Number of A Warrants	750,000
Number of B Warrants	750,000

Notes:

- (1) As at 22 February 2018, being the last practicable Business Day prior to the publication of this Document.

DEFINITIONS

“Act”	the Companies Act 2006
“Admission”	the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies (including the guidance notes) published by the London Stock Exchange (as amended) governing the admission to and the operation of AIM
“Articles”	the articles of association of the Company (as amended from time to time)
“A Warrant Instrument”	the instrument in the agreed form to be constituted by the Company following the passing of the Resolutions at the General Meeting relating to the issue of the A Warrants, further details of which are set out in Part II of this Document
“A Warrants”	the total of 750,000 warrants to subscribe for 750,000 New Ordinary Shares at a subscription price of 10p per New Ordinary Share to be issued following Admission and pursuant to the terms of the A Warrant Instrument
“B Warrant Instrument”	the instrument in the agreed form to be constituted by the Company following the passing of the Resolutions at the General Meeting relating to the issue of the B Warrants, further details of which are set out in Part II of this Document
“B Warrants”	the total of 750,000 warrants to subscribe for 750,000 New Ordinary Shares at a subscription price of 25p per New Ordinary Share to be issued following Admission and pursuant to the terms of the B Warrant Instrument
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“certificated” or “certificated form”	not in an uncertificated form
“Cantor Fitzgerald”	Cantor Fitzgerald Europe, the Company’s nominated adviser and broker
“Company”	Ultimate Sports Group Plc (registered number 03882621)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Deferred Shares”	deferred shares of 9p each in the capital of the Company arising on the Share Capital Reorganisation
“Directors” or “Board”	the directors of the Company whose names appear on page 3 of this Document

“Document”	this document, which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission, comprising the New Ordinary Shares to be issued under the Share Capital Reorganisation and the Subscription Shares
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the ordinary shares of 10p each in the capital of the Company, of which 22,811,638 are in issue as at the date of this Document (being the entire issued share capital of the Company prior to the Share Capital Reorganisation and the Subscriptions)
“FCA”	the United Kingdom Financial Conduct Authority, a successor to the Financial Services Authority under FSMA and the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry
“Final Subscription Date”	the earlier of: (i) three years from the date of the Warrant Instruments; or (ii) the date on which the Warrants lapse due to the winding up of the Company in accordance with the terms of the Warrant Instruments
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting which accompanies this Document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 12 March 2018, or any adjournment thereof, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiaries and its subsidiary undertakings
“Independent Directors”	David Hillel, John Zucker and David Coldbeck
“Introduction Agreement”	the agreement dated 23 February 2018 entered into between Richard Bernstein and the Company, conditional on Admission, a summary of which is set out in Part I of this Document
“Instruments” or “Warrant Instruments”	together, the A Warrant Instrument and the B Warrant Instrument
“ISIN”	International Securities Identification Number
“Lock-In Agreements”	the conditional agreements entered into between Cantor Fitzgerald and the Company and each of the Locked-In Shareholders, summaries of which are set out in Part I of this Document
“Locked-In Shareholders”	each of David Kyte, James Shulman, Nicholas Slater, Norman Slater, Michael Coppeard, Rosemary Coppeard, Clive Mattock and the Directors, the details of whose holdings of Existing Ordinary Shares are set out in Part I of this Document
“London Stock Exchange”	London Stock Exchange plc

“New Ordinary Shares”	ordinary shares of 1p each in the capital of the Company arising on the Share Capital Reorganisation
“Notice of General Meeting”	the notice convening the General Meeting contained in this Document
“Orderly Market Deed”	the conditional orderly market deed entered into between Richard Bernstein, Cantor Fitzgerald and the Company, a summary of which is set out in Part I of this Document
“Proposals”	the Share Capital Reorganisation and the Subscriptions
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Resolutions”	the resolutions set out in the Notice of General Meeting
“RIS”	a regulatory information service by which companies can disseminate information to AIM in accordance with the AIM Rules
“SEDOL”	the Stock Exchange Daily Official List
“Share Capital Reorganisation”	the proposed sub-division of every Existing Ordinary Share into one New Ordinary Share and one Deferred Share, as set out in Resolution 1 of the Notice of General Meeting
“Shareholders”	the holders of Existing Ordinary Shares in the Company
“Subscriptions”	the two subscriptions for the Subscription Shares on the terms and conditions set out in the Subscription Letters
“Subscription Letters”	the letters issued by the Company to the subscribers for the Subscription Shares, details of whom are set out in this Document, confirming their conditional subscription for the Subscription Shares and the accompanying letters of confirmation
“Subscription Period”	the period starting from the date of the A Warrant Instrument and the B Warrant Instrument and ending on the Final Subscription Date
“Subscription Price”	5p per Subscription Share
“Subscription Share(s)”	10,750,000 New Ordinary Shares to be issued pursuant to the Subscriptions
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Warrants”	the A Warrants and the B Warrants together
“Warrant Holder”	a holder of A Warrants or B Warrants, as the case may be

“Warrant Subscription Price”

10p per New Ordinary Share subscribed pursuant to the exercise of the A Warrants and 25p per New Ordinary Share subscribed pursuant to the exercise of the B Warrants, subject to any adjustment made from time to time pursuant to paragraph 4 of the Instruments

“Warrant Subscription Rights”

the right of a Warrant Holder to subscribe for New Ordinary Shares at the Warrant Subscription Price and in accordance with the terms and conditions of the Instruments

PART I

LETTER FROM THE CHAIRMAN OF ULTIMATE SPORTS GROUP PLC

Ultimate Sports Group Plc

(Incorporated and registered in England and Wales with registered number 03882621)

Directors:

Richard Owen, *Executive Chairman*
Geoffrey Simmonds, *Managing Director*
David Hillel, *Finance Director*
John Zucker, *Non-Executive Director*
David Coldbeck, *Non-Executive Director*

Registered Office:

30 City Road
London
EC1Y 2AB

23 February 2018

To Shareholders

Dear Shareholder

**Proposed Subscription of 10,750,000 Subscription Shares
at a Subscription Price of 5 pence per Subscription Share,
Proposed Share Capital Reorganisation,
Proposed Grant of Warrants
and
Notice of General Meeting**

1. Introduction

The Company announced on 23 February 2018 that it proposes to raise £537,500 (before expenses) by way of conditional Subscriptions of the Subscription Shares at 5 pence per share. The net proceeds of the Subscriptions will be used to fund the Company's general working capital requirements.

The Company is prohibited by the Act from issuing Ordinary Shares at a price below their nominal value. The Subscription Price is less than the current 10 pence nominal value of the Company's Existing Ordinary Shares. Accordingly, to enable the Subscriptions to proceed, it is necessary to reorganise the Company's share capital so that the Subscription Shares can be subscribed for at or above their nominal value. The Directors are therefore proposing a sub-division of each Existing Ordinary Share of 10p each, into one New Ordinary Share and one Deferred Share. The Deferred Shares will have rights such that in practical terms they will have no value, no voting rights and they will not be quoted. Following the Share Capital Reorganisation each New Ordinary Share will have a nominal value of 1p.

The purpose of this letter is to: (i) provide you with the background to and to set out the reasons for, and details of, the Proposals; (ii) explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole; and (iii) seek Shareholder approval for the Proposals. This Document also contains the Directors' recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Document, as they intend to do in respect of their entire holdings, which amounts to interests in 5,636,558 Existing Ordinary Shares representing approximately 24.7 per cent. of the Existing Ordinary Shares.

Further details of the Subscriptions are set out in paragraphs 2, 4, 6 and 7 of this letter and of the Share Capital Reorganisation in paragraph 3. The Subscriptions are conditional, *inter alia*, upon the passing of the Resolutions to be proposed at the General Meeting.

Set out at the end of this Document is a notice convening a General Meeting of the Company to be held at 10.00 a.m. on 12 March 2018 at the offices of Howard Kennedy LLP at No.1 London

Bridge, London, SE1 9BG at which the Resolutions will be proposed, the passing of which will enable the Share Capital Reorganisation and the Subscriptions to proceed.

2. Background to, reasons for and details of, the subscription by Richard Bernstein of New Ordinary Shares

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.

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. Further details of this Introduction Agreement are set out in paragraph 4 below.

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.

As described in more detail in paragraph 3 below, the Share Capital Reorganisation is required in order for Richard Bernstein's subscription to be implemented.

3. 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.**

At the date of this Document there are 22,811,638 Existing Ordinary Shares in issue. Resolution 1 will be proposed at the General Meeting for the purposes of the Share Capital Reorganisation such that each Existing Ordinary Share on the register of members of the Company on 12 March 2018 will be sub-divided into one New Ordinary Share and one Deferred Share.

The New Ordinary Shares will continue to carry the same rights and benefits as those attached to the Existing Ordinary Shares (save for the reduction in nominal value). The number of New Ordinary Shares in issue following the Share Capital Reorganisation will be unchanged from the number of Existing Ordinary Shares in issue immediately prior to the Share Capital Reorganisation.

The rights attaching to the Deferred Shares are set out in the Articles and are summarised as follows:

- (a) income – the right as a class to receive 0.1p for each £999.999 of dividends or other distributions resolved to be distributed out of the profits of the Company available for distribution, the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon;
- (b) as regards capital – in the event of the winding up of the Company or other return of capital, the Deferred Shares shall confer upon the holders thereof as a class the right to receive 0.1p for each

£999,999 of the assets of the Company available for distribution amongst the members, the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon; and

- (c) as regards voting – the Deferred Shares shall not at any time confer on the holders thereof any right to attend or vote at any general meeting of the Company or to receive notice thereof.

No application will be made to the London Stock Exchange for admission of the Deferred Shares to trading on AIM nor will any such applications be made to any other exchange. It is proposed that the 22,811,638 Deferred Shares arising on the Share Capital Reorganisation will be cancelled at a future date, subject to the approval of Shareholders which will be sought at the appropriate time and in accordance with the provisions of the Act. As part of the Share Capital Reorganisation, no share certificates will be issued in respect of any of the Deferred Shares.

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.

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.

Following the Share Capital Reorganisation, the New Ordinary Shares will have a nominal value of 1p and the Company will therefore be in a position to issue the Subscription Shares at the Subscription Price without breaching the provisions of the Act.

4. Details of the subscription by Richard Bernstein and related arrangements

Richard Bernstein has conditionally agreed to subscribe 9,000,000 of the Subscription Shares at the Subscription Price per share, for an aggregate subscription amount of £450,000. The Subscription Shares being subscribed by Richard Bernstein will represent approximately 26.8 per cent. of the Enlarged Share Capital.

In addition to the subscription by Richard Bernstein, the Company and Richard Bernstein have entered into the Introduction Agreement pursuant to which, conditional on Admission. Richard Bernstein has agreed to assist the Company in identifying potential new acquisition and/or investment opportunities. 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 that such transaction is completed prior to 30 September 2019 (or after that date if the introduction occurred prior to 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 Document, 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.

5. Issue of the A Warrants and the B Warrants

As part of the subscription by Richard Bernstein of 9,000,000 of the 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.

A summary of the terms of the A Warrants and the B Warrants are set out in Part II of this Document.

No application will be made to the London Stock Exchange for admission of the A Warrants or the B Warrants to trading on AIM nor will any such application be made to any other exchange.

6. Details of the subscription by David Kyte of New Ordinary Shares

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.

As described in paragraph 3 above, the Share Capital Reorganisation is required in order for David Kyte's subscription to be implemented.

7. Further information relating to the Subscriptions

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.

8. Current trading

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.

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.

9. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Howard Kennedy LLP at No.1 London Bridge, London, SE1 9BG at 10.00 a.m. on 12 March 2018.

The Resolutions to be proposed at the General Meeting are as follows:

1. a special resolution to give effect to the Share Capital Reorganisation;
2. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to allot New Ordinary Shares up to a maximum nominal amount of £107,500 in connection with the Subscriptions, provided that this authority shall expire at end of the next annual general meeting of the Company to be held after the date of the passing of the resolution;
3. a special resolution, pursuant to section 570 of the Act, to empower the Directors to disapply the statutory pre-emption rights in relation to the allotment of equity securities up to an aggregate nominal amount of £107,500 in connection with the Subscriptions, provided that this authority shall expire at end of the next annual general meeting of the Company to be held after the date of the passing of the resolution;
4. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to allot New Ordinary Shares up to a maximum nominal amount of £15,000 in connection with the issue of the Warrants, provided that this authority shall expire at end of the next annual general meeting of the Company to be held after the date of the passing of the resolution; and
5. a special resolution, pursuant to section 570 of the Act, to empower the Directors to disapply the statutory pre-emption rights in relation to the allotment of equity securities up to an aggregate nominal amount of £15,000 in connection with the issue of the Warrants, provided that this authority shall expire at end of the next annual general meeting of the Company to be held after the date of the passing of the resolution.

10. 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:

Name	No. of Existing Ordinary Shares
<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
Total	15,053,808

⁽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.

11. 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 in paragraph 10 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.

12. Taxation

Shareholders should seek their own professional advice from an appropriately qualified independent adviser as to the taxation consequences of the Proposals.

13. Action to be taken

Shareholders will find attached to this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible and in any event not later than 48 hours before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she so wish.

14. 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.

Yours faithfully

Richard Owen
Executive Chairman

PART II

SUMMARY TERMS OF THE WARRANT INSTRUMENTS

1. Subscription Rights

- 1.1 A Warrant Holder shall be entitled at any time during the Subscription Period to subscribe in cash, at the Subscription Price (being 10p per New Ordinary Share subscribed pursuant to the exercise of the 3 Year A Warrants and 25p per New Ordinary Share subscribed pursuant to the exercise of the 3 Year B Warrants) payable in full on subscription, for a number of New Ordinary Shares equal to the number of Warrants then registered in the name of the Warrant Holder in the register of Warrants, subject to the provisions set out in the Instruments (and as more particularly summarised below).
- 1.2 The exercise of any subscription rights by a Warrant Holder must be in respect of not less than 10,000 New Ordinary Shares, (subject to adjustment as summarised in paragraph 2 below), unless such exercise is in respect of the balance only of a Warrant Holder's subscription rights in which case such exercise must be for the balance of New Ordinary Shares equal to the number of Warrants then registered in the name of the Warrant Holder in the register in respect of which subscription rights have not been exercised.
- 1.3 A Warrant Holder must during the Subscription Period, in order to exercise the Subscription Rights in whole or in part, lodge the certificates evidencing those rights at the registered office for the time being of the Company with the subscription notice duly completed and accompanied by a remittance for the aggregate amount payable on subscription of the New Ordinary Shares in respect of which the Subscription Rights are exercised. The aggregate amount shall be rounded up to the nearest one penny, if applicable.
- 1.4 A Warrant Holder shall not be permitted to exercise the 3 Year A Warrants and/or the 3 Year B Warrants otherwise than in accordance with any statutory and regulatory requirements.
- 1.5 It is the intention of the Company to apply for the New Ordinary Shares allotted pursuant to the exercise of a Warrant to be admitted to dealing on AIM and the Company will use all reasonable endeavours to obtain the grant of admission not later than 14 days after the date of allotment.

2. Winding Up

- 2.1 If an order is made or an effective resolution of the Company passed for the winding up of the Company (except for the purpose of implementing a reconstruction, amalgamation or merger on terms sanctioned by an ordinary resolution of the Company in which case the Company shall use its reasonable endeavours to procure that the Warrant Holder be granted a substitute warrant of equivalent value) each Warrant Holder shall be treated as if immediately before the order or resolution the Warrant Subscription Rights had been exercised in full and accordingly each Warrant Holder shall rank *pari passu* with the holders of New Ordinary Shares and shall be entitled to receive such sum (less the aggregate Subscription Price) he would otherwise have received out of the assets available in the liquidation.

3. Restrictions on the Company

Save with the sanction of an extraordinary resolution of the Warrant Holders or the consent in writing of the Warrant Holders entitled to not less than three quarters of the New Ordinary Shares the subject of the Warrants, the Company shall, whilst any Warrants remains outstanding:

- 3.1.1 not modify the rights attaching to the New Ordinary Shares or create or issue any new class of equity share capital which carries rights as regards voting, dividend or return of capital more favourable than those attaching to the New Ordinary Shares;
- 3.1.2 procure that no issued capital or other securities shall be converted into any (other) class of share capital;
- 3.1.3 not make any issue or grant any rights, options or warrants to subscribe for New Ordinary Shares or issue any securities convertible into or exchangeable for New Ordinary Shares if the effect would be that on the exercise of the subscription rights the Company would be required to issue New Ordinary Shares at a discount; and

3.1.4 procure that there shall be no compromise or arrangement affecting the New Ordinary Shares unless the Warrant Holders shall be treated as a separate class of members of the Company and shall be party to such compromise or arrangement.

4. Variation of Rights

All or any rights attaching to the Warrants may only be altered or abrogated with the sanction of an extraordinary resolution of the Warrant Holders.

5. Transfers and Transmission

5.1 The executor or administrator of a deceased Warrant Holder (or the survivor or survivors where a Warrant Holder was a joint holder), the guardian of an incompetent Warrant Holder or the trustee of a bankrupt Warrant Holder shall be the only person recognised by the Company as having any title to the Warrants upon the death, incompetence or bankruptcy of a Warrant Holder. In order to be registered as the Warrant Holder, such a person must produce such evidence as may be reasonably required by the Directors.

5.2 In accordance with paragraph 6.1, Warrants will then be transferable in any usual or common form in amounts and integral multiples of £1.00 in accordance with the transfer provisions contained in the Instruments.

6. Accounts

Each Warrant Holder will be sent, for information purposes only, concurrently with the issue of the same to holders of New Ordinary Shares a copy of each published annual report and accounts or summary financial statements of the Company.

7. Representation

A Warrant Holder shall have the right to receive notice of all general meetings of the Company but shall only be entitled to attend and speak at any such meeting where the business of the meeting includes a resolution that the Company be wound up summarily, to alter or abrogate the rights or privileges or restrictions attached to the New Ordinary Shares, or to do any other thing which may give rise to an adverse change or infringement of the rights of the Warrant Holder.

The Warrant Holder(s) shall not be deemed to be (a) member(s) of the Company by virtue of holding Warrants.

Ultimate Sports Group Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Ultimate Sports Group Plc (the "Company") will be held at the offices of Howard Kennedy LLP at No.1 London Bridge, London SE1 9BG at 10.00 a.m. on 12 March 2018 to consider and, if thought fit, pass the following Resolutions, of which Resolutions 2 and 4 will be proposed as Ordinary Resolutions and Resolutions 1, 3 and 5 will be proposed as Special Resolutions.

SPECIAL RESOLUTION

1. THAT, every ordinary share of 10p each in the capital of the Company shall be sub-divided into one new ordinary share of 1p each in the capital of the Company, and the definition of "Ordinary Shares" in the articles of association of the Company (the "Articles") shall be amended accordingly, and one deferred share of 9p each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles, and that the definition of "Deferred Shares" in the Articles shall be amended accordingly.

ORDINARY RESOLUTION

2. THAT, subject to and conditional upon the passing of Resolution 1 above, the directors of the Company (the "Directors") be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to a maximum nominal amount of £107,500 in connection with the Subscriptions (as defined in the circular to the Company's shareholders of which this notice of general meeting forms part dated 23 February 2018 (the "Circular")) provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares in the Company and to grant Rights pursuant to any such offer or agreement as if this authority had not expired. This authority shall be in addition to (and not in substitution for) any other authority to allot relevant securities and is without prejudice to the continuing authority of the Directors to allot relevant securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.

SPECIAL RESOLUTION

3. That, subject to and conditional upon the passing of Resolutions 1 and 2 above, the Directors be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 2 above, as if section 561(1) of the Act did not apply to such allotment provided this power shall be limited to the allotment to any person or persons of equity securities up to an aggregate nominal amount of £107,500 in connection with the Subscriptions provided that the power given by this Resolution shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution, save that the Directors shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

ORDINARY RESOLUTION

4. THAT, subject to and conditional upon the passing of Resolutions 1 to 3 above, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any security into, shares in the Company ("Subscription Rights") up to a maximum nominal amount of £15,000 in connection with the issue of the Warrants (as defined in the Circular) provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares to be allotted or Subscription Rights to be granted after such expiry and the Directors shall be entitled to allot shares in the Company and to grant Subscription Rights pursuant to any such offer or agreement as if this authority had not expired. This authority shall be in addition to (and not in substitution for) any other authority to allot relevant securities and is without prejudice to the continuing authority of the Directors to allot relevant securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.

SPECIAL RESOLUTION

5. That, subject to and conditional upon the passing of Resolutions 1 to 4 above, the Directors be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 4 above, as if section 561(1) of the Act did not apply to such allotment provided this power shall be limited to the allotment to any person or persons of equity securities up to an aggregate nominal amount of £15,000 in connection with the issue of the Warrants (as defined in the Circular) provided that the power given by this Resolution shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution, save that the Directors shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

By Order of the Board

David Hillel
Company Secretary

Registered Office:
30 City Road
London EC1Y 2AB

Dated: 23 February 2018.

Notes:

Appointment of Proxies:

1. Every Shareholder has the right to appoint some other person of their choice, who need not be a Shareholder, to attend and act on their behalf (including to speak and to vote) at the General Meeting. If you wish to appoint a person other than the chairman of the Company, please insert the name of your chosen proxy holder in the space provided on the Form of Proxy.
2. In the case of joint holders the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
3. To be effective, the Form of Proxy, completed and signed, and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be lodged at the office of the Company's registrars at: Share Registrars Limited, Proxy Department, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by fax to 01252 719232, or by email – proxies@shareregistrars.uk.com by 10 March 2018 at 10.00 a.m. In the case of a Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
4. To direct your proxy how to vote on the Resolutions, mark the appropriate box on the Form of Proxy with an "X". The "Vote Withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

5. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the General Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company 48 hours before the time appointed for the General Meeting or any adjournment thereof. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited, Proxy Department, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.
7. Any alterations made to the Form of Proxy should be initialled.
8. The completion and return of the Form of Proxy will not preclude a Shareholder from attending, speaking and voting in person at the General Meeting. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.

