

3 December 2018

**TLA Worldwide plc**  
("TLA" or the "Company", together with its subsidiaries the "Group")

**Proposed Sale of US Businesses**

Further to the announcement on 28 November 2018, TLA Worldwide plc, a leading athlete representation and sports marketing business, announces that certain of its subsidiaries, including TLA Acquisitions Limited and TLA Acquisitions (Number Two) Limited, have entered into an agreement (the "Agreement") to sell The Legacy Agency, Inc. and TLA Worldwide Americas, Inc., being the Group's US businesses and comprising both the baseball and US sports marketing businesses (together the "US Businesses") to a newly-incorporated private company, GCM Sports Holdings, Inc., ("Purchaser") a Delaware corporation, owned by Gatemore Partners LP, a Guernsey-domiciled fund managed by Gatemore Capital Management LLP ("Gatemore") ("Sale"). On the terms set out below.

**Summary of the terms of the Agreement**

- The Purchaser will pay an enterprise value of US\$8.5 million for the US Businesses comprising of US\$6.2 million in cash (before costs), which have been sold on a debt-free basis
- Net cash proceeds will be used to reduce the amount outstanding under the Group's facilities with its bank
- US\$2.3 million of additional liabilities, including certain outstanding earn-out liabilities, will be assumed by the Purchaser
- There are customary representations, warranties, covenants and indemnities for a transaction of this nature (which, for the avoidance of doubt, the Company itself is not required to give)
- US\$1.08 million will be escrowed until April 2020 to provide security for the Group's indemnification obligations under the Agreement

The Company itself is not a party to the Agreement and is not therefore required to give any of the undertakings, warranties or indemnities contained therein.

The Sale is conditional, amongst other things, on shareholder approval under AIM Rule 15 on the basis that, if it completes, it may constitute a fundamental change of business of the Group. The ongoing status of this requirement will be confirmed in the circular to shareholders of the Company to be published shortly (the "Circular"). As Gatemore is interested in 14.7 per cent. of the issued share capital of the Company, the Sale is being treated as a Related Party Transaction in accordance with AIM Rule 13. The directors of the Company, excluding Mike Principe and Greg Genske for the reasons set out below ("Relevant Directors"), having consulted with the Company's Nominated Adviser, consider the Sale to be fair and reasonable in so far as the Company's shareholders are concerned for the reasons summarised below and to be further explained in the Circular. The Relevant Directors did not take part in this decision as Mr. Principe is expected to have a continued role in the US Businesses and Mr. Genske is the Head of Baseball for the US Businesses. Accordingly, whilst the Relevant Directors are not directly involved in the Sale process, they are not being treated as independent for the purposes of AIM Rule 13.

In the Company's unaudited interim statement to 30 June 2018, the US Businesses made a contribution to operating profits of approximately US\$0.2 million and had as at that date

net assets (before indebtedness owing to its bank) of approximately US\$21.7 million (audited accounts to 31 December 2017: approximately US\$1.8 million and approximately US\$21.6 million respectively).

Having considered possible alternatives for realising value from the US Businesses, further details of which will be provided in the Circular, the directors of the Company (other than the Relevant Directors) concluded that the Sale is in the best interests of the Company and its shareholders as a whole.

### **Background and Reasons for the Sale**

On 24 September 2018, TLA announced that it had appointed FTI Capital Advisors as financial adviser to the Company to assist in the sales process for the US Businesses following the receipt of a number of preliminary approaches. Following this, on 11 October 2018, TLA announced that it had reached an agreement with the Group's principal banker, SunTrust Bank, to provide additional working capital headroom through deferral of principal and interest payments together with the waiver of covenants.

The sales process has now concluded, with the Purchaser's offer (resulting in the Sale) representing the best offer received for the US Businesses. The entire proceeds from the Sale, net of costs, will be used to reduce the indebtedness to the Group's bank.

The Group is making positive progress regarding the sale of its Australian businesses (comprising the Australian sports marketing business) and discussions are continuing.

If such a sale of the Australian businesses, which would also require shareholder approval, were to proceed, and the Sale completes, then the Company would become a "cash shell" under AIM Rule 15; but further information on this will be provided as and when applicable.

### **Further Information**

A further announcement will be made on the posting of the Circular to shareholders of the Company.

This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

### **Enquiries:**

<b>TLA Worldwide plc</b>	
Ian Gray, Executive Chairman	+44 20 7618 9100
<b>Beaumont Cornish Limited (Nomad and Broker)</b>	
Roland Cornish, James Biddle	+44 20 7628 3396
<b>Luther Pendragon</b>	
Harry Chathli, Alexis Gore	+44 20 7618 9100

### **About the Group**

TLA is a leading athlete representation, sports marketing and event management group quoted on London's AIM. The Group derives revenues from long-term agency relationships with many prominent US and international sports stars, broadcasters and media personalities associated with major sports including the MLB, NFL, NBA, PGA TOUR, AFL, Olympians and cricketers. In addition, it also provides a range of services

in respect of media consultancy, sports sponsorship and event creation and ownership. With over 170 full-time personnel, TLA serves its clients from 10 locations worldwide including its offices in London, UK; New York, Newport Beach, Houston, Charleston, San Francisco, USA; Melbourne, Perth, Adelaide and Sydney, Australia. For more information, please visit [www.tlaworldwide.com](http://www.tlaworldwide.com).