

13 August 2019

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

Proposed Sale of TLA Australia

Posting of Circular, Proposed Change of Name and Notice of General Meeting

Further to the announcement on 8 August 2019, TLA Worldwide plc announces that it has posted a circular to shareholders (the "Circular") containing details of the proposed sale (the "Proposed Sale"), by its subsidiary, TLA Acquisitions Limited ("TLAA"), of the entire issued share capital of each of TLA Worldwide (Aust) Pty Ltd, TLA Merchandise Pty Ltd and TLA-ESP Limited (together, the "Sale Companies"), comprising the Group's Australian businesses, to QMS Sport Holdings Limited ("QMS"), a subsidiary of QMS Media Limited, which is quoted on the Australian Stock Exchange (ASX: QMS) (the "Purchaser") for an enterprise value of AUD\$28.325 million, comprising cash of AUD\$21.485 million and the assumption by the Purchaser of earn out liabilities of TLA Worldwide (Aust) Pty Ltd.

In addition, shareholder approval is being sought to a change of the Company's name to "Hawkwing plc".

Summary of the terms of the Agreement

- The enterprise value is AUD\$28.325 million. This comprises a cash consideration of AUD\$21.485 million and the retention by the Purchaser of the earn out liabilities of TLA Worldwide (Aust) Pty Ltd.
- It is estimated that net proceeds of the Proposed Sale will be approximately AUD\$19.5 million.
- The sale proceeds will be used towards repaying the Group's indebtedness to SunTrust Bank ("SunTrust"). SunTrust has agreed, subject to completion of the Sale Companies ("Completion") occurring, to forbear from exercising remedies available to it in respect of the remaining debt until TLAA has received the net proceeds. In addition, SunTrust has agreed that, subject to Completion and it receiving US\$13,266,835 on or before 2 September 2019, all commitments and other obligations of SunTrust to the Group under the existing facilities will terminate (other than certain specified provisions which were contemplated to survive termination).
- Following the discharge of such liabilities and transaction expenses, it is expected that the Company will retain total cash of AUD\$958,000 from the Proposed Sale. The Company will have no other significant assets or liabilities.
- The Proposed Sale will result in the Group reviewing goodwill of the Australian Business at its financial year. This is expected to result in a material profit on disposal of the Sale Companies.
- Following Completion, the Company will become an AIM Rule 15 Cash Shell and intends to pursue a reverse takeover transaction, subject to shareholder approval, with the aim of delivering shareholder value.
- The results of the Sale Companies for the financial year ended 31 December 2018 are as follows:

	AUD\$ (m)
Revenue	38.0
Gross Profit	18.4
EBITDA	4.3

In the current financial period, the businesses of the Sale Companies are trading in line with management expectations.

- The enterprise value for the Sale Companies of AUD\$28.235 million represents a multiple of 6.6 times the Sale Companies' EBITDA in 2018. SunTrust approved the Proposed Sale and the Directors understand that this decision was taken once it had received an independent valuation advice on the sale multiple.

Strategy for the Continuing Group

Post completion, the Company will become an AIM Rule 15 Cash Shell. As such, the Company will be required to make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules on or before the date falling six months from Completion or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, its ordinary shares would then be suspended from trading on AIM pursuant to Rule 40 of the AIM Rules. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

The Board intends to seek a business with the prospects of being profitable and cash generative and it has started the process of identifying such a business.

Proposed board changes

Subject to Completion occurring, Dwight Mighty will resign from his position as Chief Operating Officer of the Company (non-Board) but will remain as company secretary of the Company and as a director and company secretary of TLAA, TLA Acquisitions (Number Two) Limited and TLA-ESP. Mr Mighty is not a statutory director of the Company.

Mr Mighty currently has a rolling service agreement with the Company which is terminable on not less than 12 months' notice served by the Company or Mr Mighty. Notwithstanding this contractual notice period and conditional on Completion taking place, Mr Mighty will cease being employed in his capacity as Chief Operating Officer with effect from Completion. In addition to his contractual entitlement to payment in lieu of notice, the Company has agreed to pay his legal fees incurred in taking advice on the terms of the Settlement Agreement of up to £6,000 plus VAT. If Completion does not take place, Mr Mighty will remain as Chief Operating Officer of the Company on his existing terms.

To ensure an orderly transition, Mr Mighty has agreed to become a non-executive director of the Company, with such appointment taking effect immediately following termination of his employment (subject to the usual regulatory checks and the Company's articles of association). Mr Mighty will continue to perform company secretarial services for the Company, TLAA, TLA Acquisitions (Number Two) Limited and TLA-ESP Limited and will remain a director of the Company until at least six months' written notice has been given by either party to the other or until the appointment is terminated in accordance with the terms of the appointment letter. For the first six months of his appointment, no fees shall be payable by the Company in connection with Mr Mighty's appointment as a non-executive director. Mr Mighty will also continue to support TLA in a business advisory capacity as an external consultant for a period of six months following Completion or the

date on which the Company's shares are suspended from trading on AIM (whichever is later).

Proposed change of name

In addition, upon Completion, the Company intends to change its name to Hawkwing plc, subject to Shareholders' approval at the General Meeting. Accordingly, should this resolution be approved, the Company's TIDM will change to 'HNG' at this time.

Posting of Circular and notice of General Meeting

The Proposed Sale will constitute a fundamental change of business of the Company under Rule 15 of the AIM Rules and is therefore conditional on, inter alia, the passing of the ordinary resolution at the General Meeting. Accordingly, shareholder approval to the Proposed Sale is being sought at a General Meeting of the Company to be held at the offices of DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF at 11.00 am on 29 August 2019.

TLA has posted the Circular containing details of the Proposed Sale and a notice of General Meeting. Further details of the Proposed Sale and the share purchase agreement giving effect to the Proposed Sale are set out in the Circular posted to Shareholders.

Copies of the Circular and the Notice of General Meeting are available on the Group's website (www.tlaworldwide.com) and the text of the Letter from the Interim Non-Executive Chairman of the Company is set out in the Appendix to this announcement.

Unless the context otherwise requires, capitalised terms in this announcement shall have the same meaning ascribed to them in the Circular.

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

Enquiries:

TLA Worldwide plc	
Keith Sadler, Interim Non-Executive Chairman	+44 20 7618 9100
Beaumont Cornish Limited (Nomad and Broker)	
Roland Cornish, James Biddle	+44 20 7628 3396
Luther Pendragon	
Harry Chathli, Alexis Gore	+44 20 7618 9100

APPENDIX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	2019 13 August
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	11 am on 27 August
General Meeting	11 am on 29 August
Announcement of the result of the General Meeting	29 August
Expected completion date of the Proposed Sale	2 September

Note:

Each of the above times and/or dates is subject to change at the absolute discretion of the Company and Beaumont Cornish. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.

LETTER FROM THE INTERIM NON-EXECUTIVE CHAIRMAN OF TLA WORLDWIDE PLC

TLA Worldwide plc

(Incorporated in England and Wales with registered number 07741649)

Directors:

Keith Sadler, *Interim Non-Executive Chairman*
Ian Robinson, *Non-Executive Director*
Ken Wotton, *Non-Executive Director*

Registered Office:

25 Walbrook
London
EC4N 8AF

13 August 2019

To holders of Ordinary Shares

Dear Shareholder,

Proposed Sale by TLA Acquisitions Limited of TLA Worldwide (Aust) Pty Ltd, TLA Merchandise Pty Ltd and TLA-ESP Limited

Proposed Change of Name

and

Notice of General Meeting

1. Introduction

Following the sale of the US Businesses on 28 December 2018, TLA became an integrated talent representation, sports marketing, event services and merchandise

services company, with operations in Australia and the UK. The Sale Companies carry on the Business.

It was announced on 8 August 2019 in the UK that the Company's wholly-owned subsidiary, TLAA, has conditionally agreed to sell the entire issued share capital of each of TLA Worldwide (Aust) Pty Ltd and TLA-ESP Limited to the Purchaser for an enterprise value of AUD\$28,325,000, comprising cash of AUD\$21,485,000 and the assumption by the Purchaser of earn out liabilities of TLA Worldwide (Aust) Pty Ltd.

The Proposed Sale will constitute a fundamental change of business of the Company under Rule 15 of the AIM Rules and is therefore conditional on, *inter alia*, the passing of the Ordinary Resolution at the General Meeting.

The effect of the Proposed Sale will be that the Company will no longer have any trading business or activities and will become an AIM Rule 15 Cash Shell. As such, the Company must make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules within six months of Completion or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which the Ordinary Shares would then be suspended from trading on AIM pursuant to Rule 40 of the AIM Rules. Admission to trading on AIM would be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified.

Accordingly, shareholder approval to the Proposed Sale is being sought at a General Meeting of the Company to be held at the offices of DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF at 11 am on 29 August 2019. The notice convening the General Meeting and setting out the Resolutions to be considered at it is set out at the end of this document. A summary of the action you should take is set out in paragraph 12 of this letter and on the Form of Proxy, which accompanies this document.

Further details of the Proposed Sale and the Share Purchase Agreement are set out below and in Part 2 of this document.

The purpose of this document is to give you further details of the Proposed Sale, including the background to and reasons for it, to explain why the Directors consider it to be in the best interests of the Company and its Shareholders and stakeholders as a whole and recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

If Shareholders do not approve the Proposed Sale at the General Meeting, SunTrust will no longer be required to forbear from exercising the remedies available to it as a result of certain members of the Existing Group being in default under the Credit Agreement. Consequently, SunTrust would be entitled to declare the outstanding amounts owing to it (currently US\$22,465,000 plus all interest accrued and fees) immediately due and payable. In these circumstances, TLAA would be unable to pay its debts as they fall due and would be forced to cease trading and enter into an insolvency procedure with immediate effect. If the Proposed Sale does not complete, the Company will have a modest amount of cash but it will not be able to meet its obligations and will be unable to pay its debts as they fall due for the reasons set out in paragraph 2 below. However, if the Proposed Sale completes, the Company will be able to satisfy SunTrust's payoff condition and will benefit from the payment of AUD\$470,000 in cash at Completion, as agreed with SunTrust, and an additional AUD\$488,000 to be paid for extending the Purchaser's exclusivity period for the Proposed Sale.

On Completion, the Company proposes to change its name to Hawkwing plc, subject to Shareholders' approval at the General Meeting.

The Company has received from certain Shareholders irrevocable undertakings to vote in favour of the Resolutions in respect of holdings totalling in aggregate 22,042,692 Ordinary Shares, representing approximately 15.37 per cent. of the Company's existing issued share capital. Further details are set out in paragraph 10 of this letter.

2. Background to and reasons for the Proposed Sale

On 4 September 2018, the Company issued a trading and business update to the market. The Company announced that the Previous Group had organised fewer events in 2018 than expected due to certain anticipated events not being successfully contracted and others failing to secure venues or teams. The Company also announced that its baseball representation business was expected to generate lower profits than previously forecasted, which was primarily due to higher ongoing operating costs. As a result, the Company stated that it expected its results for the year ended 31 December 2018 to be significantly below market expectations. The update also stated that the Previous Group anticipated that its net debt for the 2018 full year would be significantly higher than previously expected and, consequently, the Previous Group was likely to breach its banking covenants with SunTrust.

In September 2018, as a result of the weaker than expected results and the Previous Group's financial circumstances, the Company announced the appointment of Ian Gray, as Executive Chairman, and FTI, as financial adviser to the Company, both to lead a strategic review of the Company's business. Following this strategic review, the Board considered the various options available to it. In addition to the sale of the US Businesses and the sale of the Business (together and individually), these options included an equity fundraising from its existing or new shareholders, closure of the US Businesses and run-off of the debtor book, rescue refinancing at subsidiary or top-company level and a Chapter 11 bankruptcy.

Following the initial strategic review, the Company considered the options that would have ordinarily been available to pursue further. However, at that time, the Previous Group was already in default under the Credit Agreement pursuant to which the Previous Group owed SunTrust an amount equal to US\$26,625,000 (plus accrued interest and fees). In addition, the Previous Group was required to make earn-out payments which had become due and payable to certain vendors who remained within the US Businesses. Although, under the terms of the Credit Agreement, SunTrust was entitled to exercise the rights available to it on the occurrence of an event of default, the Forbearance Agreement was entered into. Pursuant to the terms of the Forbearance Agreement, SunTrust agreed to refrain from exercising its right to demand immediate repayment and/or enforce its security until 27 December 2018 provided that, amongst other things, the Previous Group agreed to diligently pursue the sale of all or substantially all of its stock or assets. Further details relating to the forbearance agreements are set out in paragraph 3 below.

Although the Board considered all of the options available to the Group, regard being had to the outstanding amounts owing to SunTrust, the outstanding earn-out payments and the forbearance period in the Forbearance Agreement which was due to end on 27 December 2018, the Board concluded that the only viable option was to dispose of the US Businesses and the Business, either together or separately.

On 28 November 2018, the Company announced that it had entered into a letter of intent in relation to the sale of TLA Worldwide Americas, Inc., The Legacy Agency, Inc. and The Legacy Agency (NY), Inc. (the "**US Subsidiaries**"), which together constituted the US Businesses. The Company also announced that the Previous Group was actively considering the sale of the Business.

On 3 December 2018, the Company announced that the Previous Group had conditionally agreed to sell the US Subsidiaries. That sale completed on 28 December 2018.

On 27 December 2018, the Second Forbearance Agreement was entered into and the forbearance period was extended until 31 January 2019 provided that, amongst other things, the Existing Group diligently pursued a sale of the Business the net proceeds of which would be at least US\$15,650,000. The proceeds of the sale of the US Businesses were therefore used to part pay the amount owing by the Group to SunTrust pursuant to the terms of the Credit Agreement and the Second Forbearance Agreement.

The forbearance period was extended further by SunTrust to 29 August 2019 to enable the Proposed Sale to be consummated. Further details of the Third Forbearance Agreement are set out in paragraph 3 below.

The sale process undertaken by FTI in relation to the Business concluded with the Purchaser's offer to acquire the Sale Companies (resulting in the Proposed Sale) representing the best offer received by the Existing Group for the Business. The net sale

proceeds from the Proposed Sale will be used to repay TLAA's indebtedness to SunTrust pursuant to the Credit Agreement and the Third Forbearance Agreement, in order to prevent SunTrust exercising its enforcement rights as a result of the occurrence of an event of default.

The results of the Business for the financial year ended 31 December 2018 are as follows:

	AUD\$ (m)
Revenue	38.0
Gross Profit	18.4
EBITDA	4.3

In the current financial period, the Business is trading in line with management expectations.

The enterprise value for the Sale Companies of AUD\$28,235,000 represents a multiple of 6.6 times the Target Group's EBITDA in 2018. SunTrust approved the Proposed Sale and the Directors understand that this decision was taken once it had received an independent valuation advice on the sale multiple. In addition, SunTrust has agreed that the Group's liabilities to it (other than those expressly referred to as surviving termination) will be extinguished on the receipt of US\$13,266,835. The current debt owed to SunTrust, including accrued interest is US\$24,601,768.

3. SunTrust

Pursuant to the Forbearance Agreement, SunTrust agreed to forbear, until 27 December 2018, from exercising remedies available to it under the Credit Agreement with respect to certain defaults by TLAA and the Sale Companies, including TLAA's obligation to make certain payments of principal and interest that were due in September 2018. The period of forbearance under the Forbearance Agreement ended on 27 December 2018. However, pursuant to the terms of the Second Forbearance Agreement, the forbearance period was extended to 31 January 2019 on the condition that, amongst other things, the Previous Group would pursue a sale of its assets. The forbearance period was extended again by SunTrust to 29 August 2019 pursuant to the Third Forbearance Agreement to enable the Group to sell the Business. Under the terms of the Third Forbearance Agreement, the Group was required to pursue a disposal of the Sale Companies providing for a sale price of approximately US\$13,705,300 and to circulate a shareholder circular regarding such sale. When the Share Purchase Agreement was signed, SunTrust also agreed to extend the forbearance period to 2 September 2019.

Following completion of the sale of the US Businesses, the Existing Group repaid US\$4.1 million owing by the Group to SunTrust. However, the condition of the Second Forbearance Agreement was not satisfied and therefore, notwithstanding completion of the sale of the US Businesses, SunTrust required the Existing Group to sell the Sale Companies in accordance with the terms of the Share Purchase Agreement.

If the Existing Group fails to substantially repay the outstanding amounts owing to SunTrust by 2 September 2019, there can be no assurance that SunTrust will not exercise its remedies under the Credit Agreement and this could result in, amongst other things, acceleration of the maturity of the outstanding loans and foreclosure. In addition, SunTrust has agreed that, subject to the successful sale of the Sale Companies and it receiving US\$13,266,835, following the aggregate payment of AUD\$958,000 to the Company, on or before 2 September 2019, all commitments and other obligations of SunTrust to the Existing Group under the Credit Agreement and other loan documents will terminate, all loans owing by the Existing Group to SunTrust will be fully discharged and all other obligations of the Existing Group under the SunTrust loan documents will be fully discharged (other than certain specified provisions which are contemplated to survive termination).

In addition, as part of the Existing Group's acquisition of the business and assets of Elite Sports Properties Holdings Pty Ltd (and other companies) on 15 March 2015 and the acquisition of the remaining share capital in ESP Merchandise Pty Ltd in July 2016, the next instalment of the second tranche of earn-out payments was due to be paid by the

Target Group on 31 December 2018. Under the terms of the original acquisition documents, it was agreed that TLAW could elect to discharge the relevant earn out obligations, in part, through the issue of shares in the Company (the "**Share Issue Election**"). Whilst the Sale Companies remain in the Existing Group, these earn-out payments, equating to AUD\$6,750,000 in aggregate, are another significant liability that the Existing Group is required to satisfy. However, as part of the Proposed Sale, the Purchaser has agreed, pursuant to the terms of the Share Purchase Agreement, not to cause or allow TLAW to exercise the Share Issue Election under any circumstances and to ensure that TLAW will not exercise any rights or make any election to do so. In addition, the Purchaser has agreed to indemnify the Vendor and the Company against any and all loss that is suffered or incurred by either of them as a result of a breach by the Purchaser of these provisions.

As a result, if the Proposed Sale is not approved by the Shareholders at the General Meeting, it is highly unlikely that the Group will be able to find an alternative source of financing to enable it to satisfy the earn-out payments and repay SunTrust in full. In these circumstances, the Group would therefore become insolvent and the Board would need to consider ceasing to trade or entering into administration or another insolvency process. This would inevitably have a material and adverse impact on the value of Shareholders' interests in the Company, which would have little or no value.

4. Principal terms of the Proposed Sale

Pursuant to the Share Purchase Agreement, TLAA is proposing to sell the entire issued share capital of each of TLA-ESP and TLAW (including TLAW's wholly-owned subsidiary, TLAM). On Completion, the Purchaser will pay the Vendor AUD\$21,485,000. The Company's obligations in relation to the earn-outs will remain with TLAW, which will become a wholly-owned subsidiary of the Purchaser.

Completion is conditional upon certain closing conditions, including (amongst others) the approval of the Ordinary Resolution at the General Meeting.

Further details of the Share Purchase Agreement are set out in Part 2 of this document.

5. Information on the Purchaser

QMS is incorporated and domiciled in Australia, with its registered office at 214 Park Street South Melbourne, Melbourne, VIC, 3205. The shares of its parent, QMS Media Limited, are listed on the Australian Securities Exchange (ASX code: QMS) whose home exchange is Melbourne.

6. Financial effects of the Proposed Sale and use of the proceeds

It is estimated that the proceeds of the Proposed Sale on Completion will be approximately AUD\$19,510,051, comprising the cash payable by the Purchaser to TLAA on Completion (less the costs of the Proposed Sale), AUD\$470,000 being an amount the Company will receive, as agreed with SunTrust, and AUD\$488,000 due to the TLAA in consideration for it agreeing to extend exclusivity.

Upon Completion, the Board intends to use the proceeds from the Proposed Sale to contribute towards repaying the Continuing Group's indebtedness to SunTrust. SunTrust has, subject to Completion occurring, agreed to forbear from exercising remedies available to it in respect of the remaining debt until TLAA has received the net proceeds. In addition, SunTrust has agreed that, subject to the successful sale of the Sale Companies and it receiving US\$13,266,835 (being the US dollar equivalent of AUD\$19,510,051) on or before 2 September 2019, all commitments and other obligations of SunTrust to the Existing Group under the Credit Agreement and other loan documents,

including but not limited to repayment of the outstanding debt, will terminate (other than certain specified provisions which were contemplated to survive termination).

Following the discharge of such liabilities and transaction expenses, it is expected that TLAA will retain total cash of AUD\$958,000 from the Proposed Sale. The Company will have no other significant assets or liabilities.

The Proposed Sale will result in the Existing Group reviewing goodwill of the Business at the Company's financial year end. This is expected to result in a material profit on disposal of the Business.

The table below sets out the unaudited pro-forma balance sheet of the Company only following the Proposed Sale:

	<i>As at 30 June 2019</i>	<i>Proceeds from the Proposed Sale</i>	<i>Proforma</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Non-current assets			
Intangible assets – goodwill	0		0
Other intangible assets	0		0
Rent Deposit	0		0
Total Fixed Assets	0	0	0
Current assets			
Inventories			
Trade and other receivables	72		72
Cash and cash equivalents	105	511	616
Total assets	177	511	688
Current liabilities			
Trade and other payables	174		174
Borrowings	0		0
Contingent consideration	0		0
Total current liabilities	174	0	174
Non-current liabilities			
Borrowings	0		0
Contingent consideration	0		0
Total non-current liabilities	0		0
Total liabilities	174	0	174
Net assets	3	511	513
Equity			
Share capital	2,869		2,869
Share premium	29,899		29,899
Retained loss	-32,764	511	-32,254
Equity attributable to owners of the company	3	511	513

Source: The figures as at 30 June 2019 set out above are extracted from the Group's management accounts

7. Strategy for the Continuing Group

If the Proposed Sale completes, the Company will become an AIM Rule 15 Cash Shell.

The Company intends to pursue a reverse takeover transaction, subject to shareholder approval, with the aim of delivering shareholder value. Pursuant to Rule 14 of the AIM Rules, a reverse takeover transaction would require the publication of an admission document in respect of the proposed enlarged entity and would be conditional upon the consent of the Shareholders being given at a general meeting. As per the guidance notes to Rule 14 of the AIM Rules, trading in the Ordinary Shares would be suspended following the announcement that a reverse takeover had been agreed or was in contemplation until the publication of an AIM Admission Document or an announcement that the transaction was not proceeding.

The Board intends to seek a target business which has the potential to be profitable and cash generative and it has started the process of identifying such a business.

8. Proposed Change of Name

The US Businesses have the rights to use the name and brand of TLA in North America until 28 December 2023. As part of the Proposed Sale, the Company will grant to the Purchaser (on behalf of it and the Target Group) a three-year licence to use the TLA name and logo in Australia and the UK, based on the agreed key principles. As a result, the Company will be required to change its name from TLA Worldwide plc. The Special Resolution will therefore be proposed at the General Meeting to approve the change of name of the Company to Hawkwing plc.

The Directors therefore believe that the Change of Name would be in the best interests of the Company and the Shareholders as a whole.

If the Special Resolution is passed at the General Meeting, the Company's AIM ticker will be changed to 'HNG' and its website address will be changed to www.hawkwing.co.uk as soon as reasonably practicable thereafter.

9. Proposed board changes

Subject to Completion occurring, Dwight Mighty will resign from his position as Chief Operating Officer of the Company (non-Board) but will remain as company secretary of the Company and as a director and company secretary of TLAA, TLA Acquisitions (Number Two) Limited and TLA-ESP. Mr Mighty is not a statutory director of the Company.

Mr Mighty currently has a rolling service agreement with the Company which is terminable on not less than 12 months' notice served by the Company or Mr Mighty. Notwithstanding this contractual notice period and conditional on Completion taking place, Mr Mighty will cease being employed in his capacity as Chief Operating Officer with effect from Completion. In addition to his contractual entitlement to payment in lieu of notice, the Company has agreed to pay his legal fees incurred in taking advice on the terms of the Settlement Agreement of up to £6,000 plus VAT. If Completion does not take place, Mr Mighty will remain as Chief Operating Officer of the Company on his existing terms.

To ensure an orderly transition, Mr Mighty has agreed to become a non-executive director of the Company, with such appointment taking effect immediately following termination of his employment (subject to the usual regulatory checks and the Company's articles of association). Mr Mighty will continue to perform company secretarial services for the Company, TLAA, TLA Acquisitions (Number Two) Limited and TLA-ESP and will remain a director of the Company until at least six months' written notice has been given by either party to the other or until the appointment is terminated in accordance with the terms of the appointment letter. For the first six months of his appointment, no fees shall be payable by the Company in connection with Mr Mighty's appointment as a non-executive director. Mr Mighty will also continue to support the Continuing Group in a business advisory capacity as an external consultant for a period of 6 months following Completion or the date on which the Company's shares are suspended from trading on AIM (whichever is later).

10. Irrevocable undertakings

Certain Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not one of

them) in respect of their beneficial holdings totalling, in aggregate, 22,042,692 Ordinary Shares, representing approximately 15.37 per cent. of the Company's entire issued share capital.

11. The General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held on 29 August 2019 at the offices of the Company's solicitors, DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF at 11 am, at which the Resolutions will be proposed.

The Ordinary Resolution, which will be proposed at the General Meeting as an ordinary resolution, is to approve the Proposed Sale and to authorise the Directors to take all steps necessary or desirable to complete the Proposed Sale. In order for the Ordinary Resolution to be passed, a simple majority is required.

The Special Resolution, which will be proposed at the General Meeting as a special resolution and conditional upon the Ordinary Resolution having been passed, is to approve the Change of Name.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

Shareholders have the right to attend, speak and vote at the General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at the Voting Record Time (namely 11am on 27 August 2019). Changes to entries in the Register after the Voting Record Time will be disregarded in determining the rights of any person to attend and/or vote at the General Meeting. If the General Meeting is adjourned, only those Shareholders on the Register 48 hours before the time of the adjourned General Meeting (excluding any part of a day that is not a Business Day) will be entitled to attend, speak and vote or to appoint a proxy.

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his proxy will have in the event of a poll.

12. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen B62 8HD or info@nevilleregistrars.co.uk, as soon as possible, but in any event so as to be received by no later than 11am on 27 August 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Limited (ID 7RA11) by no later than 11am on 27 August 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Your attention is drawn to the fact that the Proposed Sale is conditional and dependent on the Ordinary Resolution being passed by Shareholders at the General Meeting. Shareholders are asked to vote in favour of the Ordinary Resolution in order for the Proposed Sale to proceed. If Shareholders do not approve the Proposed Sale at the General Meeting, the Board considers that the Company will become unable to pay its debts as they fall due and will be forced to cease operating and enter into an insolvency procedure with immediate effect, in which case, Shareholders could lose their entire equity investment.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

13. Recommendation

The Directors consider the Proposed Sale to be in the best interests of the Company, its Shareholders and stakeholders as a whole and accordingly unanimously recommend Shareholders to vote, or procure the vote, in favour of the Resolution to be proposed at the General Meeting.

Yours faithfully,

Keith Sadler
Interim Non-Executive Chairman