

8 August 2019

## **TLA Worldwide plc**

(“TLA” or the “Company”, together with its subsidiaries the “Group”)

### **Proposed Sale of Australian Businesses and Change of Name**

Further to the announcement on 15 May 2019, TLA Worldwide plc, a leading athlete representation and sports marketing business, announces that its subsidiary, TLA Acquisitions Limited, has entered into an agreement (the “Agreement”) to sell TLA Worldwide (Australia) Pty Ltd, including its subsidiary TLA Merchandise Pty Ltd, and TLA-ESP Limited comprising the remainder of the Group’s sports marketing businesses (the “Australian Businesses”) to QMS Sport Holdings Limited (“Purchaser”), a subsidiary of QMS Media Limited, which is quoted on the Australian Stock Exchange (ASX: QMS). In addition, the Board is seeking shareholder approval of a change of the Company's name to "Hawkwing plc".

#### **Summary of the terms of the Agreement**

- The Purchaser will pay an enterprise value of AUD28.235 million for the Australian Businesses comprising of AUD21.485 million in cash and the remainder reflecting the assumption of certain outstanding earn-out liabilities
- Australian Businesses 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. The bank has also agreed to waive any outstanding balance of its facilities on receipt of the net cash

TLA Acquisitions Limited as vendor has provided limited warranties in respect of the transaction. 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”). The directors of the Company, 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.

In the Company’s audited statement to 31 December 2018, the Australian Businesses made a contribution to operating profits of approximately US\$3.1 million and had as at that date net assets (before indebtedness owing to its bank) of approximately US\$4.5 million.

#### **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 deferment of principal and interest payments together with the waiver of covenants.

The sale of the US businesses was concluded on 28 December 2018. The entire proceeds from the sale, net of costs, was used to reduce the indebtedness to the Group's bank. The Group's bank also extended its Forbearance Agreement. A condition of this extension was the sale of the Australian Businesses in order to further reduce its outstanding facilities with the Group.

Should the sale of the Australian Businesses proceed, the Group would become an "AIM Rule 15 cash shell". At such a time the Group's strategy is to acquire a business that is seeking an AIM quoted platform via a Reverse Takeover. The Board is considering opportunities in a number of sectors but will focus on an acquisition that can create significant value for shareholders in the form of capital growth and/or dividends.

### **Change of Name**

Subject to Shareholder approval, and conditional on completion the sale of the Australian Businesses, the Board proposes to change the Company name to "Hawkwing plc". The full details of the proposed name change will be available in the Circular.

### **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:**

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