19 June 2017

TLA Worldwide plc
("TLA" or "the Group")

Update in relation to accounts for the year ended 31 December 2016

TLA Worldwide plc (AIM: TLA), a leading athlete representation and sports marketing business, today announces an update in relation to the preparation of the Group's accounts for the year ended 31 December 2016 following the announcements made on 26 April 2017 and 1 June 2017. The Group remains on track to deliver FY16 results on 30 June 2017 as previously announced. On this date the Group will also provide an update on current trading for the first half of this financial year.

Overview
As highlighted in the announcement on 26 April, the Group's trading results for the year ended 31 December 2016 will be below the Board's expectations due to issues around revenue recognition within the US Sports Marketing division, provisions required against other receivables within the Baseball division and provisions against certain aged trade receivables within the US Sports Marketing division. At the time it was believed that these items would have a total adverse impact to Headline EBITDA of approximately $2.0 million and would result in a one-off charge within the range $1.5 million - $2.5 million.

Additional work has been undertaken as a result of the ongoing audit and the Group is disappointed to report that the adjustments in relation to the above items are expected to be larger than initially anticipated. As a result of the corrections to revenue, cost and profit recognition, the total adverse impact to Headline EBITDA for FY16 is expected to be $3.6 million and provisions against trade and other receivables are expected to result in a one-off charge of approximately $3.2 million to the Group's income statement.

These various accounting adjustments do not have a cash impact on the Group and the Group's net debt position remains unchanged at $21.8 million as at 31 December 2016.

Summary of accounting adjustments
Below is a schedule of the accounting adjustments to be made to the Group's accounts for the year ended 31 December 2016 which have arisen from incorrect and inappropriate application of accounting policies and accounting errors. Adjustments have also been made due to significant receivables ageing and collections issues within the US Sports Marketing and Baseball divisions in conjunction with a more prudent view on receivables provisions within both these divisions. The Board note that the audit has not uncovered any issues in relation to the Events business nor the UK and Australian Sports Marketing businesses.

Adjustment type	Division	Corrections ($m)	Provisions ($m)	Total adjustment ($m)
Revenue, cost and profit recognition corrections	US Sports Marketing / Baseball	(3.6)	-	(3.6)
Provisions against other receivables	Baseball	-	(1.4)	(1.4)
Provisions against trade receivables	US Sports Marketing	-	(1.9)	(1.9)
Total Headline EBITDA adjustment		**(3.6)**	**(3.2)**	**(6.8)**

The numbers within this table are unaudited and subject to finalisation and are presented to the nearest $0.1m so totals may vary to the underlying actuals.

As a result of these adjustments, Headline EBITDA for the financial year ended 31 December 2016 before provisions is expected to be $8.1 million, and after taking account of provisions is expected to be $4.8 million.

As part of the ongoing audit, it has been identified that profits for the financial year ended 31 December 2015 will need to be restated with a downward adjustment of approximately $1.9 million.

Forensic review
The Board has commissioned a forensic review of the Group's accounting records for the years ended 31 December 2016 and 2015 which is being undertaken by a national accounting firm. As part of this review, such firm has performed certain forensic procedures focused on the internal financial records of the Group's US business and their forensic procedures are substantially complete.

Board changes and remedial plan
The Group's CFO, Donald Malter, has resigned with immediate effect as a Director of TLA on 19 June 2017. A full review of the US finance function is underway and Bill Armstrong will be appointed shortly as interim CFO to assist in preparing a remedial plan to strengthen the Group's internal systems and accounting controls. Mr Armstrong will be an external appointment and has extensive experience in implementing remedial plans expeditiously. Mr Malter has made himself available to the business for a 3 month period to assist Mr Armstrong if required. The Board intend to strengthen the Group's US finance team over the coming months, including a new head of finance for the Group's US operations who will report to the executive management team.

The Board has also commenced an external recruitment exercise for a permanent Group CFO with the objective of making an appointment over the coming months.

Banking covenants
As a result of the accounting adjustments described above, the Group has been in constructive discussions with its main lender in relation to recalculating covenants. The Group's lenders remain supportive of TLA.

Dividend
The Board does not intend to propose a final dividend at the upcoming AGM and is in the process of reviewing the Group's dividend policy.

Publication of accounts
The Group remains on track to deliver its results for the year ended 31 December 2016 on 30 June 2017 along with the Group's report and accounts which will be published and posted to shareholders on the same day. The results will include further details on the matters referred to in this announcement along with an update on current trading for the first half of this financial year which will include the Argentina vs Brazil and Brazil vs Australia soccer matches which were played on the 9 and 13 June respectively. Both these events were a success and performed in-line with management expectations.

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