

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014. Upon the publication of this announcement, this information is now considered to be in the public domain.*

16 December 2024



**XLMedia PLC**

("XLMedia" or the "Group" or the "Company" or the "Business")

### **Update on distribution of capital**

XLMedia (AIM: XLM), a sports and gaming digital media company is providing an update on its plans for an initial distribution to shareholders from the proceeds of the assets sales related to the Europe Disposal and the North America Disposal (together, the "Disposals").

The Group, having successfully completed the sale of materially all the assets of the Group in two transactions, the Europe Disposal in April 2024 and the North America Disposal in November 2024, became an AIM Rule 15 Cash Shell and re-confirms that it has no plans to make an acquisition that constitutes a reverse takeover under AIM Rule 14 or become an investing company. It therefore proposes to undertake an initial tender offer for up to £16 million, circa 20 million in the New Year. This would represent approximately half the Company's current market capitalisation and approximately half the potential total available cash after taking account of reasonably expected costs and liabilities and expected further receipts due from the Disposals (both deferred consideration and projected earn out).

Cash at the end of October was 17.7 million, with gross proceeds received in November of 20 million. The Group is due to receive 7.5 million on 1 April 2025 in relation to the Europe Disposal from Gambling.Com Group Limited. It is also eligible for earnout payments of up to 15 million across both Disposals, both payable in April 2025.

The Board is tracking performance of the assets in Europe and North America. While it cannot be certain of the eventual level of earnout that will be achieved, on the basis of current information and extrapolating current trends, it estimates that the earnout amount would be approximately between 3 million to 4 million, and possibly up to 5 million. The exact amount will depend on final trading in the last months of 2024 and the mix of revenues. Agreed earnouts are not expected to be finalised until late Q1 2025.

The Group continues to be focused on minimising costs while supporting the transitional services agreements for both Disposals, including a rapid reduction in staff numbers. The Group estimates its costs to clear liabilities including deferred minimum guarantee payments, settle tax in each jurisdiction in which it operates, support the transitional service agreements and close down the Group, including redundancy payments to be in the order of 11 million to 13 million. The final tax charges included in these costs will be determined once 2024 tax submissions are completed and agreed and final transaction proceeds for the Disposals are known and could vary from the estimates made.

As part of its ongoing focus to reduce cost, while maintaining effective corporate governance, the Group is reviewing the structure of the board in light of outstanding requirements.

#### **Marcus Rich Independent Non-executive chair, commented:**

The Board wishes to maximise the return of value to shareholders while ensuring that the Group's operations are brought to an orderly close, and are reviewing the structure of the board in overseeing the efficient winding down of the group.

**For further information, please contact:**

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#### **About XLMedia**

XLMedia (AIM: XLM) has recently disposed of its sports and gaming digital media operations.

#### **Forward Looking Statements**

This announcement contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. They are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

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