

14 October 2020

Hawkwing plc
("Hawkwing" or the "Company")

Unaudited interim results for the six months ended 30 June 2020

Hawkwing plc (LSE: HNG) announces its interim results for the six months ended 30 June 2020.

Financial Highlights

- Operating loss from continuing operations of \$0.1 million (H1 2019 loss: \$0.6 million)
- Loss before tax of \$0.1 million (H1 2019 loss: \$0.6 million)
- Loss per share from continuing operations of \$0.10 cents (H1 2019 loss: \$0.44 cents)

Post Period

- Moved listing from AIM to the Standard Segment of the Official List ("Standard List") on 30 September 2020
- Raised £1.29 million, before expenses, as part of move to the Standard List by placing 43,116,659 at 3p a share
- Completed a 20:1 share consolidation

Keith Sadler, Senior Independent Non-Executive Director, commented: "In the first half of the year, our focus has been to ensure we maintained good cash control whilst moving to the Standard List; raising £1.29 million; and re-establish a listing for the Company's shares.

"The Company's strategy is to pursue an acquisition and we intend to target a business with the prospects of being profitable and cash generative. Having moved to the Standard List and strengthened the Company's balance sheet, we can focus on identifying such a business and look forward to updating the market as appropriate. On behalf of the board, I would like to thank all our shareholders for their continued support."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquiries:

Hawkwing plc	
Keith Sadler, Senior Independent Non-Executive Director	+44 20 7618 9100
Beaumont Cornish	
Roland Cornish and James Biddle	+44 20 7628 3396
Luther Pendragon	
Harry Chathli, Alexis Gore	+44 20 7618 9100

About Hawkwing plc

Hawkwing is a Standard List Cash Shell. It intends to pursue a reverse takeover transaction, with the aim of delivering shareholder value. The board intends to seek a business with the prospects of being profitable and cash generative. For more information, please visit www.hawkwing.co

Interim Management Report

Overview

During the first half of 2020 the Company reviewed its AIM listing and decided that a listing on the Standard List would be more appropriate as a Cash Shell. The move to the Standard List was completed on 30 September 2020 and the Company's balance sheet was strengthened with a fund raising of £1.29 million before costs.

The Directors believe the move to the Standard List increases the Company's ability to complete an acquisition. The funds raised will help the Company to evaluate potential acquisitions, undertake due diligence on prospective targets, and pay other transaction costs in connection with an acquisition.

The Company's strategy will focus on identifying an acquisition, targeting businesses with the prospects of being profitable and cash generative. The Directors will consider opportunities in a range of sectors and are focusing on an acquisition that can create value for shareholders in the form of capital growth and/or dividends.

Headline results

For the six-month period to 30 June	2020	2019	Change
	\$000's	\$000's	
Revenue	-	-	-
Operating income	-	-	-
Headline EBITDA	(145)	(524)	361.4%
Headline (loss)/profit before tax	(145)	(632)	435.9%
Headline loss per share (cents)	(0.10)	(0.44)	0.34 cents

Cash flow and net debt

The Company's cash balance as at 30 June 2020 was \$0.03 million (H1 2019: \$0.1 million) and it had no debt as at 30 June 2020. In September 2020, the Company raised £1.29 million of cash, before expenses.

Dividend

The Directors have not declared an interim dividend for the six months ended 30 June 2020. The Directors will continue to review the Company's dividend policy.

Current trading and outlook

Hawkwing is now a Standard List cash shell and the board, as stated previously, is seeking potential businesses that could be reversed into the Company. The board intend to identify a business with the prospects of being profitable and cash generative. The process of identifying such a business has started and the board look forward to updating the market as appropriate.

Risks and uncertainties

The Directors do not consider that the Company's principal risks and uncertainties have changed since the publication of its prospectus dated 23 September 2020, which contains a detailed explanation of the risks relevant to the Company on Page 12 and following and is available at <https://hawkwing.co/wp-content/uploads/2020/09/Prospectus-Final.pdf>

Statement of directors' responsibilities in respect of the condensed interim report and consolidated financial statement

The Directors; being Keith Sadler; Ken Wotton; Ian Robinson and Dwight Mighty (all Non-Executive) confirm that the condensed set of interim financial statements has been prepared in accordance with international Accounting Standard 34 "interim financial reporting", as adopted by the European Union and that interim report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely an indication of important events that have occurred during the first six months the financial year; and material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board
Keith Sadler
Senior Independent Non Executive Director

Condensed Income statement (unaudited)

For the six month period to 30 June 2020

	6 month period to 30 June 2020	6 month period to 30 June 2019	
	\$000's	\$000's	
Administrative expenses	(145)	(632)	
Operating loss	(145)	(632)	
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Headline EBITDA	(145)	(524)	
Exceptional costs	3	(108)	
Operating	(145)	(632)	
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Loss before taxation	(145)	(632)	
Taxation	-	-	
Loss after taxation	(145)	(632)	
Loss after taxation for the period	(145)	(632)	
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Loss for the year is entirely attributable to the owners of the company.			
Loss per share attributable to the owners of the company:			
Basic (cents)	2	(0.10)	(0.44)
Diluted (cents)	2	(0.10)	(0.44)
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Condensed Comprehensive Income (unaudited)
For the six-month period to 30 June 2020

	6 month period to 30 June 2020	6 month period to 30 June 2019
	\$000's	\$000's
Loss for the period	(145)	(632)
Foreign exchange translation effect	(9)	12
Total comprehensive expense	(154)	(620)

Total comprehensive expense for the period is entirely attributable to the owners of the company.

Condensed Balance Sheet (unaudited)

	Note	30 June 2020 \$000's Unaudited	30 June 2019 \$000's Unaudited	31 December 2019 \$000's Audited
Current assets				
Trade and other receivables		80	117	84
Cash and cash equivalents		27	133	227
Total current assets		107	250	311
Current liabilities				
Trade and other payables		(75)	(247)	(125)
Net current assets		32	3	186
Net assets		32	3	186
Equity				
Share capital		4,473	4,473	4,473
Share premium		46,079	46,079	46,079
Merger reserve		309	309	309
Foreign currency reserve		(7,165)	(7,149)	(7,157)
Retained loss		(43,664)	(43,709)	(43,518)
Equity attributable to owners of the company		32	3	186

Condensed Statement of Cash Flows (unaudited)

For the six-month period to 30 June 2020

		6 month period to 30 June 2020	6 month period to 30 June 2019
	Note	\$000's Unaudited	\$000's Unaudited
Net cash outflow from operating activities	5	(191)	(693)
Net decrease in cash and cash equivalents		(191)	(693)
Cash and cash equivalents at beginning of period		227	814
Foreign currency translation effect		(9)	12
Cash and cash equivalents at end of period		27	133

Condensed Statement of Changes in Equity (unaudited)

For the six-month period to 30 June 2020

	Share Capital	Share Premium	Merger reserve	Foreign Currency Reserve	Retained Loss	Total
	\$000s	\$000's	\$000's	\$000s	\$000s	\$000s
Balance as at 1 January 2019	4,473	46,079	309	(7,161)	(43,077)	623
Total comprehensive income for period	-	-	-	12	(632)	(620)
Balance as at 30 June 2019	4,473	46,079	309	(7,149)	(43,709)	3
Balance as at 1 January 2020	4,473	46,079	309	(7,156)	(43,519)	186
Total comprehensive income for period	-	-	-	(9)	(145)	(154)
Balance as at 30 June 2020	4,473	46,079	309	(7,165)	(43,519)	32

Notes to the Interim Report

General information

Hawkwing plc (the “Company”) is incorporated and domiciled in the United Kingdom. The Company is listed on the Standard Segment of the Official List market of the London Stock Exchange. The registered address is 25 Walbrook, London EC4N 8AF.

Basis of preparation

The condensed financial statements have been prepared in accordance with IAS 34 “Half Year Financial Reporting” as adopted by the European Union and the Disclosure and Transparency Rules of the Financial Conduct Authority. These condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006, do not include all the notes of the type normally included in an annual financial report and have not been audited or reviewed by the auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2019 (the “Annual Financial Statements”), which has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The Annual Financial Statements constitute statutory accounts as defined in section 434 of the Companies Act 2006 and a copy these statutory accounts has been delivered to the Registrar of Companies. The auditor’s report on those statutory accounts was unqualified, drew attention to a material uncertainty in relation to going concern by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those used to prepare the financial statements for the year ended 31 December 2019 and those applicable for the year ended 31 December 2020. The preparation of the condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements described above. The condensed financial statements have been prepared on a going concern basis, under the historical cost convention.

The reporting currency of the Company is US\$, unless stated otherwise.

Application of new standards in issue

In the current period, no new or amended standards have been adopted for the period commencing on or after 1 January 2020 have had any impact on these financial statements.

Standards and interpretations not yet applied

The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2020, as adopted by the European Union, and have not been early adopted:

IFRS 17 Insurance Contracts (effective 1 January 2021)

Going concern

As a result of the move to the Standard List and the raising of £1.29 million, before costs, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

1. Segmental Analysis

The Company’s single reporting segment is that of its activities as an investment holding company. This activity takes place wholly in the United Kingdom.

2. Loss per share

Basic and diluted loss per share attributable to ordinary shareholders:

	6 month period to 30 June 2020 cents per share	6 month period to 30 June 2019 cents per share
Basis loss per share	(0.10)	(0.44)
Diluted loss per share	(0.10)	(0.44)

The calculation of loss per share per share is based on the following data:

	6 month period to 30 June 2020 \$000's	6 month period to 30 June 2019 \$000's
Loss for the purposes of basic earnings per share being net loss attributable to owners of the Company	(145)	(632)
	Number of Shares	Number of Shares
Weighted average number of shares in issue:	143,427,199	143,427,199

3. Exceptional costs

Exceptional items comprise:

	6 month period to 30 June 2020 \$000's	6 month period to 30 June 2019 \$000's
Continuing operations		
Impairment of loans	-	(117)
Costs relating to offers by potential investors	-	225
Total exceptional and acquisition related costs	-	108

4. Taxation

The company incurred no current taxation liability in the 6 months to 30 June 2020 or the 6 months to 30 June 2019. The company has tax losses carried forward of \$1,334,970 (2019:\$764,892) in respect of which no deferred tax asset has been recognised due to uncertainty of the Company's expected future profitability

5. Notes to the Statement of Cash Flow

	6 month period to 30 June 2020 \$000's	6 month period to 30 June 2019 \$000's
Operating loss for the period	(145)	(632)
Operating cash flows before movements in working capital	(145)	(632)
Decrease/(increase) in trade other receivables	9	117
(Decrease) in trade other payables	(55)	(177)
Cash used in operations	(191)	(693)
Income taxes paid	-	-
Net cash outflow from operating activities	(191)	(693)

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

The Company's net debt has moved as follows during the period:

	1 January 2020 \$000	Cash flow \$000	Non-cash Movements \$000	30 June 2019 \$000
Cash and bank balances	227	(191)	(9)	27
Borrowings	-	-	-	-
Net (debt)/cash	227	(191)	(9)	27

6. Interim accounts

This interim statement will be available on the Company's investor relations website at www.hawkwing.co
