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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) 596/2014, WHICH IS PART OF DOMESTIC UK LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019 (SI 2019/310) ("**UK MAR**"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

17 September 2021

Hawkwing plc

("Hawkwing" or the "Company")

Hawkwing loans IFG £13.7 million to acquire Northcore and Shade Station and investment by Marshall Wace into IFG

Further to the announcement of 16 September 2021, Hawkwing plc (LSE: HNG) is pleased to announce that it has provided Internet Fusion Group Limited ("**Internet Fusion Group**" or "**IFG**") with a secured loan of £13.7 million (the "**IFG Loan**") to fund two acquisitions and the associated transaction costs of these acquisitions.

The Acquisitions

Northcore Limited ("Northcore")

Northcore is an outdoor surf accessories and lifestyle clothing brand which generated revenue of £2.2 million (unaudited) and EBITDA of £0.4 million (unaudited) for the year ended 30 April 2021. Northcore offers a comprehensive range of surfing, watersports, adventure and outdoor lifestyle products which aligns closely with IFG's Surfdomes brand. IFG has paid an initial consideration of £2.25 million, on a debt and cash free basis. There is a conditional earnout of up to £1.75 million which depends on the future trading performance (the "**Northcore Earnout**"). IFG expects that the Northcore Earnout will be largely self-funding.

Shade Limited (trading as "Shade Station")

Shade Station is one of the UK's largest independent online retailers of sunglasses (also selling prescription glasses and watches), and generated revenue of £14.5 million (unaudited) and EBITDA of £2.3 million (unaudited) for the year ended 30 April 2021. IFG has paid an initial consideration of £10.0 million, on a debt and cash free basis. There is a conditional earnout of up to £5.0 million, depending on the future trading performance (the "**Shade Station Earnout**"). IFG expects that the Shade Station Earnout will be largely self-funding.

Terms of the IFG Loan

If the proposed acquisition of IFG by Hawkwing does not take place on or prior to 31 March 2022, the IFG Loan will carry an 8% per annum interest rate from the date of drawdown and is for a three-year term. The IFG Loan also carries a redemption premium depending on when the IFG Loan is repaid. The IFG Loan is secured against the assets of the acquired businesses.

Additional investment into IFG

Funds managed by Marshall Wace have made a direct investment into IFG of £6.0 million at an enterprise value of £115 million. This investment will provide IFG with additional capital to support its growth plans.

Keith Sadler, Senior Independent Non-Executive Director of Hawkwing, commented: "We are delighted to support IFG in its buy-and-build strategy and on its acquisition of Northcore and Shade Station, two businesses that expand and enhance IFG's suite of well-respected speciality e-commerce businesses. As IFG continues to expand, the investment from Marshall Wace is another strong endorsement of its business quality, its management team and their growth strategy. Our proposed acquisition of IFG continues to progress and we look forward to updating the market in due course."

John Browett, Executive Chairman of the Management Board of Internet Fusion Group, said: "These acquisitions represent another significant step in the execution of our buy-and-build strategy. We have a compelling track record of acquiring profitable specialty retailers and transforming their performance and growth prospects through our Reactor platform, and we look forward to accelerating the future performance of Northcore and Shade Station. Both are fantastic businesses which offer authentic online retail experiences for people browsing for high-quality products from like-minded brands. Separately, the investments in our business by Hawkwing and Marshall Wace demonstrate strong investor confidence in our model, and I am excited by the momentum we continue to build in the market."

About Internet Fusion Group

IFG is an ecommerce aggregator using its technology platform to change the economics of speciality e-retail. It brings together specialised retail businesses and brands onto its own proprietary end-to-end digital platform, 'Reactor'. Reactor enables specialised retail businesses to unlock efficiencies of scale while preserving a differentiated and authentic customer experience.

IFG already owns and profitably operates nine speciality e-commerce websites that are specialists in their niches. Each of these websites aims to dominate their niche markets through a focus on content, community and authenticity. IFG can keep costs of running its websites low by operating them through its Reactor platform with limited need to licence any material additional software.

With a deep understanding of the dynamics of niche brands, IFG has successfully acquired and integrated seven businesses demonstrating a strong track record of acquiring niche e-retailers at attractive multiples and transforming their profitability through its Reactor platform.

IFG is also at the early stages of offering its Reactor platform as a service to supplier brands looking to scale their Direct-to-Consumer offerings - giving them low-cost access to all the benefits of a bespoke seamless online retail business engine, and the agile warehousing and delivery systems required to support it. In April 2021, IFG launched its first customer on the Reactor Platform and has a pipeline for further launches in 2021 and 2022.

Suspension

As announced on 12 July 2021, Hawkwing has entered into non-legally binding heads of terms for the proposed acquisition of IFG (the "**IFG Acquisition**") and has been granted exclusivity until 31 March 2022. The IFG Acquisition is expected to be at an enterprise value of £115 million, with the consideration being satisfied by the issue of new Hawkwing ordinary shares of 2 pence each ("**Ordinary Shares**") at 6 pence per share. The Ordinary Shares remain

suspended from trading while the IFG Acquisition, which will constitute a "reverse takeover" (for the purposes of the Listing Rules of the Financial Conduct Authority) is negotiated and advanced. The Company will update shareholders as to progress made in relation to the IFG Acquisition as and when appropriate. As no binding agreement on mutually acceptable terms has yet been reached between the parties, Hawkwing cannot guarantee nor provide any certainty that the IFG Acquisition will be completed.

For the purposes of UK MAR, the person responsible for arranging for the release of this announcement on behalf of Hawkwing is Keith Sadler, Senior Independent Non-Executive Director.

- Ends -

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About Hawkwing plc

For more information, please refer to the Company's website: www.hawkwing.co