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For Immediate Release

30 August 2019

Challenger Acquisitions Limited

("Challenger" or the "Company")

Interim Results

Challenger Acquisitions Limited (LSE: CHAL) is pleased to announce its interim results for the period ended 30 June 2019.

Interim Management Report

As stated in our final results on 29 April 2019 Challenger is seeking out a new project that can properly utilise the public company platform from a financial and regulatory perspective. The following is a list of significant changes for the first six months of this year and to the date of this report:

In January 2018 we made a US$300,000 investment in a Dallas wheel project through a convertible note. In January 2019 we announced our plan to sell this investment back to the developers in exchange for 6 monthly payments of US$50,000 plus interest payable commencing 31 January 2019. As of 30 June 2019 we have received US$250,000 plus interest. To date we have received US $275,000 plus interest with the remaining US$25,000 scheduled to be received on 31 October 2019.

In April 2018 the owner of the Star Sanctum event announced that this event was not proceeding. We announced in July 2018 an agreement to recover the full amount of the £100,000 loan principal over a 12 month period. As of 30 June 2019 we have received a total of £75,000 (£60,000 received in 2018). To date we have received £93,000 with the remaining £7,000 scheduled to be received in September 2019.

In March 2019 we agreed to transfer one previously pledged equity unit in the New York Wheel to the principal of Starneth in exchange for a complete release of all claims between the companies. This release allows us to remove a 1,250,000 EUR liability from the Challenger Balance Sheet in the first half of 2019.

We also added another non-executive director in March 2019. We welcome George Lucan and his expertise to actively secure an appropriate project for Challenger.

On behalf of the Challenger Board we would like to take this opportunity to thank our shareholders, note holders and all stakeholders for their patience and support during a very challenging year.

Other Matters

The 2018 Annual General Meeting ("AGM") was held in London, England on 17 June 2019. All resolutions were passed at the AGM.

Financial and Corporate Overview

During the six month period we received US$250,000 from the developers of the Dallas Wheel from the original convertible note of US$300,000 and £15,000 from the owner of Star Sanctum from the original loan of £100,000 (60,000 received in 2018). No additional funds were received from the issuance of new unsecured convertible notes. The funds received from the repayment of the convertible note to the Dallas Wheel and the loan to Star Sanctum has enabled the Company to continue operating this year. Cost control measures have continued to be implemented throughout the Company in 2019.

The half year results report a profit of £1,086k (2018 six month loss was £298k), comprised of the reversal of the 1,250,000 euro liability plus accrued interest related to the Starneth transaction, personnel costs of £18k, administrative expenses of £72k and non-cash finance costs of £108k. This result is driven primarily by regulatory costs for Challenger, the public company costs in dealing with shareholders, and costs associated with the active search for a new project.

Corporate activities to date include the recovery of funds from the Dallas Wheel convertible note and the Star Sanctum loan, continued cost reduction measures, evaluation of potential projects and communicating with noteholders and shareholders.

Outlook

Looking forward we expect positive results from the ongoing process to seek out, evaluate and review a potential project that can utilise the public company platform in a manner that makes sense from a financial and regulatory perspective.

I would like to take this opportunity to thank our patient stakeholders and the Board for their continued support.

Mark Gustafson
Chief Executive Officer
29 August 2019

Responsibility Statement

The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR') and with International Accounting Standard 34 on Interim Financial Reporting (IAS 34).

The Directors confirm that the interim financial statements have been prepared in accordance with IAS 34 and that as required by DTR 4.2.7 and DTR 4.2.8, the Interim Report includes a fair review of:

- important events that have occurred during the first six months of the year;
- the impact of those events on the financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- details of any related party transactions that have materially affected the Company's financial position or performance in the six months ended 30 June 2019.

The Directors who served during the period and up to the date of signing the interim financial statements were:

Richard Marin
Mark Gustafson
Gene Stice
George Lucan

Company Secretary:
Markus Kameisis

By Order of the Board
Markus Kameisis
Chief Financial Officer
29 August 2019

Condensed Consolidated Statement of Comprehensive Income

The condensed consolidated statement of comprehensive income of the Group for the six month period from 1 January 2019 to 30 June 2019 is set out below.

	Note	Period ended 30 June 2019 (unaudited) £'000	Period ended 30 June 2018 (unaudited) £'000
Administrative expenses		(90)	(126)
Profit from sale of financial asset		1,269	-
Recovery of written off loan receivable		15	-
Operating profit / loss on ordinary activities before taxation		1,194	(126)
Finance costs		(108)	(172)
Profit / Loss before income taxes		1,086	(298)
Income tax expense		-	-
Profit / Loss after taxation		1,086	(298)
Profit / Loss for the period		1,086	(298)
Fair value movement on available for sale financial asset		-	61
Total comprehensive profit / loss attributable to owners of the parent		1,086	(237)
Profit / Loss per share:			
Basic & diluted	8	0.004	(0.001)

Condensed Consolidated Statement of Financial Position

The condensed consolidated statement of financial position as at 30 June 2019 is set out below:

	Note	As at 30 June 2019 unaudited £'000	As at 31 December 2018 audited £'000
Assets			
Current assets			
Cash and cash equivalents		37	29
Trade and other receivables		11	14
Short-Term investments		42	234
Total current assets		**90**	**277**

Total assets		**90**	**277**
Equity and liabilities			
Capital and reserves			
Share capital account	5	8,324	8,324
Equity component of convertible instruments		106	106
Accumulated deficit		(10,540)	(11,626)
Total equity attributable to equity holders		**(2,110)**	**(3,196)**
Current liabilities			
Borrowings	9	1,923	3,166
Trade and other payables		277	307
Total current liabilities		**2,200**	**3,473**
Total equity and liabilities		**90**	**277**

Condensed Consolidated Statement of Changes in Equity

The unaudited condensed consolidated statement of changes in equity of the Group for the period from 1 January 2018 to 30 June 2018 is set out below:

	Share Capital account £'000	Equity component of convertible instruments £'000	Available for sale reserve £'000	Retained earnings £'000	Total £'000
On 1 January 2018	**7,579**	**601**	**243**	**(9,861)**	**(1,438)**
Loss for the period	-			(298)	(298)
Other comprehensive loss	-		61		61
Total comprehensive loss for the period	**-**		**61**	**(298)**	**(237)**
Transaction with owners					
Issue of shares	650	-	-	-	650
Equity component convertible notes	-	(495)	-	-	(495)
Total	**650**	**(495)**	**-**	**-**	**155**
As at 30 June 2018	**8,229**	**106**	**304**	**(10,159)**	**(1,520)**

The unaudited condensed consolidated statement of changes in equity of the Group from 1 January 2019 to 30 June 2019 is set out below:

	Share Capital account £'000	Equity component of convertible instruments £'000	Available for sale reserve £'000	Retained earnings £'000	Total £'000
On 1 January 2019	**8,324**	**106**	**-**	**(11,626)**	**(3,196)**
Profit for the period	-	-	-	1,086	1,086
Total comprehensive profit for the period	**-**	**-**	**-**	**1,086**	**1,086**
As at 30 June 2019	**8,324**	**106**	**-**	**(10,540)**	**(2,110)**

Share capital comprises the Ordinary Shares issued by the Company.

Retained earnings represent the aggregate retained losses of the Company since incorporation.

Equity component of convertible instruments represents the equity element of instruments with a convertible element.

Condensed Consolidated Statement of Cash Flows

The condensed consolidated cash flow statement of the Group from 1 January 2019 to 30 June 2019 is set out below:

	Period ended 30 June 2019 Unaudited £'000	Period ended 30 June 2018 Unaudited £'000
Net cash used in operating activities		
Profit / Loss for the period before taxation	1,086	(298)
Non-Cash Profit from sale of financial asset	(1,269)	-
Interest	108	172
Operating cash flows before movements in working capital	**(75)**	**(126)**
Decrease (increase) in receivables	195	(5)
Increase (decrease) in accounts payable and accrued liabilities	(30)	(1)
Net cash used in operating activities	**90**	**(132)**
Investment in available for sale financial asset	-	(220)
Net cash outflow from investing activities	**-**	**(220)**
Issue of ordinary shares net of issue costs	-	-
Issue of convertible instruments	-	400

Finance Expenses	(82)	(92)
Net cash inflow from financing activities	**(82)**	**308**
Net increase (decrease) in cash and cash equivalents	**8**	**(44)**
Cash and cash equivalent at beginning of period	29	79
Cash and cash equivalent at end of period	**37**	**35**

Notes to the Condensed Consolidated Interim Report

1. GENERAL INFORMATION

The Company was incorporated under section II of the Companies (Guernsey) Law 2008 on 24 November 2014, it is limited by shares and has registration number 59383.

The Company had an investment of US$3m in New York Wheel Investor LLC, a company that was set up to fund the equity component for the project to build a New York Wheel which includes an approximate 630 foot high observation wheel with 36 capsules, a 68,000 square foot terminal and retail building, and a 950 space parking garage. This investment was fully impaired as a result of the termination of the project and litigation between New York Wheel Investor LLC and one of the primary contractors. One share with a nominal value of US$1m was given to the former Starneth owners to pay the debt resulting from the second tranche of the purchase contract. The Company entered into a new investment into the Dallas Wheel project. This investment is currently being recovered and the whole amount should be paid back by 31 October 2019.

The Company's registered office is located at PO Box 186, Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands.

The company has not prepared individual financial statements in accordance with section 244 of the Companies (Guernsey) Law 2008.

2. BASIS OF PREPARATION

The interim condensed unaudited financial statements for the period ended 30 June 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last annual consolidated financial statements as at the year ended 31 December 2018. The results for the period ended 30 June 2019 are unaudited.

The condensed unaudited consolidated financial statements for the period ended 30 June 2019 have adopted accounting policies consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the financial statements.

Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Going concern

At 30 June 2019 the group had net current liabilities of £2,110k. The financial statements have been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

Based on the continued implementation of costs control measures, the significant reduction in convertible note debt through reorganization/settlement, the elimination of the contingent obligation to the owners of the former Starneth business, the continued support from the primary convertible note holder, and the ongoing receipt of funds from the loans to Star Sanctum and the Dallas wheel project, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future although future funding may be required in the period. The primary note holder is supportive of the Company and there are no material external creditors. In order to support a new acquisition, the fund raising options may include a substantial equity offering or a new financing facility. The fund raising options are early stage and there is a material uncertainty as to whether additional funding will be received and therefore regarding the going concern basis of preparation. The financial statements do not include any adjustments that would be required if the going concern basis was not appropriate.

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Company had been financed from equity and convertible notes. In the future, the capital structure of the Company is expected to consist of convertible notes and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

4. BUSINESS SEGMENTS

For the purpose of IFRS8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that the Company comprised a single activity, being the identification and acquisition of target companies or businesses in the entertainment sector.

5. SHARE CAPITAL

Issued and fully paid	Number of shares	Share capital account £'000
At 31 December 2018	269,001,572	8,324
Issue of shares	-	-
At 30 June 2019	269,001,572	8,324

On 30 June 2019, the number of Ordinary Shares authorised for issue was unlimited. All Ordinary Shares have equal voting rights and rank equally on a winding up.

6. CASH AND CASH EQUIVALENTS

	Period ended 30 June 2019 (unaudited) £'000	Period ended 31 December 2018 (audited) £'000
Cash at bank and in hand	37	29
Total cash and cash equivalents	37	29

7. TRADE AND OTHER RECEIVABLES

	Period ended 30 June 2019 (unaudited) £'000	Period ended 31 December 2019 (audited) £'000
Prepayments	11	14
Total trade and other receivables	11	14

The Company provided a £100k loan to a KTEG Limited in relation to Star Sanctum event set to launch and operate film-focused conventions. As the probability to receive back the full amount of the loan decreased significantly, the whole amount including accrued interest has been impaired last year. In the period under review, the Company has received a total of £15k as repayment of this loan (£60k received in 2018). This is reflected in the statement of comprehensive income. The balance of £25k remains impaired.

8. INVESTMENTS

	Long-term Investments £'000	Short-term Investments £'000
Fair value		
At 31 December 2016	2,438	-
Additions	-	-
Foreign exchange movement	(219)	-
At 31 December 2017	2,219	-
Foreign exchange movement in New York Wheel	83	-
Investment in Dallas Wheel project	-	220
Foreign exchange movement in Dallas Wheel	-	14
Impairment of New York Wheel	(2,302)	-
At 31 December 2018	-	234
Repayments from the Dallas Wheel		(192)
At 30 June 2019	-	42

The company holds investments in the New York Wheel Investor LLC, which is fully written off and the Dallas Wheel Project, which is shown under short-term investments.

In the previous year the Company invested US$300k into the Dallas Wheel project. This financing was in the form of a convertible loan. On 31 December 2018 the Company signed a contract to change the repayment terms for its investment in the Dallas wheel. The Company will receive US$50,000 plus interest each month for the first six month in 2019 until the US$300,000 investment is repaid. The contract has been changed and the last payment is scheduled to be received on 31 October 2019. Until the date of this interim report, the Company has received all payments as foreseen. Therefore the Directors do not see any indications that the nominal investment amount should be impaired. The fair value of the Dallas wheel project was £42k as at 30 June 2019.

The equity units in New York Wheel Investor LLC are not quoted, in the prior year the Directors had regard to recent transactions in equity units of the New York Wheel and therefore assessed the value as a level 3 valuation. As the project has been stopped and the probability of the project restarting is very low, the investment in the New York Wheel was written off in full.

One unit of the New York Wheel investment was held as security over the second part of the deferred cash consideration of EUR 1.25 million. In March 2019 this previously pledged equity unit in the New York Wheel was transferred to the principal of Starneth in exchange for a complete release of all claims between the companies.

A further unit of the New York Wheel investment was held as security over the 29 January 2016 convertible loan.

9. Borrowings

	Period ended 30 June 2019 (unaudited)	**Period ended 31 December 2018 (audited)**
Current	£'000	£'000
Convertible notes	1,923	1,910
Deferred cash consideration	-	1,256
	1,923	3,166
Non-current		
Deferred cash consideration	-	-
Convertible notes	-	-
	-	-

	Note 3	Note 4	Total
	£'000	£'000	£'000
Balance at 31 December 2018 (liability)	1,089	821	1,910
Balance at 31 December 2018 (equity)	106	-	106
Finance charge	58	34	92
(Increase)/decrease in accrued interest	(49)	(30)	(79)
Balance at 31 December 2018 (liability)	1,098	825	1,923

Balance at 31 December 2018 (equity)	106	-	106

Note 3

On 29 January 2016, the Company issued £1 million of secured convertible notes. The notes are unlisted, secured, transferable and convertible. Maturity date is 30 June 2019. The Secured Convertible Notes are secured by one common unit of New York Wheel Investor LLC. Interest is accrued at 8% per annum and payable quarterly. One eighth of the interest can be settled in cash or shares at the Company's discretion. Seven eighths of the interest is settled in new convertible notes with the same terms. The notes are convertible in cash or shares at the option of the holder and can be converted into Ordinary Shares at a fixed conversion price of £0.80 per Ordinary Share. The Company can redeem the notes at a 10% premium anytime. As per the nature of this convertible instrument, £106k has been recognised as an equity component in of convertible instruments in consolidated statement of changes of equity, using a discount rate of 12%.

Note 4

The last tranche of £400,000 of the £1 million funding facility announced by the Company on 13 June 2017, has been drawn on 18 January 2018 and subsequently the Company has issued convertible note for £400,000. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 8 June 2019. The maximum amount that can be converted in any 30 day period is 20% of the principle amount. The conversion price is the lowest volume weighted average price over 10 days prior to the conversion. Interest rate is 8% per annum and payable upon conversion at the Company's option in cash or ordinary shares at the conversion price. The Company can redeem in cash all or any part of the outstanding convertible note with a 25% premium to the principal amount.

Deferred Consideration

Deferred consideration relates to the acquisition of the Starneth Group in 2015. Part of the purchase price was two deferred cash payments. The payments are in equal amounts of EUR 1,250,000 and payable at the first and second anniversary of the transaction. As part of the disposal of the Starneth participation as announced on 30 January 2017, the terms of these payments were changed as follows: the second tranche was waived as part of the sale agreement and the first tranche remains payable. The company has not recognised an asset in this regard due to the uncertainty over whether any success fees will become due. The liability has been settled as of 31 March 2019 in exchange for one equity unit of the New York Wheel. Refer to Note 8 for detail on the security and the New York Wheel.

10. LOSS PER SHARE

The calculation for loss per share (basic and diluted) for the relevant period is based on the loss after income tax attributable to equity holder for the period from 1 January 2019 to 30 June 2019 and is as follows:

	Period ended 30 June 2019	Period ended 30 June 2018

	(unaudited)	(unaudited)
Profit/Loss attributable to equity holders (£)	1,086,000	(237,000)
Weighted average number of shares	269,001,572	207,435,531
Profit/Loss per share basic (£)	0.004	(0.001)

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of the group by the weighted average number of shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares namely the conversion of the convertible loan note in issue. The effect of these potential dilutive shares would be anti-dilutive and therefore are not included in the above calculation of diluted earnings per share.

11. SUBSEQUENT EVENTS

On 10 July 2019, the Company announced an amendment to the repayment agreement with the Dallas Wheel. According to this amendment, the last tranche, which was payable at 30 June, is now payable in two more tranches (US$26,375 on 31 July 2019, which has been received and US$25,000 on 30 August 2019). A second amendment was recently signed which defers the final payment of US$25,000 to 31 October 2019.

On the same date the Company announced the receipt of a further £18,000 from the owner of Star Sanctum.

12. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period under review.

13. ULTIMATE CONTROLLING PARTY

As at 30 June 2019, no one entity owns greater than 50% of the issued share capital. Therefore the Company does not have an ultimate controlling party.