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For Immediate Release

27 September 2017

Challenger Acquisitions Limited
("Challenger" or the "Company")

Interim Results

Challenger Acquisitions Limited (LSE: CHAL), a leader in the Giant Observation Wheel industry, is pleased to announce its interim results for the period ended 30 June 2017.

Interim Management Report

As stated in our final results, 2016 was a difficult year due to the inability of Starneth, our previously held wholly owned subsidiary, to close any Giant Observation Wheel projects. Consequently, the requirement to restructure Challenger was one of the primary objectives in 2017. The following is a list of significant changes for the first six months of this year and to the date of this report:

Disposition of Starneth:

The sale of Starneth, announced on 30 January 2017, provided for three key elements: contingent consideration for Challenger, an on-going cooperation agreement, and the extinguishment of all cash obligations owing by Challenger related to Starneth.

The Starneth sale agreement stipulated that Challenger would receive certain payments upon the closing of at least two major development projects by Starneth prior to January 2019, including the Giant Observation Wheel project in Jakarta. Challenger could receive up to US\$6 million in fees less a payment of €1.25 million related to the cash payment that Challenger was due to pay to the former Starneth vendors from the original acquisition. One common equity unit of New York Wheel LLC will continue to be pledged to the former Starneth vendors until this payment of €1.25 million has been completed. Following the sale of Starneth, Challenger will retain its equity stake in the New York Wheel LLC, with a minimum of two equity units and up to three equity units depending on the closure of at least one project by Starneth prior to January 2019.

The cash fees of up to US\$6 million that Challenger could receive are based on two fee agreements signed with the new owners of Starneth and are calculated based on the incoming cash receipts from the developers for these projects. The cash payment of €1.25 million from Challenger is completely contingent on these projects commencing and paid only once Challenger starts receiving these cash fees.

Challenger and the new Starneth owners have signed a five-year cooperation agreement whereby Starneth can provide the design and engineering for select Giant Observation Wheel projects and Challenger can provide potential funding options for the developers of these select projects.

To date no projects have closed and no fees have been generated.

Board changes:

Primarily due to the lack of progress with Giant Observation Wheel contracts, three directors retired from the board and one new director was added. John Le Poidevin retired in January, Markus Kameisis retired in February (he remains as the Chief Financial Officer and Secretary), and Gert Rieder retired in March. Gene Stice was appointed as a non-executive director in March.

Convertible note changes:

After extensive discussions and negotiations, all of the convertible notes that were scheduled to mature in 2017 were restructured on three major points. The maturity date was extended for another 12 months into 2018, interest that was paid in the past at each quarter end is now paid at the time of the actual conversion of the note into ordinary shares, and the fixed conversion price on the note that is scheduled to mature on 2 March 2018 was reduced to 12p. All other terms for the convertible notes were left substantially unchanged. No additional fees were paid for this restructuring process.

During the six month reporting period and post period end, a significant number of shares were issued as a result of conversions of these convertible notes into ordinary shares and related accumulated interest on these notes; January – 980,657 shares, February – 8,339,012 shares, March – 8,697,927 shares, May – 2,054,683 and 16,457,816 shares, July – 7,257,395 shares, August – 16,556,310, 44,306,596 and 37,671,142 shares.

New funding facilities:

On 13 June 2017, a new £1 million unsecured convertible note facility due 8 June 2019 was announced. This facility will be used for general working capital purposes and to potentially support an acquisition or development of a project. To date £350,000 has been received from this facility: £100,000 in June and £250,000 in August.

On 18 May 2017 £30,000 was also received from the CEO of Challenger for an unsecured convertible note. This note was fully converted at 3p in July.

New York Wheel Project:

Due to a contractual dispute with the wheel erectors, led by the Dutch company Mammoet, New York Wheel has terminated their contract and is in advanced negotiations with American Bridge Company, a very experienced engineering and construction firm that completed the Giant Observation Wheel in Las Vegas in 2014 (see www.americanbridge.net). This has caused a pause in those specific activities as the companies transition. Work continues on the main terminal building and the major components such as the rim, cables, spindle, drive towers, capsules and control cabinets. For more information see www.newyorkwheel.com, which includes a live webcam of the construction site.

Financial and Corporate Overview

During the six month period we raised £130,000 of funding through the issuance of new unsecured convertible notes and £250,000 of new unsecured convertible notes was received post period end. This has enabled the Company to continue operating this year. Cost control measures have been implemented throughout the Company, including a reduction of the CEO's compensation to £1,000 per month effective 1 February 2017.

The half year results report a loss of £560k, comprised of personnel costs of £53k, administrative expenses of £175k and non-cash finance costs of £332k. This result is driven by costs for the ongoing management of Challenger, for the sourcing of funding of Challenger, restructuring of the convertible notes, the corresponding interest on these convertible notes and the public company costs in dealing with its shareholders and other stakeholders.

The corporate activities to date include the Starneth disposition, restructuring of the convertible notes, implementation of cost reduction measures, board changes, securing new funding and actively communicating with creditors, noteholders and shareholders.

Outlook

Looking forward we expect to see continued progress on the New York Wheel Project for the balance of this year and into 2018. Alongside this, we are continuing to seek out, evaluate and review a number of potential projects and developments, which we believe may offer strategic growth opportunities for our Company. This is an ongoing and time consuming process however we are committed to finding a prospective development opportunity for our shareholders.

I would like to take this opportunity to thank our loyal stakeholders and the Board for their continued support. We look forward to providing further updates in due course.

Mark Gustafson

Chief Executive Officer

27 September 2017

Condensed Consolidated Statement of Comprehensive Income

The condensed consolidated statement of comprehensive income of the Group for the six month period from 1 January 2017 to 30 June 2017 is set out below.

		Period ended 30 June 2017 (unaudited)* £'000	Period ended 30 June 2016 (unaudited) £'000
Revenue	4	-	2,029
Cost of sales		-	(1,553)
Gross profit		-	476
Personnel expenses		(53)	(498)
Administrative expenses		(175)	(966)
Operating loss on ordinary activities before taxation		(228)	(988)
Finance costs		(332)	(521)
Loss before income taxes		(560)	(1,509)
Income tax expense		-	-
Loss after taxation		(560)	(1,509)
Loss for the period		(560)	(1,509)
Fair value movement on available for sale financial asset		(172)	(20)
Total comprehensive loss attributable to owners of the parent		(732)	(1,529)
Loss per share:			
Basic & diluted	8	(0.01)	(0.11)

*After the disposal of the Starneth group of entities

Condensed Consolidated Statement of Financial Position

The condensed consolidated statement of financial position as at 30 June 2017 is set out below:

		As at 30 June 2017 unaudited £'000	As at 31 December 2016 audited £'000
Assets			
Current assets			
Cash and cash equivalents		36	71

Trade and other receivables		5	17
Total current assets		41	88
Assets of disposal group classified as held for sale	13	-	2,271
Non-current assets			
Property, plant and equipment		-	-
Intangible assets		-	-
Available-for-sale financial assets	6	2,311	2,438
Total non-current assets		2,311	2,438
Total assets		2,352	4,797
Equity and liabilities			
Capital and reserves			
Share capital	5	584	219
Share premium		5,597	4,364
Shares to be issued		-	775
Translation reserve		-	(146)
Equity component of convertible instruments		1,064	1,064
Available for Sale reserve		290	462
Accumulated deficit		(9,419)	(9,488)
Total equity attributable to equity holders		(1,884)	(2,750)
Current liabilities			
Borrowings	7	2,566	3,615
Trade and other payables		652	533
Total current liabilities		3,218	4,148
Liabilities of disposal group classified as held for sale	13	-	1,228
Non-current liabilities			
Borrowings	7	1,018	2,171
Total non-current liabilities		1,018	2,171
Total equity and liabilities		2,352	4,797

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 2016 to 30 June 2016 is set out below:

	Share capital £'000	Share Premium £'000	Shares to be issued £'000	Trans-lation reserve £'000	Equity component of convertible instruments £'000	Available for sale reserve £'000	Retained earnings £'000	Total £'000
On 1 January 2016	133	2,080	1,650	(3)	-	-	(2,592)	(1,268)
Loss for the period	-	-	-	-	-	-	(1,509)	(1,509)
Other comprehensive loss	-	-	-	(20)	-	-	-	(20)
Total comprehensive loss for the period	-	-	-	(20)	-	-	(1,509)	(1,529)
Transaction with owners								
Issue of shares	16	428	-	-	-	-	-	444
Issue of options	-	-	-	-	-	-	5	5
Equity component convertible notes	-	-	-	-	569	-	-	570
Total	16	428	-	-	569	-	5	1,018
As at 30 June 2016	149	2,508	1,650	(23)	569	-	(4,096)	756

The unaudited condensed consolidated statement of changes in equity of the Group from 1 January 2017 to 30 June 2017 is set out below:

	Equity component							
	Share capital	Share Premium	Shares to be issued	Translation reserve	of convertible instruments	Available for sale reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
On 1 January 2017	219	4,364	775	(146)	1,064	462	(9,488)	(2,750)
Loss for the period	-	-	-	-	-	-	(560)	(560)
Other comprehensive loss	-	-	-	-	-	(172)	-	(172)
Total comprehensive loss for the period	-	-	-	-	-	(172)	(560)	(732)
Transaction with owners								
Issue of shares	365	1,233	-	-	-	-	-	1,598
Cancellation of unissued shares	-	-	(775)	-	-	-	775	-
Disposal of disposal unit	-	-	-	146	-	-	(146)	-
Equity component convertible notes	-	-	-	-	-	-	-	-
Total	365	1,233	(775)	146	-	-	629	1,598
As at 30 June 2017*	584	5,597	-	-	1,064	290	(9,419)	(1,884)

*After the disposal of the Starneth group of entities

Share capital comprises the Common Shares issued by the Company.

Accumulated deficit represents the aggregate retained losses of the Company since incorporation.

Other reserves represent the shares to be issued, the share options reserve as well as gains and losses on translation of foreign subsidiaries.

Condensed Consolidated Statement of Cash Flows

The condensed consolidated cash flow statement of the Group from 1 January 2016 to 30 June 2017 is set out below:

	Period ended 30 June 2017 Unaudited* £'000	Period ended 30 June 2016 Unaudited £'000
Net cash used in operating activities		
Loss for the period before taxation	(560)	(1,509)
Depreciation and amortisation	-	39
Share option charge	-	5
Finance Cost	379	521
Operating cash flows before movements in working capital	(181)	(944)
Increase in receivables	12	(508)
Increase in accounts payable and accrued liabilities	119	88
Net cash used in operating activities	(50)	(1,364)
Investment in property, plant and equipment	-	(16)
Investment in available for sale financial asset	-	(805)
Net cash outflow from investing activities	-	(821)
Issue of ordinary shares net of issue costs	-	-
Issue of convertible instruments	125	2,402
Finance Expenses	(110)	(108)
Net cash inflow from financing activities	15	2,294
Net (decrease)/increase in cash and cash equivalents	(35)	109
Cash and cash equivalent at beginning of period	71	325
Cash and cash equivalent at end of period	36	434

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 has 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.

The comparatives given relate to period ended 30 June 2016 for all Profit and Loss related items and to the annual report for the period ended 31 December 2016 for all Balance Sheet

related items. The comparatives relating to the period ended 30 June 2016 are before the disposal of the Starneth group of entities.

The Company's registered office is located at 1 Le Marchant Street, 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 2017 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 2016. The results for the period ended 30 June 2017 are unaudited.

The condensed unaudited consolidated financial statements for the period ended 30 June 2016 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 2016.

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 2017 the group had net current liabilities of £3,177k. The Interim Report has been prepared on the basis that the Group 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. The assessment has been made based on the Group's economic prospects which have been included in the financial budget for the forthcoming twelve months and for managing their working capital requirements. In

assessing whether the going concern assumption is appropriate, management takes into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their reasonable amounts, to provide for further liabilities which might arise, and to classify fixed assets as current.

The Group finances its current working capital through the issue of convertible loan notes. The directors are confident that they will be able to raise the required funds and/or manage the level of expenditure for the foreseeable future.

Based on the above, the directors have formed a judgement that the going concern basis should be adopted in preparing the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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 after the sale of the Starneth entities the business of 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	of Share capital £'000	Share premium £'000	Total £'000
Issued on incorporation	1	-	-	-
Issue of shares	9,365,581	133	2,080	2,213
Sub division of shares	3,960,099	-	-	-
At 31 December 2015	13,325,681	133	2,080	2,213
Issue of shares	1,552,087	16	428	444
At 30 June 2016	14,877,768	149	2,508	2,657
Issue of shares	7,021,308	70	1,856	1,926
At 31 December 2016	21,899,076	219	4,364	4,583
Issue of shares	36,530,095	365	1,233	1,598
At 30 June 2017	58,429,171	584	5,597	6,181

On 24 November 2014, the Company was incorporated and had an issued share capital of one Ordinary Share of £1.00.

On 5 December 2014, a further 40,000 Ordinary Shares of £1 each were issued to the Founder for a consideration of £320,000.

On 10 December 2014, the existing 40,001 Founder Shares were sub-divided into 4,000,100 Ordinary Shares of £0.01 each.

On 19 February 2015, on Admission to the Main Market of the London Stock Exchange, a further 7,000,000 Ordinary Shares were issued for a consideration of £700,000.

On 3 July 2015, 109,789 shares were issued at £ 0.37 as consideration for interests from the Convertible Note 2016 and 240,000 shares at £ 0.40 were issued to the introducer of the New York Wheel investment.

On 15 July 2015, as part of the consideration paid for acquiring the Starneth business 1,100,000 shares were issued at a price of £ 0.75/each.

On 28 July 2015, 630,000 shares were issued at £ 0.40 to the introducer of the Starneth acquisition.

On 6 October 2015, 235,792 shares were issued as consideration for interests from the Convertible Note 2016.

On 16 October 2015, 10,000 shares were issued upon the exercise of employee options at £ 0.40 per share.

On 7 January 2016, 230,034 shares were issued as consideration for interests on the Convertible Notes outstanding.

On 21 March 2016, 711,646 shares have been issued for the conversion of convertible notes into shares. 694,610 shares have been for the conversion of £ 172,200 and 17,036 shares have been for the accrued interest until the conversion date.

On 13 April 2016, 277,061 shares were issued as consideration for interests on the Convertible Notes outstanding. On the same day 332,792 shares were issued for the conversion of £ 83,198 loan notes into shares. For the accrued interest of £ 138.08 on the conversion amount 554 shares were issued.

On 18 July 2016, 2,024,421 shares were issued. Of these, 463,597 shares were issued in relation to interest on Convertible Notes up to 30 June 2016, 460,824 shares were issued in respect of the conversion of £ 81,243 of the 12% Convertible Notes due 2017 and 1,100,000 shares were issued in relation to the second tranche of Consideration shares.

On 15 September 2016, 4,276,262 shares were issued as conversion of £ 750,128 of the 12% Convertible Notes due 2017 and £ 11,046.52 to settle the interest accrued interest up until the date of conversion.

On 17 October 2016, 529,952 shares were issued as consideration for interests on the Convertible Notes outstanding up to 30 September 2016.

On 22 December 2016, 190,673 shares were issued. Of these 124,673 shares were issued in relation to a conversion of £ 15,918 of the 0% Convertible Notes due April 2018, 66,000 shares were issued in relation to the third tranche of Consideration Shares. It was anticipated that the sale of Starneth was to be completed prior to 31 December 2016 and the 66,000 shares were issued in full and final settlement of the third tranche of share consideration payable to one of the vendors. The remaining balance was forgiven as part of the sale of Starneth after the year end.

On 6 January 2017, 188,501 new ordinary have been issued on the conversion of £20,000 of the unsecured convertible note due 13 April 2018. A further 792,156 new ordinary shares have been issued to the holders of convertible notes a payment of interest due for the quarter ended 31 December 2016.

On 6 February 2017, 8,323,476 new ordinary shares were issued. Of these 7,688,185 shares were issued for the conversion of £630,431 of the 12% unsecured convertible notes due 6 May 2017 and 635,291 shares were issued for the conversion of £50,000 of the unsecured convertible notes due 13 April 2018. Additionally 15,536 new ordinary shares were issued to settle interest of £1,274 due up until the date of conversion.

On 30 March 2017, 6,622,963 new ordinary shares have been issued upon conversion of £213,400 of the unsecured convertible notes due 6 May 2017. Further 1,206,329 new ordinary shares have been issued upon conversion of £40,453 of the unsecured convertible notes due 13 April 2018. In addition 868,635 new ordinary shares have been issued to settle interest due up until the date of conversion of £27,818.

On 4 May 2017, 1,991,839 new ordinary shares were issued upon the conversion of £72,487 of the unsecured convertible note due 13 April 2018. Further 62,844 new ordinary shares have been allotted to the holder of the convertible note 2019 in payment of interest due for the quarter ended 31 March 2017.

On 25 May 2017, 2,089,995 new ordinary shares have been allotted on the conversion of £60,242 of the unsecured convertible note due 13 April 2018. Further 10,429,629 new ordinary shares have been allotted to the holders of the unsecured convertible note due 6 May 2018 on the conversion of £281,600. Additionally 255,608 new ordinary shares were allotted as interest on this note upon until the date of conversion. Further 3,571,429 new ordinary shares were issued upon the conversion of £100,000 of the unsecured convertible note due 22

April 2018. Additional 111,155 have been issued as interest on this note up until the date of conversion.

On 30 June 2017, 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. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Available for sale financial asset £'000
Cost	
At 31 December 2015	1,976
	<hr/>
Additions	805
At 30 June 2016	2,781
	<hr/>
Disposal	(805)
Foreign exchange difference	462
At 31 December 2016	2,438
	<hr/>
Additions	-
Foreign exchange difference	(127)
At 30 June 2017	2,311
	<hr/>

On 20 May 2015, the Company invested a total of £1,976,400 (US\$3,000,000) in New York Wheel Investor LLC. This company was setup to fund the equity component for the New York Wheel project, 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. In order to acquire its interest, the Company became a party to the Amended and Restated Operating Agreement of New York Wheel Investor LLC, dated May 20, 2015. Under that agreement, the Company can be called upon to make further capital contributions to the project should there be a cash shortfall, or face potential dilution of its interest should it choose not to invest further cash sums.

7. BORROWINGS

	30 June 2017 £'000	30 June 2016 £'000
Current		
Convertible notes	1,414	2,832
Deferred cash consideration	1,152	1,029
Borrowings	-	382
	<hr/>	<hr/>
	2,566	4,243
Non-current		
Convertible notes	1,018	1,817
Deferred cash consideration	-	919
	<hr/>	<hr/>
	1,018	2,736

Between 6 May 2015 and 30 July 2015, the Company issued £3,067,200 of convertible notes. The notes are unlisted, unsecured, transferable and convertible with a twelve month maturity date. Interest is accrued at 12% per annum and payable quarterly, or upon conversion, in cash or in Ordinary Shares at the Company's discretion. The notes can be converted into Ordinary Shares at a price per Ordinary Share equal to the lower of £0.50 and 7.5% discount to the prevailing market price, defined as the average of the lowest three volume weighted average prices as quoted by Bloomberg for the period of 10 trading days prior to the conversion date. Provided that if the volume weighted average price is at any time less than £0.25 for three consecutive trading days, then the noteholder is unable to convert for a period of 30 calendar days, without the consent of the Company. The requirement of consent applies only on the first such occasion. The maximum amount of notes that may be converted in any 30-day period by a noteholder is 10% of the total amount of any notes subscribed by that noteholder. The Company can redeem the notes at a 10% premium anytime the market price is lower than £0.50. On 26 April 2016 the Noteholders agreed to an extension of the Convertible Note for 12 month. On 10 May 2017 the Company announced that the three remaining holders of the note have agreed to extend the date of maturity to 6 May 2018 and to receive interest upon conversion of the note or on the maturity date.

On 15 July 2015 the company acquired the Starneth Group. 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. Accordingly these were recorded under current and non-current liabilities respectively. Based on the convertible notes issued in 2015, an interest rate of 12% was used to discount the tranches for the initial recognition. The carrying value of the amounts at 31 December 2016 in the transaction were £1,064k for the first tranche and £1,043k for the second tranche. Interest expenses recorded on both tranches in 2016 was £163k (2015:£ 86k). 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 is only payable on the payment of success fees by Starneth to Challenger, if success fees become payable then the first tranche of fees will be deducted from success fees due. The company has not recognised an asset in this regard due to the uncertainty over whether the success fees will become due. The current amount of the liability amounts to £ 1,152k. One common unit in New York Wheel Investor LLC has been pledged as part of the disposition agreement.

On 29 January 2016, the Company issued a further £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, representing a total value US\$1 million. 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 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 the reserves, using a discount rate of 12%.

On 2 March 2016 the Company issued another convertible note for £0.5 million. The notes are unlisted, secured, transferable and convertible. Maturity date is 2 March 2017. The Company can redeem the notes in cash or shares at 25p at Maturity at the Company's discretion. The Secured Convertible Notes are secured by one common unit of New York Wheel Investor LLC, representing a total value US\$1 million. Interest is accrued at 5% per annum and payable quarterly or at Maturity at the Company's discretion. The interest can be paid in cash or shares, at the average of the 10 day closing price prior to the end of each calendar quarter, at the Company's discretion. The Company can redeem the notes at a 25% premium anytime. On 28 March 2017 the Company announced that the convertible note was amended and restated. The maturity date is now on 2 March 2018, the fixed conversion price is now 12p, any accrued interest will be paid upon conversion and the Company can at any time redeem in cash all or any part of the outstanding note at 30% premium to the principal amount.

On 24 April 2016 the Company issued another convertible note for £0.5 million. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 22 April 2018. Interest is accrued at 8% per annum and payable quarterly. The interest can be paid in cash or shares, at the average of the 10 day closing price prior to the end of each calendar quarter, at the Company's discretion. The notes can be converted into Ordinary Shares at the lower of £0.25 or the lowest volume weighted average price over the 10 days prior to the conversion. The Company can redeem the notes at a 25% premium anytime. As per the nature of this convertible instrument, £463k has been recognised as an equity component in the reserves, using a discount rate of 12%. On 8 May 2017 the Company announced that interest on this convertible note is received by the investor on conversion or on the maturity date.

On 10 June 2016 the Company issued another convertible note with for £0.5 million. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 10 June 2018. Interest is accrued at 8% per annum and payable quarterly. The interest can be paid in cash or shares, at the average of the 10 day closing price prior to the end of each calendar quarter, at the Company's discretion. The notes can be converted into Ordinary Shares at the lower of £0.25 or the lowest volume weighted average price over the 10 days prior to the conversion. The Company can redeem the notes at a 25% premium anytime. On 8 May 2017 the Company announced that interest on this convertible note is received by the investor on conversion or on the maturity date.

On 18 October 2016 the Company issued another convertible note for £0.35 million. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 13 April 2018. Interest is built into the face value of the note at £1.15 per £ 1 of note. The notes can be converted into ordinary shares of the Company for the lower of £ 0.25 or the lowest weighted average price over the 5 days prior to the conversion. For the first 6 months, the Company can redeem in cash all or any part of the outstanding convertible note at face value, thereafter with a 15% premium to face value. The convertible note must be redeemed by the Company on 13 April 2018 in cash, unless it has been fully converted by then into ordinary shares.

On 18 May 2017 the Company issued another convertible note for £30,000. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 17 May 2018. Interest is 5% per annum after an initial 90 day grace period, interest is payable upon conversion or on maturity in cash or in Ordinary Shares at the Company's discretion. The notes can be converted into ordinary shares of the Company at the fix conversion prices of £0.03 per ordinary share. The Company can redeem in cash all or any part of the outstanding convertible note with a 20% premium to face value. The convertible note must be redeemed by the Company on 17 May 2018 in cash or in ordinary shares at £0.03 per ordinary share, at the Company's discretion.

As part of a new £1 million funding facility, on 13 June 2017 the company issued another convertible note for £100,000. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 8 June 2019. No conversions can happen in the first 120 days. 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. The convertible notes, where no equity component has been described above, have been recognised as a liability in accordance with IAS 32 - Financial Instruments as the instrument provides an obligation to the company to either settle the liability via a cash payment or via the issue of a variable number of shares. The conversion feature represents an embedded derivative, however this has not been separately recognised as the conversion feature is considered to be closely related to the host contract.

8. 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 31 December 2016 to 30 June 2017 and is as follows:

Loss attributable to equity holders (£)	(560,000)
Weighted average number of shares	<u>37,823,056</u>
Loss per share basic (£)	<u>(0.01)</u>

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.

9. RELATED PARTY TRANSACTIONS

The unsecured convertible note due 17 May 2018 for £30,000 was issued to the Chief Executive Officer of the Company. This note was convertible at 3p and carried a 5% interest rate after a 90 day grace period.

10. SUBSEQUENT EVENTS

On 7 July 2017 the Company issued 1,000,000 new ordinary shares to Mark Gustafson upon conversion of the convertible note due 17 May 2018. Further 6,115,713 new ordinary shares have been allotted to the holders of the unsecured convertible note due 22 April 2018, comprising 5,882,353 shares for the conversion of £100,000 of notes and 233,360 for accumulated interest. In addition 141,682 new ordinary shares and 18,493 new convertible notes have been allotted in the relation to the unsecured convertible note due 30 June 2019, for interest for the quarter ended 30 June 2017.

On 2 August 2017 the Company announced that it has allotted 5,510,282 new ordinary shares on the conversion of £53,802.39 of the unsecured convertible note due 13 April 2018. In addition the Company allotted 10,555,556 shares on the conversion of £95,000 of the unsecured convertible note due 22 April 2018 and 490,472 shares for accumulated interest.

On 15 August 2017 the Company announced that it has allotted 5,952,166 new ordinary shares for the conversion of the remaining £73,408.06 of the unsecured convertible note due 13 April 2018. Further the Company has allotted 22,777,778 new ordinary shares on the conversion of the last £205,000 of the unsecured convertible note due 22 April 2018 and 1,113,304 shares for accumulated interest. Further 13,463,027 new ordinary shares were issued for the conversion of £170,000 of the unsecured convertible note due 6 May 2018 and 1,000,322 shares have been issued for accumulated interest.

On 24 August 2017 the Company announced that it has allotted 35,833,334 new ordinary shares in relation to the conversion of £430,000 unsecured convertible notes due 10 June 2018 and a further 1,837,808 shares for accumulated interest.

On 25 August 2017 the Company announced that it has received £250,000 of funding through the £1 million unsecured convertible note facility due 8 June 2019. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 8 June 2019. No conversions can happen in the first 120 days. 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.

11. GROUP STRUCTURE

The group had the following dormant subsidiaries as of 30 June 2017:

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held directly by parent (%)	Portion of ordinary shares held by the group (%)
Global Eye Holdings Limited	Guernsey	Dormant	100	100

12. ULTIMATE CONTROLLING PARTY

As at 30 June 2017, no one entity owns greater than 50% of the issued share capital. Therefore the Company does not have an ultimate controlling party.

13. DECONSOLIDATION OF DISPOSAL GROUP

The pre-tax loss recognised on the re-measurement of the disposal group to fair value less costs to sell was £3,128k as per 31 December 2016. The fair value less costs to sell reflect the expected proceeds on disposal, which have been determined by the directors to be the waiving of an existing liability to the purchaser for deferred cash consideration for £1,043k. Therefore the carrying value of the disposal group equals the expected proceeds at 31 December 2016. Immediately subsequent to the year end the Company lost control of the disposal group after agreement was reached with the purchasers. The date of signing the sale and purchase agreement was 30 January 2017, and the date of the loss of control was 6 January 2017. As the loss of control happened immediately subsequent to the year end, the figures as at year end have been used for the deconsolidation.

This announcement contains inside information.

****ENDS****

For more information visit www.challengeracquisitions.com or enquire to:

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