

HAWLEY GROUP LIMITED ANNOUNCES THE PUBLICATION OF THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

June 24, 2024 – Hawley Group Limited (Bermuda – HGL.BH) (“the Company” or “HGL”) announces the release of its Annual Report containing the audited consolidated financial statements for the Company as of and for the year ended December 31, 2023. The Company reports net income of \$1.5m for the year ended December 31, 2023 (2022 – \$0.9m) and net income per ordinary share for the year of \$0.04 (2022 – \$0.02). For the year ended December 31, 2023 the Company reported revenue of \$32.0m (2022 - \$31.0m).

As of December 31, 2023 total assets were \$28.6m (2022 - \$28.6m) and net assets were \$23.7m (2022 - \$22.2m).

A copy of the Annual Report will be available from the Company’s Listing Sponsor, Ocorian Securities (Bermuda) Limited of Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM GX, Bermuda or from the following link:

<https://cdn.applicantinsight.com/ApplicantinsightWebContent/resources/HGLaINSIGHTAnnualReport2023final.pdf>

Background

Hawley Group Limited is a BVI business company with registered number 1875677 and registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

HGL, through its subsidiary Applicant Insight, Inc. (dba “aINSIGHT”), is a provider of technology-enabled backgrounds screening, onboarding services, workflow management and post hire screening, credentialing, and compliance services. aINSIGHT’s solutions help employers manage the employee onboarding process, with a specialized focus on regulated employees, as well as post-boarding services related to human resource functions, compliance, security, and safety.

For further information contact:

Hawley Group Limited

Suite 201, Second Floor
Belize Bank Centre
Coney Drive
Belize City
Belize

Tel. No.: +501 223 4245

Email: hglcosec@gmail.com

Hawley Group Limited
Financial Information
Consolidated Income Statement (audited)
US dollars in 000s except per share data

	Years ended December 31,	
<i>\$ in 000s, except share and per share data</i>	2023	2022
Revenue	31,983	31,046
<i>Operating Expenses:</i>		
<i>Cost of services</i>	23,099	22,098
<i>Selling, general & administrative</i>	6,962	6,517
<i>Depreciation & amortization</i>	532	1,651
<i>Capitalized software impairment</i>	31	1
Total operating expenses	30,624	30,267
Operating Income	1,359	779
<i>Other Expense (Income), Net:</i>		
<i>Other income</i>	(47)	(162)
<i>Interest expense/(income), net</i>	(93)	79
<i>Loss disposal of assets</i>	-	1
Other Expense (Income), Net	(140)	(82)
Income before taxes	1,499	861
<i>Income tax expense</i>	-	0
Net Income	1,499	861
<i>Net income per share attributable to stockholders:</i>		
<i>Basic net income per share</i>	0.04	0.02
<i>Diluted net income per share</i>	0.04	0.02
<i>Weighted average number of shares outstanding - basic</i>	34,658,624	34,658,624
<i>Weighted average number of shares outstanding - diluted</i>	34,658,624	34,658,624

Hawley Group Limited

Financial Information

Consolidated Balance Sheets (audited)

US dollars in 000s

	December 31,	
<i>\$ in 000s</i>	Dec-23	Dec-22
<i>Cash and cash equivalents</i>	6,970	7,253
<i>Accounts receivable</i>	4,576	4,727
<i>Prepaid expenses & other current assets</i>	474	317
<i>Total current assets</i>	12,020	12,297
<i>Property and equipment, net</i>	252	88
<i>Operating leases right-of-use asset</i>	412	503
<i>Other non-current assets</i>	19	22
<i>Intangible assets, net</i>	2,668	2,475
<i>Goodwill</i>	13,182	13,182
<i>Total assets</i>	28,553	28,567
<i>Accounts payable</i>	1,225	1,133
<i>Accrued expenses & other current liabilities</i>	1,037	1,338
<i>Customer deposits</i>	466	519
<i>Operating lease liability, current</i>	94	85
<i>Debt, current</i>	1,720	2,886
<i>Total current liabilities</i>	4,542	5,961
<i>Operating lease liability, long-term</i>	326	420
<i>Total liabilities</i>	4,868	6,381
<i>Common stock</i>	3,466	3,466
<i>Paid-in capital</i>	18,032	18,032
<i>Retained earnings</i>	2,187	688
<i>Total stockholders' equity</i>	23,685	22,186
<i>Total liabilities and stockholders' equity</i>	28,553	28,567

Hawley Group Limited

Financial Information

Consolidated Statements of Cash Flows (audited)

US dollars in 000s

	Years Ended December 31,	
<i>\$ in 000s</i>	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Net income</i>	1,499	861
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
<i>Depreciation & amortization</i>	532	1,651
<i>Capitalized software impairment</i>	31	1
<i>Bad debt expense</i>	(20)	28
<i>Loss disposal of assets</i>	-	1
<i>Changes in operating assets and liabilities:</i>		
<i>Accounts receivable</i>	170	(855)
<i>Prepaid expenses & other current assets</i>	(157)	(52)
<i>Other non-current assets</i>	3	7
<i>Accounts payable</i>	92	(65)
<i>Accrued expenses & other current liabilities</i>	(301)	(328)
<i>Customer deposits</i>	(53)	(46)
<i>Operating lease liabilities, net</i>	8	2
Net cash provided by operating activities	1,804	1,205
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Purchases of property and equipment</i>	(203)	(29)
<i>Capitalized software development</i>	(718)	(632)
Net cash used in investing activities	(921)	(661)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Repayment of notes payable</i>	(1,166)	(598)
Net cash used in financing activities	(1,166)	(598)
<i>Net increase (decrease) in cash and cash equivalents</i>	(283)	(54)
<i>Cash and cash equivalents</i>		
<i>Beginning of year</i>	7,253	7,307
<i>End of year</i>	6,970	7,253

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