

29th March 2023

ChallengerX plc

("ChallengerX", "CX" or the "Company")

Interim report for the period ended 31 December 2022

ChallengerX (AQUIS: CXS), the trading company with principal activity of employing both traditional and non-traditional marketing strategies to rapidly "professionalise" amateur and semi-professional sports clubs around the world announces its unaudited financial results for the period ending 31 December 2022.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement

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Directors Statement

Introduction

ChallengerX plc (the "Company" or "ChallengerX") is an investment company quoted on the Aquis Stock Exchange ("AQSE") Growth Market. The Company was incorporated on 7 June 2021 and its shares were admitted to trading on 23 December 2021.

Activities during the period

The company continued to advance its development of a platform for the promotion and marketing of sports clubs in both a traditional and non-traditional way. Expenditure was particularly heavy in the second three months to 31 December 2022 in terms of principally programmers costs which, as an accounting policy, are written off as incurred. Further development and related costs will be required as clients are brought on board.

Outlook

The development of the marketing platform will require more expenditure and it is hoped that recoveries of monies sequestered by the French Authorities from the subsidiary SportsX SAS will assist in this regard. Meanwhile the company is looking at ways to supplement its income by applying itself to other project opportunities and will continue to review its business plan and strategy by looking at transactions in other sectors that could lead to a reverse transaction whilst keeping its establishment overheads as lean as possible.

On 13 February 2023 the Company announced it had raised, through an offer for subscription signed on 10 February 2023, GBP 250,000 (gross) from Aalto Capital AB ("Aalto"), through the issue of 55,555,556 new ordinary shares (the 'Placing Shares'). The Company also announced that it had granted Aalto a total of 55,555,556 warrants to subscribe for new ordinary shares of GBP 0.001 each ("Warrants"). The Warrants were exercisable at 0.45 pence per ordinary share, and for a period of 5 years from the date of issue. Under the offer for subscription Aalto undertook to send an amount equal to the subscription amount to the Company on or before 5 p.m. on 13 February 2023 (or such later date as agreed with the Company). As at the date of this announcement, the Company has not received any of the subscription monies. The Company is in contact with Aalto Capital and expects the matter to be resolved in the short term. The Company will keep the market updated in this regard. The Directors confirm that this current shortfall in the fundraise does not impact the

ChallengerX – unaudited
financial results for the period
ended 31 December 2022

working capital position of the Company.

John May
Chairman

**Unaudited Statement of
Comprehensive Income**

	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited 13 months ended 30 June 2022
	£'000	£'000	£'000
Revenue	4	-	-
Administrative expenses	(244)	(206)	(279)
Impairment of investment in subsidiary	-	-	(839)
Impairment of loan	-	-	(118)
Operating loss	(240)	(206)	(1,236)
Loss before tax	(240)	(206)	(1,236)
Taxation	-	-	-
Loss for the period	(240)	(206)	(1,236)
Total comprehensive loss	(240)	(206)	(1,236)
(Loss) per share (pence) from continuing operations attributable to owners of the Company – Basic & Diluted	(0.08)	(0.08)	(0.47)

Statement of Financial Position

	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited 13 months ended 30 June 2022
	£'000	£'000	£'000
Assets			
Non current assets			
Intangible assets - goodwill	-	18	-
Current assets			
Trade and other receivables	8	16	7
Cash and cash equivalents	92	1,385	385
Total current assets	100	1,401	392
Total assets	100	1,419	392
Current liabilities			
Trade and other payables	58	158	110
Total current liabilities	58	158	110
Net assets	42	1,261	282
Capital and reserves			
Share capital	288	288	288
Share premium	1,230	1,179	1,230
Retained earnings	(1,476)	(206)	(1,236)
Total equity	42	1,261	282

Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 7 June 2021	-	-	-	-
Loss for the period	-	-	(206)	(206)
Total comprehensive income	-	-	(206)	(206)
Issue of ordinary shares	288	1,179	-	1,467
Total transaction with owners	288	1,179	-	1,467
Balance at 31 December 2021	288	1,179	(206)	1,261
Loss for the period	-	-	(1,030)	(1,030)
Total comprehensive income	-	-	(1,030)	(1,030)
Adjustment to share premium account re share issue expenses		51	-	51
Total transaction with owners	-	51	-	51
Balance at 30 June 2022	288	1,230	(1,236)	282
Loss for period	-	-	(240)	(240)
Total comprehensive income	-	-	(240)	(240)
Balance at 31 December 2022	288	1,230	(1,476)	42

Statement of Cash Flows

	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited 13 months ended 30 June 2022
	£'000	£'000	£'000
Cash from operating activities			
Loss before tax	(240)	(206)	(1,236)
Adjustments for:			
(Increase) in trade and other receivables	(2)	(16)	(7)
(Decrease)/Increase in trade and other payables	(51)	158	110
Net cash used in operating activities	(293)	142	(1,133)
Cash flows from investing activities			
Goodwill on acquisition	-	18	-
Net cash from investing activities	-	18	-
Cash flows from financing activities			
Proceeds from issue of shares (net of issue costs)	-	1,467	1,518
Net cash from financing activities	-	1,467	1,518
Net cash flow for the period	(293)	1,385	385
Cash and cash equivalents at beginning of period	385	-	-
Cash and cash equivalents at end of period	92	1,385	385
Net change in cash and cash equivalents	(293)	1,385	385
Cash and cash equivalents comprise:			
Cash at bank and in hand	92	1,385	385
	92	1,385	385

Notes to the financial statements

1. General information

ChallengerX plc is a public limited company limited by shares and was first incorporated in England on 7 June 2021 with company number 13440398. Its registered office is 16 Great Queen Street, London, WC2B 5DG.

The Company's shares are traded on the Aquis Stock Exchange Growth Market under symbol CXS and ISIN number GB00BMD0WG01.

The information for periods ended 31 December 2022 and 31 December 2021 are unaudited

2. Basis of Preparation

The condensed interim financial statements of ChallengerX plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The condensed interim financial statements contained in this document do not constitute statutory accounts. In the opinion of the directors, the condensed interim financial statements for this period fairly presents the financial position, result of operations and cash flows for this period. The Board of Directors approved this Interim Financial Report on 29th March 2023.

These interim financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed investments at fair value.

The financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The financial statements have been prepared on the historical cost basis and are presented in £'000 unless otherwise stated.

3. Going Concern

As at 31 December 2022, the Company had cash of £92,000. As a newly established trading business, the Company has limited operating cash flow and is dependent on the performance of its trading and its cash balances for its working capital requirements. As at the date of this report, the Company had approximately £31,000 cash at bank.

The Directors continue to seek recovery of the sequestered funds held by the Administrator of its subsidiary, SportsX, which are believed to amount to approximately £0.6m.

For this reason, it continues to adopt the going concern basis in preparing the financial statements.

4. Earnings per share

	Unaudited 6 months ended 31 December 2022 £'000	Unaudited 6 months ended 31 December 2021 £'000	Audited 13 months ended 30 June 2022 £'000
Earnings			
Loss for the period ended	(240)	(206)	(1,236)
Number of shares			
Weighted average number of shares for the purposes of basic and diluted earnings per share	287,585,000	252,405,440	264,235,601
Earnings per share (pence)	(0.08)	(0.08)	(0.47)