

26 March 2024

ChallengerX plc

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

**Interim report for the six months ended 31 December
2023**

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 six months ended 31 December 2023.

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.

For further information, please contact:

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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 to rapidly "professionalise" amateur and semi-professional sports clubs around the world. In August the Company announced that it entered into an exclusive licence agreement with Flash Corp Technologies Ltd ("Flash Corp") by which the Company has acquired a renewable 13-month license over the rights of FlashBet Wheel App's design and technology in UK and Europe (Note 4).

During the period the Company received loan funding of £100,000. The Company transferred £90,000 by way of 20 million shares from Treasury to the lender as partial repayment of the loan, leaving a balance of 13,226,343 shares in Treasury as of 31 December 2023. Following the period end, in January 2024 the Company allocated a further 11,680,001 Treasury shares to satisfy outstanding creditors, leaving 1,546,342 shares in Treasury as at the date of this report.

Outlook

The development of the marketing platform and furtherance of the FlashBet Wheel App will require more expenditure. Additional funds will be sought for this. However, ChallengerX's newly developed unique user conversion platform combined with the interest in the Flashbet patented accumulator bet product indicates 2 clear tiers of potential revenue from both B2B and B2C consumers which the Company hopes to achieve in the near term.

John May
Chairman

ChallengerX – unaudited
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**Unaudited Statement of
Comprehensive Income**

	Unaudited 6 months ended 31 December 2023	Unaudited 6 months ended 31 December 2022	Audited year ended 30 June 2023
	£'000	£'000	£'000
Revenue	-	4	-
Administrative expenses	(211)	(244)	(392)
Operating loss	(211)	(240)	(392)
Loss before tax	(211)	(240)	(392)
Taxation	-	-	-
Loss for the period	(211)	(240)	(392)
Total comprehensive loss	(211)	(240)	(392)
(Loss) per share (pence) from continuing operations attributable to owners of the Company – Basic & Diluted	(0.049)	(0.08)	(0.13)

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Statement of Financial Position

	Unaudited 6 months ended 31 December 2023	Unaudited 6 months ended 31 December 2022	Audited year ended 30 June 2023
	£'000	£'000	£'000
Assets			
Non current assets			
Intangible assets – software licence	440	-	-
Current assets			
Trade and other receivables	26	8	15
Cash and cash equivalents	3	92	48
Total current assets	29	100	63
Total assets	469	100	63
Current liabilities			
Trade and other payables	185	58	96
Total current liabilities	185	58	96
Net assets/(liabilities)	284	42	(33)
Capital and reserves			
Share capital:			
- Issued	410	288	343
- Treasury	13	-	-
Total share capital	423	288	343
Share premium	1,700	1,230	1,252
Retained earnings	(1,839)	(1,476)	(1,628)
Total equity	284	42	(33)

Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
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
Loss for the period	-	-	(392)	(392)
Total comprehensive income	-	-	(392)	(392)
Issue of shares (net of costs)	55	22	-	77
Balance at 30 June 2023	343	1,252	(1,628)	(33)
Loss for the period	-	-	(211)	(211)
Total comprehensive income	-	-	(211)	(211)
Issue of shares	80	448	-	528
Balance at 31 December 2023	423	1,700	(1,839)	284

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Statement of Cash Flows

	Unaudited 6 months ended 31 December 2023	Unaudited 6 months ended 31 December 2022	Audited year ended 30 June 2023
	£'000	£'000	£'000
Cash from operating activities			
Loss before tax	(211)	(240)	(392)
Adjustments for:			
(Increase) in trade and other receivables	(11)	(2)	(8)
(Decrease)/Increase in trade and other payables	(11)	(51)	(14)
Net cash used in operating activities	(233)	(293)	(414)
Cash flows from financing activities			
Proceeds from issue of shares (net of issue costs)	-	-	82
Adjustment to share issue cost	-	-	(5)
Adjustment to share premium	88	-	-
Loans received	100	-	-
Net cash from financing activities	188	-	77
Net cash flow for the period	(45)	(293)	(337)
Cash and cash equivalents at beginning of period	48	385	385
Cash and cash equivalents at end of period	3	92	48
Net change in cash and cash equivalents	(45)	(293)	(337)
Cash and cash equivalents comprise:			
Cash at bank and in hand	3	92	48
	3	92	48

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 2023 and 31 December 2022 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 present the financial position, result of operations and cash flows for this period. The Board of Directors approved this Interim Financial Report on 26 March 2024.

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.

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 2023, the Company had cash of £2,508. The Company has limited operating cash flow and is dependent on the performance of its trading activities or raising further capital and its cash balances for its working capital requirements. As at the date of this report, the Company had approximately £8,600 cash at bank.

With its investment from Flash Corp, and together with Flash Corp's support, the Company believes it will secure the funding required to secure its objectives. However, the success of securing funding has been identified as a material uncertainty which may cast doubt over the going concern assessment. Whilst acknowledging this uncertainty, based upon the expectation of completing a successful fundraising in the near future, and the continued support of its investors, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

4. Intangible assets

In August 2023 the Company entered into an exclusive licence agreement with Flash Corp Technologies Ltd ("Flash Corp") by which the Company has acquired a renewable 13-month license over the rights of FlashBet Wheel App's design and technology in UK and Europe, for a consideration of £440,000 satisfied by the issue of 80,000,000 new ordinary shares of £0.001 each at market price of 0.55p. Under the terms of the licence agreement, ChallengerX has the right to continually extend the license on a year-by-year basis for a royalty fee calculated as an amount equal to 10% of ChallengerX's yearly revenue. In addition, at any time during or at the end of the licence term, ChallengerX will have the right to acquire the exclusive rights to the intellectual property relating to FlashBet Wheel App Technology in perpetuity for a consideration to be satisfied by the issue of 900,000,000 shares.

The development of the marketing platform and furtherance of the FlashBet Wheel App will require more expenditure. Additional funds will be sought for this. However, ChallengerX's newly developed unique user conversion platform combined with the interest in the Flashbet patented accumulator bet product indicates 2 clear tiers of potential revenue from both B2B and B2C consumers which the Company hopes to achieve in the near term.

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5. Earnings per share

	Unaudited 6 months ended 31 December 2023 £'000	Unaudited 6 months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
Earnings			
Loss for the period ended	(211)	(240)	(392)
Number of shares			
Weighted average number of shares for the purposes of basic and diluted earnings per share	423,140,556	287,585,000	308,132,945
Earnings per share (pence)	(0.049)	(0.08)	(0.13)