Registered number: 09977505

THE REPUTATION EXCHANGE PLC

AUDITED NON-STATUTORY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2019

THE REPUTATION EXCHANGE PLC

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AUDITOR'S REPORT ON THE NON-STATUTORY FINANCIAL STATEMENTS OF THE REPUTATION EXCHANGE PLC

Ashings Limited
Chartered Accountants
Northside House
Mount Pleasant
Cockfosters
Barnet
EN4 9EB

Dear Sirs,

Introduction

We report on the audited financial statements of The Reputation Exchange PLC (the "Company'') for the period ended 30 September 2019. The financial statements have been prepared for inclusion in Appendix 1 *"Historical Financial Information (Audited)* of the Company's Admission Document to be submitted to the Cyprus Stock Exchange (the "**Document**"), on the basis of the accounting policies set out in Note 3 to the audited financial statements. This report is given for the purpose of complying with the Cyprus Stock Exchange's rules and regulations and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

It is our responsibility to form an opinion on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company's financial statements. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Company's financial statements and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company's financial statements are free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Company's financial statements give, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at 30 September 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of complying with the Cyprus Stock Exchange's rules and regulations, we are responsible for this report as part of the Document and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import.

Yours faithfully,

Darryl Ashing FCA

For and on behalf of
Ashings Limited

Chartered Accountants

Date: 4 November 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

8 months

Continuing operations	Note	ended 30 September 2019 £	*Year ended 31 January 2019 £*
Administrative expenses		**(146,745)**	-
Operating loss	5	**(146,745)**	-
Taxation	6	**-**	-
Loss after tax		**(146,745)**	-
Total comprehensive loss attributable to equity holders of the Company for the period		**(146,745)**	-

There is no other comprehensive income for the period.

The accompanying notes form part of these financial statements.

THE REPUTATION EXCHANGE PLC
REGISTERED NUMBER: 09977505

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note		**As at 30 September 2019 £**		*As at 31 January 2019 £*
Non-current assets					
Intangible assets	8		**78,080**		-
Investments	9		**40,004**		-
Loan receivable	10		**199,521**		-
			317,605		-
Current assets					
Trade and other receivables	11	**104,258**		*100*	
Cash at bank and in hand	12	**212,048**		-	
		316,306		*100*	
Current liabilities	13	**(5,004)**		-	
Net current assets			**311,302**		*100*
Total assets less current liabilities			**628,907**		*100*
Net assets			**628,907**		*100*
Capital and reserves					
Called up share capital	15		**70,571**		*100*
Share premium account	17		**705,081**		-
Profit and loss account			**(146,745)**		-
Total equity			**628,907**		*100*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 October 2020.

Director

The accompanying notes form part of these financial statements.

THE REPUTATION EXCHANGE PLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	8 months ended 30 September 2019 £	*Year ended 31 January 2019 £*
Cash flows from operating activities		
Loss before taxation	**(146,745)**	-
Adjustments for:		
Increase in trade and other receivables	**(45,488)**	-
Increase in amounts owed by parent undertaking	**(58,670)**	-
Increase in trade and other creditors	**5,000**	-
Net cash used in operating activities	**(245,903)**	-
Cash flows from investing activities		
Development of intangible fixed assets	**(78,080)**	-
Loans advanced	**(199,521)**	-
Purchase of investments	**(40,004)**	-
Net cash used in investing activities	**(317,605)**	-
Cash flows from financing activities		
Issue of ordinary shares	**952,904**	-
Share issue costs	**(177,352)**	
Net cash from financing activities	**775,552**	-
Net increase in cash and cash equivalents	**212,044**	-
Cash and cash equivalents at beginning of the period	**-**	-
Cash and cash equivalents at the end of period	**212,044**	-
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**212,048**	-
Bank overdrafts	**(4)**	-
	212,044	-

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
As at 1 February 2018	100	-	-	100
Total comprehensive loss for the year	-	-	-	-
Balance at 1 January 2019	**100**	**-**	**-**	**100**
Total comprehensive loss for the period	-	-	(146,745)	(146,745)
Issue of shares in the period	70,471	882,433	-	952,904
Share issue costs	-	(177,352)	-	(177,352)
Balance at 30 September 2019	**70,571**	**705,081**	**(146,745)**	**628,907**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

1. General information

The Company was incorporated in England on 29 January 2016 under the name Aroca Import & Export Ltd with registered number 09977505 as a private company limited by shares under the Companies Act 2006.

By resolution dated 29 March 2019, the Company changed its name to The Reputation Exchange Ltd. On 15 November 2019, the Company re-registered as a public company limited by shares.

The Company is registered in England & Wales with its registered office situated at Suite 2A1, Northside House, Mount Pleasant, Cockfosters, Barnet EN4 9EB.

2. Principal activities

The Reputation Exchange plc (“REPX”) designs and develops a variety of innovative fintech, social media and retail products that enable entertainment celebrities, sports personalities, iconic cities and others to monetise their reputations and brands. By partnering with concentrated nodes of marketing influence, including social media stars, well-known cities and brands, REPX aims to utilise an established social media base for low upfront marketing costs. In this way, REPX endeavours to deliver fast, scalable growth under a high gross margin model.

REPX’s products are both in the development stage. In particular, the BEFRIEND app is in the testing phase, where it is being tested for errors and instability to mitigate the possibility of instability, crashes or data loss. The Directors aim to release a full operating app in 2021.

3. Accounting policies

3.1 Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRSs as adopted by the EU”), issued by the International Accounting Standards Board (“IASB”), including interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), and the Companies Act 2006 applicable to companies reporting under IFRS.

On 1 November 2019, the Company’s accounting reference period was changed from 31 January to 30 September. The comparative figures for the Statement of Comprehensive Income and Statement of Cash Flows are for the year ended 31 January 2019 and consequently are not directly comparable.

The Company has adopted all standards and interpretations which became effective during the period, none of which had a significant impact on these financial statements.

IFRSs published but not yet effective

At the date of authorisation of the financial statements, certain new standards, amendments and interpretations to existing standards applicable to the Company have been published but are not yet effective.

The Directors anticipate that the adoption of such IFRSs in future periods, if applicable, will not have a material impact on the financial statements of the Company in the period of initial adoption.

3.2 Going concern

The Company incurred losses of £146,745 during the period. The losses were in line with the Company's expectations. As at 30 September 2019, the Company had net current assets of £311,302 (31 January 2019 - £100).

The financial statements have been prepared on a going concern basis. The directors have reviewed the Company's going concern position by taking into account its current business activities, budgeted performance and the factors likely to affect its future development.

The Company's forecast and projections show that it should be able to operate within the level of its current arrangements and level of financing. On this basis, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence in the near future, being at least 12 months from the date of the approval of these financial statements.

3.3 Foreign currency translation

Functional and presentation currency

The Company's functional currency is EUR. This differs from the presentational currency which is GBP. The reason for the difference is that the Company intends to raise capital primarily in GBP in London.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

3.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred.

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

Capitalised development expenditure in respect of such products is amortised on a straight-line method over a period of three to six years when the products or services are ready for sale or use. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount.

3.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

3.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

- Patents and trademarks 10 years
- Internally developed assets 3 years

3.7 Impairment of financial assets

IFRS 9 “Financial Instruments” requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39 “Financial Instruments: Recognition and Measurement”. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The credit event does not have to occur before credit losses are recognised. IFRS 9“Financial Instruments” allows for a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets.

The Company has two types of financial asset subject to the expected credit loss model: investments and receivables.

The expected loss rates are based on the Company’s historical credit losses experienced to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company’s investees and customers.

3.8 Impairment of non-financial assets

At each reporting date, the Directors assess whether indications exist that an asset may be impaired. If indications do exist, or when annual impairment testing for an asset is required, the Directors estimate the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value-in-use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the Directors consider the asset impaired and write the subject asset down to its recoverable amount. In assessing value-in-use, the Directors discount the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the Directors consider recent market transactions, if available. If no such transactions can be identified, the Directors utilise an appropriate valuation model.

When applicable, the Company recognises impairment losses of continuing operations in the “Statements of Profit or Loss and Other Comprehensive Income” in those expense categories consistent with the function of the impaired asset.

3.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

All equity investments are measured at fair value in the statement of financial position, with value changes recognised in profit or loss. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

3.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

3.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

3.12 Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

3.13 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, and trade and other payables.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

3.14 Financial assets

(i) Initial recognition and measurement

The Company classifies its financial assets as financial assets carried at amortised cost. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and this designation at every reporting date.

Financial assets carried at amortised cost
Financial assets carried at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are classified as non-current assets. They include cash and bank balances, and a rental deposit.

Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method, less impairment.

Impairment of financial assets is considered using a forward-looking expected credit loss (ECL) review.

(ii) De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3.15 Financial liabilities

The Company's financial liabilities include trade and other payables and accruals. Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. All financial liabilities are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.16 Taxation

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered.

4. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, significantly impacting the company's earnings and financial position.

Sources of estimation uncertainty
As disclosed in Note 8, amortisation has not been charged on development costs or patents incurred to date as the development projects have not commenced and are not yet being used in the business of the Company. Accordingly, no amortisation has been charged.

5. Operating loss

The operating loss is stated after charging:

	8 months ended 30 September 2019	*Year ended 31 January 2019*
	£	*£*
Exchange differences	**(2,621)**	-

6. Taxation

The Company has made no provision for taxation as the Company has not yet generated any taxable income. A deferred tax asset in respect of the Company's losses and temporary differences has not been established as the Directors have assessed the likelihood of future profits being available to offset such deferred tax assets to be uncertain.

7. Employees

	8 months ended 30 September 2019	*Year ended 31 January 2019*
	No.	*No.*
Directors	**4**	*1*

The directors did not receive any remuneration during the period under review.

8. Intangible assets

	Patents	**Development expenditure**	**Total**
	£	**£**	**£**
Cost			

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As at 1 February 2018 and 31 January 2019	**-**	**-**	**-**
Additions	**4,434**	**73,646**	**78,080**
At 30 September 2019	**4,434**	**73,646**	**78,080**
Net book value			
At 30 September 2019	**4,434**	**73,646**	**78,080**
At 31 January 2019	-	-	-

9. Investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
As at 1 February 2018 and 31 January 2019	**-**	**-**	**-**
Additions	**100**	**39,904**	**40,004**
At 30 September 2019	**100**	**39,904**	**40,004**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Passion Securities Limited	3rd Floor, 120 Baker Street, London W1U 6TU	Ordinary	100 %

The aggregate of the share capital and reserves as at 30 September 2019 and the profit or loss for the period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/ (Loss)
Passion Securities Limited	**100**	**-**

The subsidiary was dormant through the period. Accordingly, the Company has not consolidated the subsidiary's results for the period. In the Directors' opinion, its inclusion is not material for the purposes of giving a true and fair view.

Unlisted investments

The Company's unlisted investments comprise a 35% shareholding in Next W Holding Limited. Next W Holding Ltd owns an operating subsidiary, Next Wallet Ltd. Next W Holding Ltd and Next Wallet Ltd (together, "Next Wallet") were incorporated in Malta on 4 June 2015 with registration numbers C 70939 and C 70941, respectively. Next Wallet offers prepaid, Mastercard-enabled bank cards. As disclosed in Note 19, the Company acquired the remaining 65% of the issued share capital in Next W Holding Ltd in July 2020. The Directors consider that the Company does not have significant influence over the financial and operating policy decisions of the investee and accordingly, the Company has not equity accounted the results of W Holding Ltd.

10. Loan receivable

	As at 30 September 2019 £	*As at 31 January 2019 £*
Loan receivable	**199,521**	-
	199,521	-

The loan comprises an advance made to Digital Development SRL, a company incorporated in Moldova, and is unsecured, non-interest bearing with an indefinite maturity date. Digital Development SRL provides software development and IT services.

11. Trade and other receivables

	As at 30 September 2019 £	*As at 31 January 2019 £*
Amounts owed by parent undertaking	**58,670**	-
VAT recoverable	**1,250**	-
Other debtors	**44,338**	-
Called up share capital not paid	**-**	*100*
	104,258	*100*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

The amounts due from the parent undertaking, Right of Reply PLC, are unsecured, interest-free and repayable on demand.

12. Cash and cash equivalents

	As at 30 September 2019 £	*As at 31 January 2019 £*
Cash at bank and in hand	**212,048**	-
Less: bank overdrafts	**(4)**	-
	212,044	-

13. Current liabilities

	As at 30 September 2019 £	*As at 31 January 2019 £*
Bank overdrafts	**4**	-
Accruals and deferred income	**5,000**	-
	5,004	-

14. Financial instruments and risk management

(a) Categories of financial instruments

The carrying amounts and fair value of the Company's financial assets and liabilities as at the end of the reporting period are as follows:

	As at 30 September 2019 £	*As at 31 January 2019 £*
Financial assets:		
Investments	40,004	-
Loan receivable	199,521	
Cash and cash equivalents	212,048	-
Trade and other receivables	104,258	-
Financial assets measured at fair value through profit or loss	**555,831**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	As at 30 September 2019 £	*As at 31 January 2019 £*
Financial liabilities at amortised costs:		
Bank overdrafts	4	-
Accruals and deferred income	**5,000**	**-**
	5,004	

The financial assets and financial liabilities maturing within the next 12 months approximate their fair values due to the relatively short-term maturity of the financial instruments.

b) Financial risk management objectives and policies

The Company is exposed to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

i) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities (when financial liabilities and cash are denominated other than in its functional currency).

Most of the Company's transactions are carried out in EUR. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Company maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital and operational expenditure in the respective currencies. The majority of the Company's transactions are in Euros so the Company's results are exposed to foreign exchange rate risk between the Euro and Sterling.

ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit allowances are made for estimated losses that have been incurred by the reporting date. No such amounts have been made to date.

Concentrations of credit risk exist to the extent that the Company's cash balances were all held with The Crédit Industriel et Commercial Bank in Switzerland.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's financial liabilities are primarily accrued liabilities. The amounts are unsecured, interest-free and repayable on demand.

15. Share capital

	As at 30 September	*As at 31 January*

NOTES TO THE FINANCIAL STATEMENTS
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	2019 £	*2019 £*
Allotted, called up and fully paid		
Nil *(£1 January 2019 - 100)* Ordinary shares of £1.0000 each	**-**	*100*
3,016,000 *(31 January 2019 nil)* Ordinary shares of €0.0261 each	**70,571**	-
	70,571	*100*

On 1 August 2019 the Company redenominated its share capital from 100 Ordinary shares of £1 each to 4,272 Ordinary shares of €0.0261 each (at an exchange rate of €1.115:£1).

On 1 August 2019 the Company issued 2,895,728 Ordinary shares of €0.0261 at par, for a total consideration of €75,578, equivalent to £67,791.

On 15 September 2019 the Company issued a further 116,000 shares for €1,000,000, equivalent to £885,113. Costs of this share issue amounted to €200,000, which have been deducted from the share premium account.

The Company does not have an authorised share capital.

16. Segment analysis

Operating segments

The Board of Directors consider that the Company has one operating segment, being that of the development of innovative fintech, social media and retail products. Accordingly, all operating results, assets and liabilities are allocated to this activity.

Geographical segments

The Company has operated in one principal geographical areas – Italy.

17. Reserves

Sh*are premium account*

The share premium account comprises amounts contributed by shareholders for the issue of shares in excess of nominal value.

18. Related party transactions

During the period under review the Company's parent, Right of Reply PLC, incurred costs of £67,893 on behalf of the Company. The Company has further advanced €66,105 (£58,670) to Right of Reply PLC interest-free and with no fixed repayment date. At 30 September 2019, a total of €66,105 (£58,670) was outstanding from Right of Reply PLC (31 January 2019; £nil).

19. Material subsequent events

Issue of shares

In January 2020, the Company agreed to issue 4,208 shares to each of three directors at a value of €50,000 per director, the total number of shares to be issued is 12,624.These have not yet been issued.

During the period to 30 September 2020, the Company has issued 105,692 Ordinary Shares as follows:

a) The Company issued a further 76,348 Ordinary Shares for a total cash consideration of £454,723, net of expenses.

b) The Company issued a total of 29,344 Ordinary Shares for a non-cash consideration of £271,440. In particular: (i) the issue of 8,344 shares at £10 per share in exchange for a 3.33% shareholding in Vanquish Global Investments S.L.U. ("Vanquish''), a limited company created under the laws of Spain, with registered company number B87530762, at cost of $83,340. REPX's Chief Marketing Officer, Luca Casassa, is the Managing Partner of and a shareholder in Vanquish; and (ii) 21,000 shares for a total of £188,000 in future services to be rendered.

Covid-19

The Company, in common with most trading entities, has been adversely affected by the coronavirus pandemic and the steps that the Italian and UK governments have taken during March 2020 to contain the disease. The board have taken steps to safeguard the company's position including reducing costs and deferring contractual obligations wherever possible. The board are of the opinion that the steps undertaken will safeguard the future of the company.

Acquisition of subsidiary

On 1 July 2020, REPX purchased 65% of the share capital of Next W Holdings, increasing its interest from 35% to 100% for a cash consideration of EUR 65,000.

20. Ultimate controlling party

The directors regard Right of Reply PLC as being its immediate and ultimate parent undertaking.

The directors regard Alfredo Villa as being the ultimate controlling party.

21. Nature of financial information

The Company's financial statements presented above do not constitute statutory financial statements for the period under review.