

THE REPUTATION EXCHANGE PLC
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

THE REPUTATION EXCHANGE PLC

CONTENTS

Statement of Comprehensive Income

Statement of Financial Position

Statement of Cash Flows

Statement of Changes in Equity

Notes to the Condensed Interim Financial Statements

THE REPUTATION EXCHANGE PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

Continuing operations	Note	Unaudited 6 months ended 30 June 2022 £	<i>Audited</i> <i>Year ended</i> 31 December 2021 £
Administrative expenses		(228,084)	(1,993,217)
Operating loss		(228,084)	(1,993,217)
Interest		(893)	(30,391)
Loss before taxation		(228,977)	(2,023,608)
Taxation	7	-	121,795
Loss after tax		(228,977)	(1,901,813)
Loss per share – basic and diluted	8	(7.0)	(58.8)
Total comprehensive loss attributable to equity holders of the Company for the period		(228,977)	(1,901,813)

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 JUNE 2022

	Note	Unaudited As at 30 June 2022 £	<i>Audited</i> As at 31 December 2021 £
Non-current assets			
Intangible assets		563,175	736,222
		563,175	736,222
Current assets			
Trade and other receivables	9	1,700,827	1,629,880 1,567
Cash at bank and in hand	10	8,506	
		1,709,333	1,631,447
Current liabilities			
Trade and other payables	11	(1,623,581)	(1,578,158)
Borrowings	12	(1,091,207)	(1,091,207)
		(2,714,788)	(2,669,365)
Net current liabilities		(1,005,455)	(1,037,918)
Total assets less current liabilities		(442,280)	(301,696)
Net assets		(442,280)	(301,696)
Capital and reserves			
Called up share capital	13	76,600	76,600 2,939,104
Share premium account		3,027,497	
Retained losses		(3,546,377)	(3,317,400)
Total equity		(442,280)	(301,696)

The accompanying notes form part of these financial statements.

THE REPUTATION EXCHANGE PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020

	Unaudited 6 months ended 30 June 2022 £	<i>Audited Year ended 31 December 2021 £</i>
Cash flows from operating activities		
Loss before taxation	(228,977)	<i>(2,023,608)</i>
Adjustments for:		
Amortisation	173,047	<i>188,965</i>
Costs settled by issue of shares	-	<i>427,880</i>
Impairment of investments		<i>171,215</i>
Decrease / (increase) in trade and other receivables	(70,947)	<i>(881,336)</i>
Decrease in amounts owed by parent undertaking	-	<i>(67,401)</i>
Increase in amounts due to related parties	-	<i>(11,000)</i>
Increase in trade and other creditors	45,423	<i>719,734</i>
Income taxes received	-	<i>121,795</i>
Net cash used in operating activities	(81,454)	<i>(1,353,350)</i>
Cash flows from investing activities		
Development of intangible fixed assets	-	<i>(430,944)</i>
Purchase of investments	-	<i>(16,737)</i>
Net cash used in investing activities	-	<i>(447,681)</i>
Cash flows from financing activities		
Issue of ordinary shares	88,393	<i>1,018,080</i>
Share issue costs	-	<i>(141,642)</i>
Proceeds from issue of convertible loan notes	-	<i>1,091,202</i>
Repayment of convertible loan notes	-	<i>(190,524)</i>
Net cash from financing activities	88,393	<i>1,777,116</i>
Net increase (decrease) in cash and cash equivalents	6,939	<i>(23,915)</i>
Cash and cash equivalents at beginning of the period	1,567	<i>25,842</i>
Cash and cash equivalents at the end of period	8,506	<i>1,567</i>

The accompanying notes form part of these financial statements.

THE REPUTATION EXCHANGE PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	Share capital £	Share premium £	Accumulated losses £	Total equity £
As at 1 January 2022	76,600	2,939,104	(3,317,400)	(301,696)
Comprehensive loss for the period	-	-	(228,977)	(228,977)
Issue of shares in the period	-	88,393	-	88,393
Balance at 30 June 2022	76,600	3,027,497	(3,546,377)	(442,280)

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

THE REPUTATION EXCHANGE PLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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.

The Company's ordinary shares were admitted to the Non-Regulated Market of the Cyprus Stock Exchange ("CSE") Emerging Companies Market ("ECM") on 17 February 2021 with Stock Symbol REPX.

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 is currently in the pre-revenue, development stages; it has not launched its product in any market.

3. Basis of preparation of interim financial statements

These condensed financial statements do not include all of 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 Company's financial position and performance since the audited financial statements for the year ended 31 December 2021.

The condensed interim financial statements are unaudited and have not been reviewed by the auditors and were approved by the Board of Directors on 23 January 2023. In the opinion of the Directors, the Interim Financial Statements presents fairly the financial position, and results from operations and cash flows for the period.

The financial information is presented in Pounds Sterling (£), which is the Company's presentational currency. The Company's functional currency is EUR.

4. Accounting policies

The principal accounting policies applied in preparation of the Company's Interim Financial Statements are the same as those used in the preparation of the audited Financial Statements for the year ended 31 December 2021 and have been consistently applied unless otherwise stated.

5. Going concern

The Company incurred losses of £228,977 during the period. The losses were in line with the Company's expectations. As at 30 June 2022, the Company had net current liabilities of £1,005,455 (31 December 2021 - £1,037,918).

The interim 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

THE REPUTATION EXCHANGE PLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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.

6. 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 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.

7. 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.

8. Loss per share

The Company presents basic loss per share information for its ordinary shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period.

There is no difference between the basic and diluted earnings per share, as the Company has no potential ordinary shares.

	Unaudited 6 months 30 June 2022 £	<i>Audited Year ended 31 Dec 2021 £</i>
Loss attributable to ordinary shareholders	(228,977)	(1,901,813)
Weighted average number of shares in issue	3,282,420	3,233,981
Loss per share – basis and diluted (pence per share)	(7.0)	(58.8)

THE REPUTATION EXCHANGE PLC

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

9. Trade and other receivables

	Unaudited 30 June 2022 £	<i>Audited 31 December 2021 £</i>
Amounts owed by parent undertaking	126,071	126,071
VAT recoverable	-	21,480
Prepayments	718,333	744,822
Commissions paid in advance	845,697	726,781
Other debtors	10,726	10,726
	<u>1,700,827</u>	<u>1,629,880</u>

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

Prepayments at 30 June 2022 include £175,952 (31 December 2021: £175,952) in respect of shares issued for non-cash consideration (marketing and promotional services which are to be rendered to the Company).

10. Cash and cash equivalents

	Unaudited 30 June 2022 £	<i>Audited 31 December 2021 £</i>
Cash at bank and in hand	8,506	22,322
Less: bank overdrafts	-	(20,755)
	<u>8,506</u>	<u>1,567</u>

11. Trade and other payables

	Unaudited 30 June 2022 £	<i>Audited 31 December 2021 £</i>
Trade and other payables	1,199,141	1,324,779
Accruals and deferred income	402,283	230,831
Other taxes	22,157	22,548
	<u>1,623,581</u>	<u>1,578,158</u>

THE REPUTATION EXCHANGE PLC

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

12. Borrowings

	Unaudited	<i>Audited</i>
	30 June	<i>31 December</i>
	2022	<i>2021</i>
	£	£
Convertible promissory notes	1,091,120	<i>1,091,120</i>
	<u>1,091,120</u>	<i><u>1,091,120</u></i>

During the year ended 31 December 2021, the Company issued the following convertible loan notes:

- On 1 February 2021, the Company resolved to issue up to the aggregate amount of £3,000,000 of 7.5% Unsecured Loan Notes 2023 (the “Notes”) and to issue them in one or more tranches, from time to time in the denomination of £100,000 each. A total of €1,200,000 (equivalent to £1,091,207) was subscribed for in the period up to 31 December 2021.

13. Share capital

	Unaudited	<i>Audited</i>
	30 June	<i>31</i>
	2022	<i>December</i>
	£	£
Allotted, called up and fully paid		
3,282,420 (31 December 2021: 3,282,420) Ordinary shares of €0.0261 each	76,600	<i>76,600</i>
	<u>76,600</u>	<i><u>76,600</u></i>

The Company does not have an authorised share capital.

14. 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 area – Italy.

15. Material subsequent events

There are no events subsequent to 30 June 2022 requiring disclosure in these financial statements.

17. 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.

THE REPUTATION EXCHANGE PLC

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

18. Nature of financial information

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