



**The Reputation
Exchange PLC
REPX
August 2020**

THE REPUTATION EXCHANGE PLC

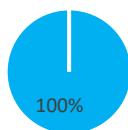
| Equity Research | |
|--|-----------------------|
| Share Price (EUR) | 11.2, Upon Listing |
| Sector: | Fintech Services |
| Key Market Data | |
| Market: | Cyprus Stock Exchange |
| TIDM: | TBC |
| ISIN: | GB00BKMJ729 |
| SEDOL: | TBC |
| Co. Website: | www.therepx.com |
| | |
| Year-end: | 30 September |
| 12M High/Low: | |
| Existing Shares: | 3,121,692 |
| Free Float | 14% |
| | |
| Suggested Market Cap (EURm) | 35.0 |
| Value per share (EUR) | 11.2 |
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Revenue Sources;
Pre-paid Card Sales &
Transaction Volume Rebates



➤ **The Reputation Exchange PLC (REPX)** is a UK registered, combined fintech, social media and retail products business. Its business model is that of enabling sports teams, music icons, social media celebrities & influencers, and iconic cities, to monetize their reputations & brands. The business model utilises a mixture of B2B & B2C initiatives combined with co-branded products in partnership with each category’s ‘Star’ personality or team.

➤ **Partnership Strategy.** The company’s sales revenue strategy is mainly based upon partnering with these teams, celebrities and destinations, thereby gaining access to their already established, social media followers at very low cost. In turn these followers gain connectivity with the ‘Star’ via a mobile phone App and the purchase of a pre-paid Mastercard / Visa debit card which is REPX branded and carries a number of unique characteristics. Card purchases and transaction volume rebates are REPX’s key sales revenue drivers.

➤ **Fast, Scalable, Profitable Growth.** Utilising the above strategy, REPX aims to deliver fast, scalable sales revenue growth whilst operating a high gross margin and profitable business.

➤ **Valuation and IPO Details.** Based upon the REPX management team’s experience with the already launched, Next Wallet pre-paid debit card programme and the forthcoming ‘Clan’ & ‘Payfan’ programmes; REPX plans to list on the Cyprus Stock Exchange (CSE) in September 2020 and move to an LSE Standard Listing thereafter. We value this business on a ‘per card in issue basis’, similar to valuation methodology often used for its peers, Neobanks such as Revolut, N26 and Monzo; but of course, adjust the valuation for REPX’s very early development stage.

Valuation of EUR 35million. We ascribe a value of EUR 35million for this business based on the REPX management team’s guidance for the pre-paid debit card roll-out programmes to September 2022, and beyond; and apply heavily discounted, peer group relative valuation methodology. **Importantly, our valuation is almost entirely based on REPX’s successful delivery of the individual debit card roll-out programmes, accompanied by their anticipated cashflows. Investors should take a view on the probability of this being delivered.**

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Executive Summary

REPX – Possibly an Early Stage Neobank, With Unique Growth Characteristics

REPX's growth model is interesting in that it presents the opportunity for high organic sales revenue growth without the usually associated, high customer acquisition costs. In the early years of most fintech businesses which require business scale, i.e high customer numbers in order to be profitable; the customer acquisition costs can be punitive, driving cash flows sharply negative, requiring frequent new equity capital tranches to be raised. This of course dilutes the early investor's equity capital.

REPX's model, that of partnering with celebrities and thus gaining access to high numbers of loyal, potential customers, obviates the need for a heavy marketing (customer acquisition) budget and thus potentially allows relatively high margin, positive cash flow growth in the first full year of the business model commencing.

A Win-Win-Win Situation?

Partnering with high profile sports teams and social media celebrities enables these clubs / stars / celebrities to monetise their reputations and brands utilizing, in most cases, their huge, loyal and already established follower numbers. In turn, REPX gains access to each celebrity's follower base, at very low cost and then monetises this connection via the sale of prepaid Mastercard / Visa debit cards with a number of unique features. The revenues generated are shared in different proportions between the team or celebrity and REPX, so with even low conversion / subscription rates (i.e. when a follower becomes a subscriber) the revenue potential for both parties is high. In turn, the followers of these teams / celebrities' gain connectivity with their chosen star(s) and can gain from various credit card derived benefits, further allowing the follower to gain proximity to the celebrity. If this scenario were to operate effectively and can be maintained through continuous retail product innovation and the continued roll-out of new Stars, all parties could benefit in a Win-Win-Win situation.

A Strong Investment Case If Reality Reflects the Business Model

Based upon guidance from the REPX management team on key business factors such as;

- (i) REPX's planned pre-paid debit card roll-out schedule – which has commenced via its 100% owned subsidiary, Next Wallet.
- (ii) The debit card branding and associated football team and 'Star' roll-out profile.
- (iii) Already signed, and soon to be signed contracts with football teams and 'Stars' giving reach to over 200million prospective subscribers.
- (iv) REPX's Balance Sheet on 30 June 2020 (Unaudited) showing Net Assets of EUR 1.4m with no debt and sufficient liquid resources to fund the businesses' development until additional equity capital is raised.

We believe that this business has the characteristics which could allow it to deliver strong financial returns to investors over the coming years, if the REPX management team can deliver the targeted debit card roll-out programmes, accompanied by their anticipated cashflows. Investors should take a view on the probability of both being delivered. Valuation is further backed-up by the clearly evidenced valuations of REPX's peer companies in the Neobanking / Challenger Banking sector; high-profile businesses such as Revolut, N26 and Monzo who justify valuations in the range of EUR 400-600 per customer; *Source Techcrunch.com, 25 Feb 2020, 'Revolut valuation of US\$ 5.5bn with around 10m customers', equates to valuation of approximately US\$ 550*

per customer. More recently, according to PYMNTS.com dated 24 July 2020, Revolut raised an additional US\$80m at a valuation of US\$5.5bn, as part of its Series D funding round, with the information backed up by *Techcrunch.com of 24 July 2020*. With 12million registered users, the valuation on a per card basis for Revolut is thus US\$ 458 per card in issuance, we calculate.

Clearly REPX is at a much earlier development stage than most of its highly valued peers, we thus attribute a valuation of EUR 104 per expected average card numbers in issue over the coming two years.

This leads us towards an indicative valuation of EUR 35million for REPX. Very importantly however, this valuation assumes that REPX’s business progress over the coming two years and beyond, is in line with the business model’s debit card roll-out programme and its associated cashflows. This may or may not happen.

Summary Financials

The table below summarises one possible growth outlook for REPX, should the debit card roll-out programme be successful, and be in line with the business model for REPX’s various ‘Star’ roll-out programmes. Examples of which are shown later in this research note. Full Summary Financials on page 16.

Capital Raise Intentions

Investors should also note that REPX intends to raise external capital, in two tranches, which we have factored into our financial forecasts.

- Tranche 1 is likely to be in the sum of around EUR 1.5m and we have put this event into FY-21E, although it could occur sooner.
- Tranche 2 is likely to be in the sum of around EUR 5m and we have modelled this into FY-22E, although it too could occur sooner.

| The Reputation Exchange PLC, Summary Financials & Data | | | | |
|---|------------------|-----------------|------------------|-------------------|
| Fiscal Yr To September | 2020A | 2020E | 2021E | 2022E |
| Period to end: | June | Sept | Sept | Sept |
| | 9months | 12 m | 12m | 12m |
| Summary Financials (EUR) | Unaudited | | | |
| Debit Card Sales & Rebate Revenue | 0 | 75,101 | 6,656,843 | 20,504,362 |
| Other Income (R&D refund) | 13,364 | 13,364 | 25,000 | 35,000 |
| Total Income | 13,364 | 88,465 | 6,681,843 | 20,539,362 |
| Revenue Share | - | 0 | -1,871,936 | -7,573,418 |
| <i>Rev Share Proportion(%)</i> | <i>0</i> | <i>0</i> | <i>28%</i> | <i>37%</i> |
| Gross Profit | - | 37,435 | 3,031,019 | 8,475,009 |
| <i>Gross Margin (%)</i> | <i>-</i> | <i>42.3%</i> | <i>45.4%</i> | <i>41.3%</i> |
| SG&A | -459,756 | -501,552 | -2,159,833 | -5,392,850 |
| EBITDA | -446,392 | -490,881 | 871,186 | 3,082,159 |
| <i>EBITDA Margin (%)</i> | <i>-</i> | <i>-</i> | <i>13.0%</i> | <i>15.0%</i> |
| Net Profit | - | -491,153 | 740,508 | 2,527,370 |
| Basic EPS (EUR) | - | -0.16 | 0.23 | 0.70 |
| Valuation & Ratios | | | | |
| EV/EBITDA (x) | - | - | 40.6 | 12.0 |
| EV/ Sales (x) | - | 459.1 | 5.3 | 1.8 |
| P/E (x) | - | - | 48.7 | 16.8 |

Source : REPX Estimates, AXCap Estimates

REPX's Roll-out and Revenue Model

In table 2. below we show a summary of the main components of REPX's 'Star' and Team roll-out programme and thus the associated debit card and revenue model in the coming Fiscal year to September 2021. Greater detail is also given in the subsequent table, table 3. which gives an example of our calculation and assumption methodology for one League One football team over its first three years of Retail product roll-out amidst the fan base and greater follower base. *The source of all tabulated data and forecasts in the coming pages is from the REPX management team, from AxCap estimates and where applicable, third party industry sources.*

Table 2.

| REPX Sales Revenue Roll-out Profile | | | | Fiscal Quarters | | | | FY-21 Risk + Time Weighted | FY-21 Risk Weighted | Yr 1 Actual Figures | | | | |
|--|-----------------------|---------------|--------------|-------------------|-------------|-------------|--------------|----------------------------|---------------------|---------------------|---------|---------|-----|-----|
| EURO (millions) | | | | 4th | | | | | | | 1st | 2nd | 3rd | 4th |
| | | | | 2020 | 2021 | 2021 | 2021 | | | | 2021 | 2021 | | |
| Football Team / Brand / Star | Status | Risk Weight | To Sept 2020 | FY-20 To Dec 2020 | To Mar 2021 | To Jun 2021 | To Sept 2021 | | | | | | | |
| No. | | | | | | | | | | | | | | |
| 1 | Next Wallet | Signed | 1.00 | € 0.08 | € 0.08 | € 0.25 | € 0.25 | € 0.25 | € 0.25 | € 0.99 | € 0.99 | € 0.99 | | |
| 2 | League One Team | Terms agreed | 0.70 | | | € 0.02 | € 0.05 | € 0.05 | € 0.05 | € 0.15 | € 0.18 | € 0.26 | | |
| 3 | League One Team | Terms agreed | 0.70 | | | € 0.13 | € 0.40 | € 0.40 | € 0.40 | € 1.35 | € 1.62 | € 2.31 | | |
| 4 | League One Team | Signed | 1.00 | | | € 0.09 | € 0.26 | € 0.26 | € 0.26 | € 0.86 | € 1.03 | € 1.03 | | |
| 5 | League Two Team | Terms agreed | 0.70 | | | € 0.03 | € 0.08 | € 0.08 | € 0.08 | € 0.25 | € 0.30 | € 0.30 | | |
| 6 | Sports Management Co. | Terms agreed | 0.70 | | | | € 0.03 | € 0.08 | € 0.08 | € 0.19 | € 0.32 | € 0.46 | | |
| 7 | League One Team | Ready to Sign | 0.85 | | | | € 0.15 | € 0.44 | € 0.44 | € 1.03 | € 1.77 | € 2.08 | | |
| 8 | League One Team | Signed | 1.00 | | | | € 0.18 | € 0.55 | € 0.55 | € 1.29 | € 2.22 | € 2.22 | | |
| 9 | Top Influencer | Signed | 1.00 | | | | | € 0.04 | € 0.13 | € 0.18 | € 0.54 | € 0.54 | | |
| 10 | Top Football Player | Signed | 1.00 | | | | | € 0.04 | € 0.12 | € 0.15 | € 0.46 | € 0.46 | | |
| 11 | Top Football Player | Signed | 1.00 | | | | | € 0.03 | € 0.08 | € 0.10 | € 0.31 | € 0.31 | | |
| 12 | Italian Iconic City | Signed | 1.00 | | | | | | € 0.06 | € 0.06 | € 0.73 | € 0.73 | | |
| 13 | International Airline | Signed | 1.00 | | | | | | € 0.05 | € 0.05 | € 0.54 | € 0.54 | | |
| Quarterly, Risk+Time Weighted Sales Revenues | | | | € 0.08 | | € 0.51 | € 1.39 | € 2.22 | € 2.54 | | | | | |
| <i>Sequential Quarterly Growth in Sales Revenues(%)</i> | | | | | | 578% | 173% | 59% | 15% | | | | | |
| Annual, Risk+Time Weighted Sales Revenues | | | | € 0.08 | | | | | | € 6.66 | € 10.02 | € 11.24 | | |
| Associated Debit Card Roll-out Profile | | | | | | | | | | | | | | |
| Expected, period end number of debit cards in Issue | | | | 3,853 | | | | | | | 209,200 | | | |
| <i>Source: REPX Management Team Estimates, AXCap Estimates</i> | | | | | | | | | | | | | | |

Key: Roll-out Commencement Quarter, assume 1 Month's contribution only

Risk Weight is an estimate of the likelihood of signature, simply based upon our estimated time to signature, and nothing else. A relative measure.

We assume no seasonality in the numbers, which is probably incorrect, but difficult to model at this stage.

Yr 1 Figures are equivalent to the first full year, if all card programmes were rolled-out on the first day of REPX's FY-21 year (01 October 2020)

League One Team = a league one football team in either Continental Europe and the UK

Importantly, the identity of the football teams, and 'Stars' is still confidential.

A copy of the Company's contracts with sports team and celebrities shall be kept at the Company's registered office and shall be available for inspection for one year from the date of this Document by any potential investor. Any potential investor who wishes to inspect those contracts shall make a formal request to the Company by post to the Company's registered office, with a copy via email to Alfredo Villa, General Manager: alfredo@therepx.com

REPX Valuation Methodology

Through detailed modelling assumptions for fan and follower numbers, subscription rates and card subscription prices; further, rebate percentages, card usage and a number of other factors, we arrive at a possible figure for the average number of pre-paid debit cards (NOC) in issue under REPX’s control, over the coming two years, at **336,808**.

As detailed in table 3 below.

Table 3.

| REPX Expected No. Cards in Issue | Actual FY-20 | Actual FY-21 | Full Yr Yr1 | Actual FY-22 | Full Yr Yr 2 |
|----------------------------------|--------------|----------------|----------------|----------------|----------------|
| Next Wallet | 3,853 | 18,000 | 18,000 | 34,750 | 34,750 |
| League One Team | - | 9,221 | 11,065 | 11,657 | 11,657 |
| League One Team | - | 44,167 | 53,000 | 76,002 | 76,002 |
| League One Team | - | 27,083 | 32,500 | 40,001 | 40,001 |
| League Two Team | - | 10,917 | 13,100 | 13,833 | 13,833 |
| Sports Management Co. | - | 12,396 | 21,250 | 22,500 | 22,500 |
| League One Team | - | 35,000 | 60,000 | 80,002 | 80,002 |
| League One Team | - | 42,175 | 72,300 | 94,602 | 94,602 |
| Top Influencer | - | 2,333 | 7,000 | 14,001 | 14,001 |
| Top Football Player | - | 2,000 | 6,000 | 12,001 | 12,001 |
| Top Football Player | - | 1,333 | 4,000 | 8,000 | 8,000 |
| Italian Iconic City | - | 2,392 | 28,700 | 30,200 | 30,200 |
| International Airline | - | 2,183 | 26,200 | 26,867 | 26,867 |
| Total | 3,853 | 209,200 | 353,115 | 464,416 | 464,416 |

Impact of Staged Roll-out Programme, Yr1

Av. NOC over coming two full years 336,808

| Average No. Cards | Value per card (EUR) | Business Valuation (EURm) |
|-------------------|----------------------|---------------------------|
| 336,808 | 500 | 168.4 |
| | 400 | 134.7 |
| | 300 | 101.0 |
| | 200 | 67.4 |
| | 104 | 35.0 |
| | 75 | 25.3 |
| | 50 | 16.8 |

Source : REPX Management Team Estimates and AXCap Estimates

The table above, Table 4 shows how REPX’s valuation varies according to the attributable value per card in issue, and is based upon peer group data, but applying a high discount to REPX given its early stage of development.

AT EUR 104 per card, we arrive at an equity value for REPX of EUR 35million.

Valuation Variability

Investors may like to allocate their own discount percentage, and thus arrive at alternative possible values for the REPX business, based upon the probability of the debit card roll-out programmes being delivered on time and on-budget.

Valuation Validity

Clearly, for this valuation to be valid, investors must take the view that REPX's card roll-out programmes will proceed according to plan, delivering the management team's anticipated subscriber and transaction volume targets. Costs must be contained and continued innovation and new 'Star' roll-out programmes must be maintained to compensate for the programmes which either fail or fall short of expectations.

Importantly, REPX has already commenced its Next Wallet roll-out programme, so investors should be interested to hear about the first full quarter's performance which ends in September 2020 and coincides with REPX's Fiscal 2020 year.

Sales Revenue Growth Rate Outlook, A Word of Caution for Investors

While we are very encouraged by the fact that REPX is no longer a pre-revenue business, the sales revenue growth profile as summarized in the table below, indicates a very high annual growth rate, predicated upon the successful roll-out of REPX's debit card programmes. Importantly, should there be any delays in the roll-out programme or if traction in terms of the subscriber rate is less than expected, revenue growth could be materially less than the forecasts shown.

| The Reputation Exchange PLC, Sales Revenue Growth | | | | |
|--|------------------|---------------|------------------|-------------------|
| Fiscal Yr To September | 2020A | 2020E | 2021E | 2022E |
| Period to end: | June | Sept | Sept | Sept |
| | 9months | 12 m | 12m | 12m |
| Summary Financials (EUR) | Unaudited | | | |
| Debit Card Sales & Rebate Revenue | 0 | 75,101 | 6,656,843 | 20,504,362 |
| Other Income (R&D refund) | 13,364 | 13,364 | 25,000 | 35,000 |
| Total Income | 13,364 | 88,465 | 6,681,843 | 20,539,362 |
| <i>Change (%)</i> | | - | 8764% | 207% |

Overall, we believe that the REPX management team has used cautious assumptions for key business drivers such as subscriber rates, churn, volume rebates and card production costs, all based on hard data supplied by third party research houses to REPX. We have further toned-down the numbers.

Examples of three roll-out programmes are shown in the following pages, those of;

- Next Wallet
- A League One Football Team, Team A
- A Lower League Football Team, Team B

REPX and a League One Team (Team A), Revenue Sharing Model Example

REPX has agreed, we believe, a business partnership with a number of Continental European and UK based football teams. In table 4 below, we show an example of a football club, which we call Team A, with around 46 million followers across social and digital media platforms in Europe; some 14million fans in its home country and around 30,000 annual season ticket subscribers. REPX's designation is that of the official and exclusive debit card partner in Europe for a term of three seasons, from 1st July 2020 – 30th June 2023.

Partnership Rights

REPX's business rights associated with the partnership include areas such as intellectual property, merchandising, hospitality & ticketing, digital & social media, experiences & events. We briefly explain some details associated with these individual partnership rights;

- I. **Intellectual Property.** REPX has the right to use the team's Marks and Logos in all marketing communications for products and services associated with the REPX – Team A prepaid debit card. Please see the appendix at the rear of this research note for visual examples. Also included are the use of official Team Designations, access to the club's pictures and integration of the Team's IP into REPX's online platforms.
- II. **Partnership Announcements.** There will be a dedicated announcement on the Team's website and social media channels announcing the partnership, plus a press release. In addition, media campaigns targeting Team A's season ticket holders announcing the opportunity to receive a REPX-Team A debit card free of cost for the first 10,000 subscribers.
- III. **Experiences & Events, Hospitality & Ticketing, Merchandising.** For fans who have a REPX – Team A debit card, benefits include;
 - a. Exclusive behind the scenes pre-match access for eight guests on two occasions per season.
 - b. Preferential ticketing.
 - c. Fifteen signed jerseys per season.
- IV. **Digital & Social Connection and Promotion.** Here, REPX will benefit from its logo being positioned on the Team A.com landing page and partners' page with external links to partners' websites. Further, banner advertising and advertising across all of the Team's social media platforms such as Instagram, Facebook, Twitter, LinkedIn and Weibo.

In exchange for the above partnership rights, REPX will pay Team A according to a two-tier structure;

- (i) A guaranteed fee.
- (ii) A revenue share of card purchase fees and transaction volume rebate fees.

An outline of the REPX – Team A revenue model is shown on the following page, table 5. and this is an example of the fee and subscriber number expectations for a large, national football club with an international follower base. We also show the revenue model in table 6. for Team B, which is an example of a smaller, regional club. *All Data sources are from the REPX management team, AxCap estimates and from third party data suppliers to the credit and debit card industries.*

Team A, Revenue & EBITDA Model

| Revenue Stream | | Revenue Model | | | |
|----------------|--|---------------|---------------|---------------|---------------|
| 1 | Direct Income from Debit Card Sales | Data | Yr1 | Yr2 | Yr3 |
| | European Fan base | 46m | | | |
| | Estimated Subscriber Proportion | 0.05% - 0.15% | 0.05% | 0.10% | 0.15% |
| | No. New Subscribers / Card numbers sold | | 23,000 | 46,000 | 69,000 |
| | Subscribers Carried forward | | 0 | 23,000 | 46,002 |
| | Assumed Churn Rate, 1/3 per annum | 33.3% | 0 | -22,998 | -38,330 |
| | Net Subscribers | | 23,000 | 46,002 | 76,672 |
| | Card Purchase cost, PayFan Card | € 59 | | | |
| | Income from Card Purchases (m) | | € 1.36 | € 2.71 | € 4.52 |
| | % Total Revenues | | 59% | 66% | 70% |
| 2 | Purchase Volume Fee Rebates | | | | |
| (a) | From Annual Team A Ticket Subscribers | 30,000 | 30,000 | 30,000 | 30,000 |
| | Churn Rate (Assume Churn = New Subscribers) | 0.0% | 0 | 0 | 0 |
| | Net New Subscribers | | 30,000 | 30,000 | 30,000 |
| | Rate of Use | 50% | | | |
| | Card Purchase cost | € 0 | | | |
| | Rebate Fees from Visa, The Clan Card | € 36 | | | |
| | Fees from Annual Ticket Subscribers (m) | | € 0.54 | € 0.54 | € 0.54 |
| | % Total Revenues | | 23% | 13% | 8% |
| (b) | From 46 million, European Fan base | 46m | | | |
| | No. New Subscribers / Card numbers sold | | 23,000 | 46,000 | 69,000 |
| | Subscribers Carried forward | | 0 | 23,000 | 46,002 |
| | Assumed Churn Rate, 1/3 per annum | 33% | 0 | -22,998 | -38,330 |
| | Net New Subscribers | | 23,000 | 46,002 | 76,672 |
| | Rate of Use | 50% | | | |
| | Card Purchase cost | € 0 | | | |
| | Rebate Fees from Visa, PayFan Card | € 36 | | | |
| | Fees from European Fan Base (m) | | € 0.41 | € 0.83 | € 1.38 |
| | % Total Revenues | | 18% | 20% | 21% |
| | Total REPX Income (m) | | € 2.31 | € 4.08 | € 6.44 |
| | % Total Revenues | | 100% | 100% | 100% |
| | Revenue Growth (%) | | - | 77% | 58% |
| | Total No. Cards Remaining In Issue at Year End | | 53,000 | 76,002 | 106,672 |
| | Average Revenue / card | | € 44 | € 54 | € 60 |
| | Team A Revenue Share | | | | |
| | Team A Commission Rate | | 20% | 35% | 50% |
| | Team A Commission (EURm) - Variable | | € 0.46 | € 1.43 | € 3.22 |
| | Team A Rights & Marketing fees (EURm) - Fixed | | € 0.23 | € 0.28 | € 0.33 |
| | Total Team A Revenue Share | | € 0.69 | € 1.70 | € 3.55 |
| | Proportion of Total Repx Income | | 30% | 42% | 55% |
| | Card Production Costs | € 10.0 | € 0.53 | € 0.76 | € 0.99 |
| | REPX Gross Profit (m) | | € 1.09 | € 1.62 | € 1.91 |
| | Gross Margin (%) | | 47.3% | 39.6% | 29.6% |
| | SG&A (mainly customer & call centre costs) | € 14.0 | € 0.74 | € 1.06 | € 1.39 |
| | REPX EBITDA (m) | | € 0.35 | € 0.55 | € 0.52 |
| | EBITDA Margin (%) | | 15.2% | 13.6% | 8.1% |

Key Points: The estimated subscriber proportion (Revenue Stream 1 and 2b above) of between 0.05% (1 in 2000 people) and 0.15% (1 in 667 people) is probably a conservative estimate, and is based upon real data supplied by third party market research companies. Source : REPX estimates, AxCap estimates and third party data suppliers.

| Team B Revenue & EBITDA Model | | | | | |
|-------------------------------|--|---------------|---------------|---------------|---------------|
| Revenue Stream | | | Revenue Model | | |
| 1 | Direct Income from Debit Card Sales | Data | Yr1 | Yr2 | Yr3 |
| | European Fan base | 1.1m | | | |
| | Estimated Subscriber Proportion | 0.05% - 0.15% | 0.10% | 0.15% | 0.20% |
| | No. New Subscribers / Card numbers sold | | 1,100 | 1,650 | 2,200 |
| | Subscribers Carried forward | | 0 | 1,100 | 1,833 |
| | Assumed Churn Rate, 1/3 per annum | 33.3% | 0 | -917 | -1,344 |
| | Net Subscribers | | 1,100 | 1,833 | 2,689 |
| | Card Purchase cost, PayFan Card | € 59 | | | |
| | Income from Card Purchases (m) | | € 0.06 | € 0.11 | € 0.16 |
| | <i>% Total Revenues</i> | | 22% | 30% | 38% |
| 2 | Purchase Volume Fee Rebates | | | | |
| (a) | From Annual Team B Ticket Subscribers | 12,000 | 12,000 | 12,000 | 12,000 |
| | Churn Rate (Assume Churn = New Subscribers) | 0.0% | 0 | 0 | 0 |
| | Net New Subscribers | | 12,000 | 12,000 | 12,000 |
| | Rate of Use | 50% | | | |
| | Card Purchase cost | € 0 | | | |
| | Rebate Fees from Visa, The Clan Card | € 36.0 | | | |
| | Fees from Annual Ticket Subscribers (m) | | € 0.22 | € 0.22 | € 0.22 |
| | <i>% Total Revenues</i> | | 72% | 60% | 51% |
| (b) | From 55 million, European Fan base | 1.1m | | | |
| | No. New Subscribers / Card numbers sold | | 1,100 | 1,650 | 2,200 |
| | Subscribers Carried forward | | 0 | 1,100 | 1,833 |
| | Assumed Churn Rate, 1/3 per annum | 33.3% | 0 | -917 | -1,344 |
| | Net New Subscribers | | 1,100 | 1,833 | 2,689 |
| | Rate of Use | 50% | | | |
| | Card Purchase cost | € 0 | | | |
| | Rebate Fees from Visa, PayFan Card | € 36.0 | | | |
| | Fees from European Fan Base (m) | | € 0.02 | € 0.03 | € 0.05 |
| | <i>% Total Revenues</i> | | 7% | 9% | 11% |
| | Total REPX Income (m) | | € 0.30 | € 0.36 | € 0.42 |
| | <i>% Total Revenues</i> | | 100% | 100% | 100% |
| | Revenue Growth (%) | | - | 19% | 18% |
| | <i>Total No. Cards Remaining In Issue at Year End</i> | | 13,100 | 13,833 | 14,689 |
| | Team B - Revenue Share | | | | |
| | <i>Team B Commission Rate</i> | | 25% | 25% | 25% |
| | <i>Team B Commission (EURm) - Variable</i> | | € 0.08 | € 0.09 | € 0.11 |
| | <i>Team B Rights & Marketing fees (EURm) - Fixed</i> | | € 0.02 | € 0.02 | € 0.02 |
| | Total - Team B Revenue Share | | € 0.10 | € 0.11 | € 0.13 |
| | <i>Proportion of Total Repx Income</i> | | 32% | 31% | 30% |
| | Card Production Costs | € 8.0 | € 0.10 | € 0.11 | € 0.11 |
| | REPX Gross Profit (m) | | € 0.10 | € 0.14 | € 0.18 |
| | Gross Profit (%) | | 33% | 39% | 43% |
| | SG&A (mainly customer / call centre costs) | € 8.0 | € 0.10 | € 0.11 | € 0.11 |
| | REPX EBITDA (m) | | € 0.00 | € 0.03 | € 0.07 |
| | <i>EBITDA Margin (%)</i> | | -1.4% | 8.3% | 16.6% |

Key Points: The estimated subscriber proportion (Revenue Stream 1 and 2b above) of between 0.05% (1 in 2000 people) and 0.15% (1 in 667 people) is probably a conservative estimate, and is based upon real data supplied by third party market research companies. Source : REPX estimates, AxCap estimates and third party data suppliers.

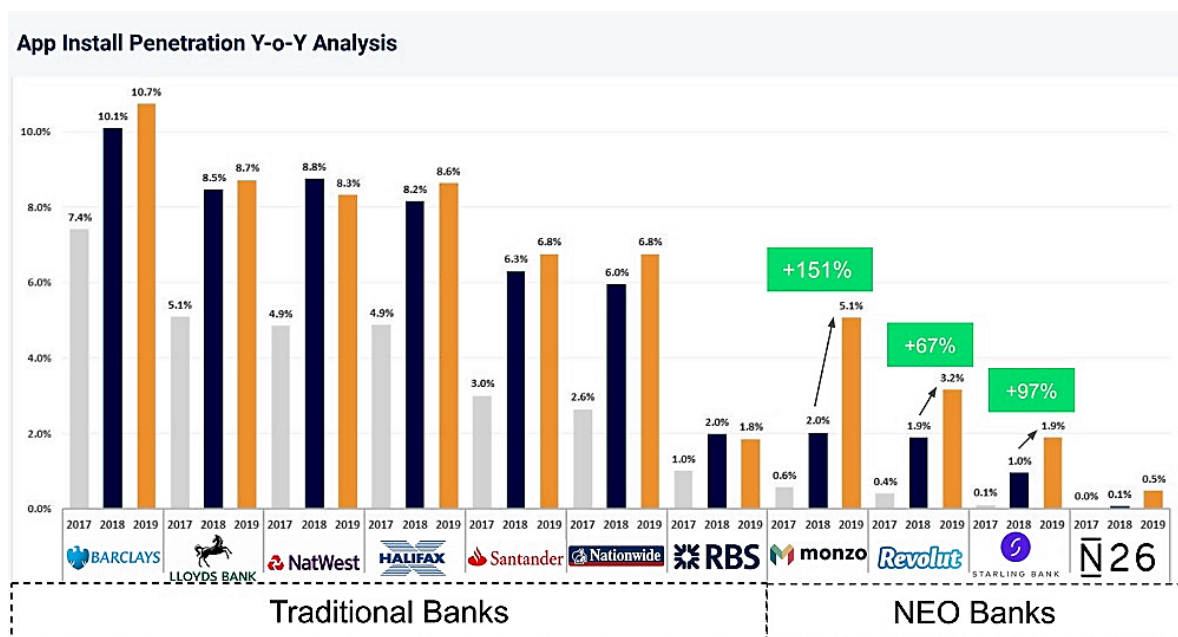
Next Wallet, To Spearhead the Neobank Vision

REPX has invested in a 100% owned subsidiary company called Next Wallet Ltd. This is a Maltese company which gives REPX a tried and tested technical operating arm for debit card issuance. Next Wallet (NW) has its own line of branded pre-paid debit cards, and importantly the roll-out of these has commenced, so REPX will be able to report upon a full quarter of its performance after the FY20 year end on 30 September 2020.

Neobanks Are Winning the Race

Ultimately, REPX’s plan for NW is to transform it into a fully licensed Neobanking entity. The key significance of this is that Neobanks are unquestionable winning the race for younger generations (millennials) finances, so this positions REPX firmly focused on the future of personal finance initiatives across Europe. Chart 1 below demonstrates the far superior growth rates which the Neobanks are delivering compared to traditional high street banks.

Chart1.



Source: REPX Data

The tables below, show details of the Revenue and EBITDA assumptions which we have made for the Next Wallet business, based upon guidance from the REPX management team.

Next Wallet Revenue Model

Table’s 7a,b & c below shows in detail, our revenue model for NW, with the months of June and July 2020 being actual figures, and our estimated figures for Q4-FY20 and FY-21E and FY22E.

Next Wallet Actual Results, June & July 2020; With Forecasts FY-20, 21,22

| Period to | Jun-20 | Jul-20 | Aug-20 | Sep-20 | FY-20E | FY-21E | FY-22E |
|----------------------------|--|--------------|--------------|--------------|--------------|---------------|---------------|
| | Actual | Actual | Estimate | Estimate | (3 Months) | (12 months) | (12 months) |
| | <i>Info Only *</i> | | | | | | |
| Activation Revenues | New Card Activation Revenues (A): | € 8,806 | € 11,180 | € 12,475 | € 32,461 | € 655,000 | € 1,468,125 |
| | From; Top Cards | € 236 | € 826 | € 1,180 | € 3,481 | | |
| | Next Cards | € 6,380 | € 7,980 | € 10,000 | € 28,980 | | |
| | No. New Cards Activations, price / card | 323 | 413 | 520 | 1,508 | | |
| | Top Card, EUR 59 | 4 | 14 | 20 | 59 | 500 | 1,000 |
| | Next Card, EUR 20 | 319 | 399 | 500 | 1,449 | 7,500 | 16,875 |
| | Metal Card, EUR 59 | - | - | - | - | 2,500 | 5,625 |
| | Basic card, EUR 1 | - | - | - | - | 7,500 | 11,250 |
| | Expected Price per Card: | | | | | | |
| | Top Cards, EUR 59 | 59 | 59 | 59 | 59 | | |
| | Next Cards, EUR 20 | 20 | 20 | 20 | 20 | | |
| | No. Cards Brought Forward; | | | | | | |
| | Top Cards | 1,112 | 1,094 | 1,108 | 1,128 | | |
| | Next Cards | 971 | 1,251 | 1,650 | 2,150 | | |
| | Churn (3% / month) | | | | | | |
| | Top Cards | 2% | 22 | 22 | 23 | | |
| | Next Cards | 4% | 39 | 50 | 66 | | |
| | No. Cards in Issue at period end: | | | | | | |
| | Top Cards | 1,094 | 1,108 | 1,128 | 1,153 | 500 | 1,000 |
| | Next Cards | 1,251 | 1,650 | 2,150 | 2,700 | 7,500 | 16,875 |
| | Metal Cards | - | - | - | - | 2,500 | 5,625 |
| | Basic cards | - | - | - | - | 7,500 | 11,250 |
| | Total No. Cards in Issue at period end | 2,345 | 2,758 | 3,278 | 3,853 | 18,000 | 34,750 |
| Rebate Revenues | Volume Rebates, Paid In Arrears (B): | € 6,439 | € 10,497 | € 11,151 | € 12,148 | € 33,795 | € 339,000 |
| | From; Top Cards | € 6,763 | € 9,534 | € 9,000 | € 9,534 | 28,068 | 695,250 |
| | Next Cards | € (324) | € 4,986 | € 4,600 | € 4,986 | 14,572 | |
| | Total Income | | | | | | |
| | From; Top Cards | € 6,999 | € 10,360 | € 10,180 | € 11,009 | € 31,549 | |
| | Next Cards | € 6,056 | € 12,966 | € 14,600 | € 15,986 | € 43,552 | |
| | | € 13,055 | € 23,326 | € 24,780 | € 26,995 | € 75,101 | |
| | Average Income per new card in issue | | | | € 42 | € 55 | € 62 |
| Total Income (A+B) | | € 13,055 | € 23,326 | € 24,780 | € 26,995 | € 75,101 | € 994,000 |
| | Change (%) | - | 79% | 6% | 9% | | |
| | Direct Costs :- | | | | | | |
| | Agency Fees (Revenue share) | 40% | 5222 | 9330 | 9912 | 10798 | 30040 |
| | Chargeback & Fraud fees (on Rebate income) | 5% | 322 | 525 | 558 | 607 | 1690 |
| | Card Production Costs: | | | | | | |
| | Top Cards, per card | € 12 | 48 | 168 | 240 | 300 | 708 |
| | Next Cards, per card | € 8 | 2552 | 3192 | 4000 | 4400 | 11592 |
| | Other | | 2000 | 3000 | 2000 | 2000 | 7000 |
| | Total Direct Costs | 10,144 | 16,215 | 16,710 | 18,105 | 51,030 | |
| | % Revenues | 78% | 70% | 67% | 67% | 68% | |
| | Gross Profit | € 2,911 | € 7,111 | € 8,070 | € 8,890 | € 24,071 | € 430,950 |
| | Gross Profit margin (%) | 22.3% | 30.5% | 32.6% | 32.9% | 32.1% | 43.4% |
| | Indirect Costs | 2500 | 4000 | 4600 | 4800 | 13,400 | |
| | EBITDA | € 411 | € 3,111 | € 3,470 | € 4,090 | € 10,671 | € 178,950 |
| | EBITDA Margin (%) | 3.1% | 13.3% | 14.0% | 15.1% | 14.2% | 18.0% |
| | | | | | | | € 474,638 |
| | | | | | | | 21.9% |

Notes:

* Next Wallet Consolidated from 01 July 2020; so only three months contribution to REPX's FY20 financial results. June shown for information only.

REPX Management control to come into effect in early September 2020

Detail on the FY21 and FY22 figures can be found in the full NW Template

| Next Wallet Revenue & EBITDA Model | | | | | |
|------------------------------------|--|---------------|---------------|---------------|---------------|
| Revenue Streams | Revenue Model | | | | |
| | Direct Income from Debit Card Sales | Data | Yr1 | Yr2 | Yr3 |
| | From FB Advertising, Assumed Population | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| | Estimated Subscriber Proportion | 0.05% - 0.15% | 0.05% | 0.10% | 0.15% |
| | Gain in Card Traction | | (1 in 2,000) | (1 in 1,000) | (1 in 667) |
| Next Cards | No. New Subscribers - Next Cards | | 7,500 | 15,000 | 22,500 |
| | Subscribers Carried forward | | | 7,500 | 16,875 |
| | Assumed Churn Rate (per annum) | 25% | | -5,625 | -9,844 |
| | Net Subscribers | | 7,500 | 16,875 | 29,531 |
| | Card Purchase cost, per Next Card | € 20 | | | |
| | Volume Rebates - Rate of Use | 50% | | | |
| | Rebate from Visa / card / annum | € 24 | | | |
| 1 | Income from Card Purchases (million) | | € 0.15 | € 0.34 | € 0.59 |
| 2 | Income from Rebates (m) | | € 0.09 | € 0.20 | € 0.35 |
| | Total Income, Next Cards (m) | | € 0.24 | € 0.54 | € 0.95 |
| | % Total NW Revenues | | 23% | 23% | 23% |
| | Estimated Subscriber Proportion | | 0.003% | 0.007% | 0.010% |
| | Gain in Card Traction | | (1 in 30,000) | (1 in 15,000) | (1 in 10000) |
| Top Cards | No. New Subscribers - Top Cards | | 500 | 1,000 | 1,500 |
| | Subscribers Carried forward | | | 500 | 1,125 |
| | Assumed Churn Rate (per annum) | 25% | | -375 | -656 |
| | Net Subscribers | | 500 | 1,125 | 1,969 |
| | Card Purchase Cost, per Top Card | € 700 | | | |
| | Volume Rebates - Rate of Use | 50% | | | |
| | Rebate from Visa / card / annum | € 36 | | | |
| 1 | Income from Card Purchases (m) | | € 0.35 | € 0.79 | € 1.38 |
| 2 | Income from Rebates (m) | | € 0.01 | € 0.02 | € 0.04 |
| | Total Income, Top Cards (m) | | € 0.36 | € 0.81 | € 1.41 |
| | % Total NW Revenues | | 53% | 54% | 54% |
| | Estimated Subscriber Proportion | | 0.017% | 0.033% | 0.050% |
| | Gain in Card Traction | | (1 in 60,000) | (1 in 30,000) | (1 in 20,010) |
| Metal Cards | No. New Subscribers - Metal Cards | | 2,500 | 5,000 | 7,500 |
| | Subscribers Carried forward | | | 2,500 | 5,625 |
| | Assumed Churn Rate (per annum) | 25% | | -1,875 | -3,281 |
| | Net Subscribers | | 2,500 | 5,625 | 9,844 |
| | Card Purchase Cost, per Metal Card | € 59 | | | |
| | Volume Rebates - Rate of Use | 50% | | | |
| | Rebate from Visa / card / annum | € 120 | | | |
| 1 | Income from Card Purchases (m) | | € 0.15 | € 0.33 | € 0.58 |
| 2 | Income from Rebates (m) | | € 0.15 | € 0.34 | € 0.59 |
| | Total Income, Metal Cards (m) | | € 0.30 | € 0.67 | € 1.17 |
| | % Total NW Revenues | | 23% | 23% | 23% |
| | Estimated Subscriber Proportion | | 0.050% | 0.100% | 0.150% |
| | Gain in Card Traction | | (1 in 2,000) | (1 in 1,000) | (1 in 667) |
| Basic Cards | No. New Subscribers - Basic Cards | | 7,500 | 15,000 | 22,500 |
| | Subscribers Carried forward | | | 7,500 | 11,250 |
| | Assumed Churn Rate (per annum) | 50% | | -11,250 | -16,875 |
| | Net Subscribers | | 7,500 | 11,250 | 16,875 |
| | Card Purchase Cost, per Basic Card | € 1.0 | | | |
| | Volume Rebates - Rate of Use | 50% | | | |
| | Rebate from Visa / card / annum | € 24 | | | |
| 1 | Income from Card Purchases (m) | | € 0.01 | € 0.01 | € 0.02 |
| 2 | Income from Rebates (m) | | € 0.09 | € 0.14 | € 0.20 |
| | Total Income, Basic Cards (m) | | € 0.10 | € 0.15 | € 0.22 |
| | % Total NW Revenues | | 1% | 1% | 1% |
| | Total Income from Card Purchase fees (m) | | € 0.66 | € 1.47 | € 2.57 |
| | Total Income from Rebates (m) | | € 0.34 | € 0.70 | € 1.18 |
| | Total Next Wallet Income (m) | | € 0.99 | € 2.16 | € 3.75 |
| | Total Revenues (%) | | 100% | 100% | 100% |
| | REPX Income from NW | | € 0.99 | € 2.16 | € 3.75 |
| | Revenue Growth (%) | | - | 118% | 73% |
| | Total No. Cards Remaining In Issue at Year End | | 18,000 | 34,875 | 58,219 |

Next Wallet Cost and EBITDA model – Table 7c.

| NW Costs and EBITDA | Data | Yr1 | Yr2 | Yr3 |
|---|---------------|---------------|---------------|---------------|
| Revenue Share Costs | | | | |
| Average Agency Fee | 40% | 40% | 40% | 40% |
| Commission Cost Paid to Agency | | € 0.40 | € 0.87 | € 1.50 |
| Chargeback and Fraud fees (5% of Rebate income) | 5% | € 0.02 | € 0.03 | € 0.06 |
| Total Cost of Revenue Share | | € 0.41 | € 0.90 | € 1.56 |
| Proportion of Total Income | | 42% | 42% | 42% |
| Card Production Costs: | | | | |
| | Per card cost | | | |
| Next Cards | € 8.0 | € 0.06 | € 0.14 | € 0.24 |
| Top Cards | € 12.0 | € 0.01 | € 0.01 | € 0.02 |
| Metal Cards | € 15.0 | € 0.04 | € 0.08 | € 0.15 |
| Basic Cards | € 6.0 | € 0.05 | € 0.07 | € 0.10 |
| Total Card Costs | | € 0.15 | € 0.30 | € 0.51 |
| NW Gross Profit (m) | | € 0.43 | € 0.96 | € 1.68 |
| Gross Margin (%) | | 43.4% | 44.5% | 44.9% |
| SG&A (mainly customer & call centre costs) | € 14.0 | € 0.25 | € 0.49 | € 0.82 |
| REPX EBITDA from NW (m) | | € 0.18 | € 0.47 | € 0.87 |
| EBITDA Margin (%) | | 18.0% | 21.9% | 23.1% |

Next Wallet has four main pre-paid debit card brands;

- Next Cards
- Top Cards
- Metal Cards
- Basic Cards

as shown in table 7b above.

Each has a different target audience and unique card characteristics such as a multi-currency wallet, mobile App, high spending limits and features to come such as a Twin Chip card, Fashion (brand integrity) card shown below, Black Box card, where personal data is fully safeguarded.

NEXT • WALLET
LIFE & BUSINESS SOLUTIONS

THE FASHION CARD

[ILLUSTRATIVE ONLY]



CONSUMERS: Most important fashion luxury brands
USERS: Every consumer of luxury brands
INNOVATION: An innovative way to make luxury goods impossible to copy

- MAIN FEATURES:**
- ❖ The card is an integrated part of the luxury good, making it impossible to counterfeit the good (if the card does not work)
 - ❖ Allows the luxury brand to have real and precious data related to its customer base
 - ❖ Allows the luxury brand to have control on data related to the second-hand market

PATENT PENDING
 The Patent Owner is waiting to receive the definitive and registered Patent – NW has full rights over the Patent

The Reputation Exchange PLC, Summary Financials

| Fiscal Yr To September | 2019A | 2020A | 2020E | 2021E | 2022E |
|---|-----------------|------------------|-------------------|-------------------|-------------------|
| Period to end: | Sept | June | Sept | Sept | Sept |
| | 12m | 9months | 12 m | 12m | 12m |
| Income Statement (EUR) | | | | | |
| | Unaudited | | | | |
| Debit Card Sales & Rebate Revenue | - | | 75,101 | 6,656,843 | 20,504,362 |
| Other Income (R&D refund) | - | 13,364 | 13,364 | 25,000 | 35,000 |
| Total Income | - | 13,364 | 88,465 | 6,681,843 | 20,539,362 |
| Revenue Share | - | - | | -1,871,936 | -7,573,418 |
| <i>Rev Share Proportion(%)</i> | | | | 28% | 37% |
| Gross Profit | | - | 37,435 | 3,031,019 | 8,475,009 |
| <i>Gross Margin (%)</i> | | - | 42.3% | 45.4% | 41.3% |
| SG&A | | -459,756 | -501,552 | -2,159,833 | -5,392,850 |
| EBITDA | | -446,392 | -490,881 | 871,186 | 3,082,159 |
| <i>EBITDA Margin (%)</i> | | - | - | 13.0% | 15.0% |
| Net Interest | | -249 | -272 | 0 | 0 |
| PBT | | -446,641 | -491,153 | 871,186 | 3,082,159 |
| <i>Effective Tax Rate (%)</i> | | - | - | 15.0% | 18.0% |
| Net Profit Retained | | -446,641 | -491,153 | 740,508 | 2,527,370 |
| <i>Weighted Av. NOS</i> | | - | 3,121,692 | 3,215,442 | 3,621,692 |
| EPS (EUR) | | - | -0.16 | 0.23 | 0.70 |
| Cash Flow Statement (EUR) | | | | | |
| Reported Net Profit Retained | | -446,641 | -491,153 | 740,508 | 2,527,370 |
| Fair value adjustments | | - | - | - | - |
| Share-based payments | | - | - | - | - |
| Change in WC / Other | | 88,013 | - | -750,000 | -3,000,000 |
| Cash Flow from Operations (CFFO) | -369,000 | -358,628 | -491,153 | -9,492 | -472,630 |
| Asset disposals | | - | 0 | 0 | 0 |
| Asset acquisitions & Capex | | -939,944 | -1,000,000 | -1,250,000 | -1,250,000 |
| | | - | - | - | - |
| Cash Flow from Investing (CFFI) | - | -939,944 | -1,000,000 | -1,250,000 | -1,250,000 |
| Net Equity Issuance Proceeds | | - | 589,673 | 1,425,000 | 4,750,000 |
| Interest Paid on Debt | -181 | -249 | - | - | - |
| Dividends Paid | 0 | 0 | - | - | - |
| Debt Issuance (redemption) | | 1,147,269 | - | - | - |
| 9 - 12 Month cash flow Adjs | | - | 1,298,572 | - | - |
| Cash Flow from Financing (CFFF) | -181 | 1,147,020 | 1,888,245 | 1,425,000 | 4,750,000 |
| Opening Cash (net debt) | 420 | 239,212 | 126,695 | 523,787 | 689,295 |
| Cashflow | -181 | -151,552 | 397,092 | 165,508 | 3,027,370 |
| Closing Net Cash | 239 | 87,660 | 523,787 | 689,295 | 3,716,666 |
| Balance Sheet (EUR) | | | | | |
| Intangible Assets | 343 | 43,854 | 43,854 | 43,854 | 43,854 |
| Fixed Assets | - | 741,370 | 801,426 | 1,426,426 | 2,051,426 |
| Current Assets | - | 991 | 991 | 1,487 | 2,230 |
| Loans & receivables | 116 | 762,100 | 533,470 | 2,347,268 | 6,572,350 |
| Cash & equivalents | 239 | 126,696 | 523,787 | 689,295 | 3,716,666 |
| Total Assets | 698 | 1,675,011 | 1,903,528 | 4,508,330 | 12,386,526 |
| Total Liabilities (mainly Payables) | - | 235,847 | 508,876 | 873,170 | 2,536,495 |
| Net Assets | 698 | 1,439,164 | 1,394,652 | 3,635,160 | 9,850,031 |
| Paid Up Share Capital | 1,068 | 1,654,687 | 2,244,360 | 2,431,860 | 3,056,860 |
| Subscribed Share Capital, to Call | | 589,673 | - | - | - |
| Share Premium | - | - | - | 1,312,500 | 4,375,000 |
| Share Based Payment Reserve | - | - | - | - | - |
| Revenue Reserves | -370 | -805,196 | -849,708 | -109,200 | 2,418,171 |
| Total Equity & Reserves | 698 | 1,439,164 | 1,394,652 | 3,635,160 | 9,850,031 |
| Basic NOS (Period end) | 3,016,000 | 3,121,692 | 3,121,692 | 3,309,192 | 3,934,192 |

SWOT Analysis

The headings below summarise some of the key SWOT factors as we see them, which are important for investors to consider.

Strengths;

- 1) The 'clever' part of REPX's revenue strategy is that it is partnering with the Stars, and utilising each Star's social media reach and fan influence to encourage card subscription. The marketing costs of this sales revenue strategy are therefore very low, and this is a key positive for business margins, cash flow and profitability.
- 2) From a standing start we expect REPX to be cashflow positive and profitable, which is a unique profile amidst its peers, who mostly all have heavy customer acquisition budgets.

Weaknesses;

- 1) There are few real weaknesses to REPX's growth and development strategy, but the ability to deliver on demand is one which investors must keep in mind. REPX's goal is to be able to manufacture, print and send out the required number of cards within 14 days of a fan applying for one. If demand is very heavy, then REPX may struggle to deliver on time, or deliver at all.
- 2) REPX's operational gearing is relatively low, in that it will always split card revenues with the football team or 'Star' who has influenced the card purchase. The revenue splits vary by star and by year, which influences margins and profitability.

Opportunities;

- 1) Clearly the potential marketplace for card sales is huge. There are thousands of so called 'Stars' around the world, whether they be in the world of Sports, Travel, Music or are simply social media influencers, and the combined number of social media followers is a number in the billions. Even at low single digit conversion rates, this still equates to many millions of cards demanded and subscription fees paid.
- 2) REPX has other complimentary revenue generation ideas, but we have not included any of these sales' revenue possibilities in our forecasts, so upside from these is possible in future.

Threats;

- 1) In line with all new innovative companies, REPX faces the 'patent dilemma' i.e. is the early cost of patenting ideas actually worth it in the long run, and indeed, can the company afford to pay for and maintain expensive patents? In short, REPX has patented two key aspects of its technologies;

(a) First is for a credit card with two chips, a regular payment chip and the other that contains all the discounts and savings which accrue as the fan pays for goods and services connected with the Star.

(b) Second is a credit card with blockchain technology inherent, which safeguards the user's data privacy.

We believe that these two patents are sufficient to protect these ideas from competitors, but this cannot be guaranteed.

- 2) REPX's pre-Listing share count is 3,121,692 shares. All significant investors, as shown on the Key Shareholders page of this document, are locked-in for 12 months post listing. Given this, the free-float of tradeable shares will be approximately 14% of the total shares outstanding post Listing. **Liquidity of REPX's shares will therefore be low and may cause the share price to be volatile.**

Key Shareholders

The table 8. below summarises REPX's current shareholder structure.

| Current Shareholders of REPX | | |
|---------------------------------|------|-----------|
| Right of Reply PLC | 72% | 2,246,000 |
| ATD Associates | 9% | 290,000 |
| Smaller Shareholders (<5% each) | 14% | 440,692 |
| Directors | 5% | 145,000 |
| | 100% | 3,121,692 |

Source : REPX

Patent Protection Considerations

Key Characteristic of the PayFan Cards, Patent Protected

One of the unique characteristics of REPX's PayFan cards is that the cards can 'sing' and this aspect of the cards is **patent protected**. For example, with the still to be introduced, Rapper Card, when a user makes a purchase with the card, a 4-bar song is played through the specific REPX App on the Subscriber's smartphone. Another example could be that famous City cards could play the rhymes, for example, of London' iconic Westminster located Big Ben's bells, or a chant from a Fan's favourite football team.

Unique, Patented Technology

This technology is unique to REPX, and the company has also filed two more patents. One patent is for a credit card with two chips, a regular payment chip and the other that contains all the discounts and savings which accrue as the fan pays for goods and services connected with the Star. The other is a credit card with blockchain technology inherent, which safeguards the user's data and privacy.

Notes

Recommendations

During the three months to end-April 2020, the number of stocks on which AxCap247 has published recommendations was 0, and the recommendations were as follows: Buy - 0; Speculative Buy - 0; Hold - 0; Sell - 0.

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