

Company registration number: 555232
CRA number: 20153618
CHY number: 21264

**ChangeX International and
Subsidiary Undertaking**

**Report and Consolidated Financial Statements
For the year ended
31 December 2022**

**CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS AND OTHER INFORMATION

Directors	Caroline Casey Sorcha McKenna Brian Caulfield
Secretary	Katie Smith
Registered office and business address	Dogpatch Labs Chq Building I.F.S.C. Dublin Docklands Dublin 1
Auditors	Mazars Chartered Accountants and Statutory Audit Firm Harcourt Centre Harcourt Road Dublin 2
Bankers	Bank of Ireland College Green Dublin 2
Solicitors	A&L Goodbody 28 North Wall Quay North Wall Dublin 1
CHY number	21264
Company registration number (CRO)	555232
CRA number	20153618

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT

The directors present their directors' report and audited consolidated financial statements of ChangeX International (the "Company") and its subsidiary, ChangeX United States, Inc. (together herein referred to as "Group") for the financial year ended 31 December 2022.

Principal activities and review of the business

Principal activities

ChangeX is a grassroots movement progressing the world forward by making proven innovations and grant finance accessible to everyone, everywhere. The mission of ChangeX is to strengthen wellbeing in communities and help them thrive. ChangeX does this by sourcing and packaging the best ideas across the fields of, but not limited to, education, environment, health, inclusion, and civic participation that communities can adopt locally, and then inspiring, recruiting and supporting teams to replicate these ideas in local communities with funding and information they need. ChangeX also enables partners to fund local homegrown ideas in communities, complimenting the replication model. In 2022, the group had active funds in Ireland, UK, Sweden, Denmark, Spain, Austria, the U.S., Brazil, Colombia, and Mexico. The group is working towards a long-term goal to improve life for one billion people in 2030.



Subsidiary

ChangeX United States, Inc. is accounted for as a subsidiary of ChangeX International, who is the sole voting member of the former. Additional information is provided in note 8 to the consolidated financial statements.

Review of the business

In 2022, ChangeX demonstrated growth across a number of key metrics:

- It distributed funds to 755 community projects across 10 countries, more than double the number of projects supported in 2021 and distributed €2.3 million in communities.
- This benefitted 117,000 people in 2022, more than double the number impacted in 2021.

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

- ChangeX launched in 5 new countries throughout the year (Mexico, Colombia, Denmark, Spain and Austria), bringing the total number of countries in operation to 10.
- In 2022, over 9,000 new social connections were made in communities across the world as a result of projects supported by ChangeX.

Highlights of the Company in 2022 include:

A major programme for ChangeX in 2022 was the Together For Play movement, which saw the launch of eight community funds across Colombia and Brazil at the start of 2022. The initiative has supported 86 new play projects in Brazil and 82 in Colombia, benefitting more than 30,000 children across the two countries.

The company responded to the crisis in Ukraine, setting up the Community Response Fund in mid-2022, dedicated to helping people in the Republic of Ireland to welcome and support Ukrainian refugees into local communities.

Total income increased by 250% in 2022 compared to 2021, with ChangeX's service fee income increasing by 7%. With grant finance provided by a key partner in 2022, the company doubled in size as it continued to build the skills and expertise needed to deliver on the goal of impacting one billion people globally by 2030, laying the foundation for future growth.

The primary activities carried out by ChangeX during the year can be summarised as follows:

Curating and packaging innovations

There were 40 new proven innovations added to the ChangeX platform in 2022 (2021: 17) giving communities further choice and opportunity to start an idea that benefits their community. A big focus of these new ideas is Learning Through Play, in order to service the many Learning Through Play funds that we launched globally. Some of the new ideas include PlantPure Communities, Tales Toolkit and Education for Sharing.

Some existing innovations on the ChangeX platform saw significant growth in 2022. For example, Urban Thinkscape, an initiative of Playful Learning Landscapes Action Network, which enables people to transform a public space in their community into a joyful learning opportunity. Since going live on the ChangeX platform in November 2020 and up to the end of 2022, Urban Thinkscape has scaled in eight countries, with more than 60 funded projects and over 10,000 reported children impacted.

In 2022 ChangeX also expanded the hybrid fund option to more regions, which gives communities the opportunity to apply for funding to start or expand a project of their choice and provide a potential pipeline of new innovations for the ChangeX platform.

Recruiting, supporting and funding starters

The number of funded community projects more than doubled to 755 during 2022, up from 325 in 2021. €2.3 million was distributed in communities across 47 funds in 10 countries. In 2022, ChangeX marketing efforts in communities resulted in a digital ad reach of 12+ million and a PR reach of 412+ million, building awareness for the innovations on ChangeX and our brand.

Product development

In 2022 the product team focused on building and improving features to improve the starter, funder and social innovator experience on the ChangeX platform. New product feature additions and improvements in 2022 have had the following results:

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

- Social Innovators (SIs) have more autonomy in their page creation and update, meaning new ideas can be onboarded faster.
- SIs have better visibility on community group progress on the platform to provide more relevant support to them.
- Colombia, Mexico, Austria, Spain and Denmark have been added as new regions on the platform.
- Local project page additions and updates to automatic emails enables improved sharing of stories by community groups.
- Ongoing architecture updates, fixes and improvements have strengthened the product's ability to support more users across multiple languages and regions.

Funded starters' user experience of the ChangeX platform remained at above 9 out of 10.

Sales and fundraising

In 2022, ChangeX focused on expanding the number of partners amongst multinational companies, helping them to manage their community funds and achieve their social impact goals. The company added three international companies as partners during the year, all of which diversified revenue and expanded reach.

The breakdown of total costs for the year (excluding community funds) was as follows: research & development, including the addition of new innovations made up 18% of total costs incurred; sales and marketing accounted for 13% of total costs; 27% of total costs were spent on delivering 'Impact as a Service' partnerships across regions (including recruitment, starter support and impact tracking); and finally, operations and finance accounted for the remaining 42% of total costs.

There has been no significant change in the activities of ChangeX during the financial period and there is no planned future change at the date of approval of the financial statements.

Remuneration Policy

The group has recently developed a remuneration policy relevant for its remote workforce. As an Irish headquartered non-profit, ChangeX originally benchmarked remuneration against the non-profit sector in Ireland. However, given the nature of the company's innovation, technology platform and market, the company is now directly competing with for-profit companies for customers and for talent. In addition, as the company expanded, the subsidiary company was established in the US and the team became predominantly international. As a result of the aforementioned factors, it was necessary for the company to reset its remuneration policy. It has been decided that to be in a position to compete for talent, it was necessary to move closer to market rates while balancing both financial sustainability and alignment with the company's values/mission. The remuneration policy considers both cost of living adjustments and local market data/existing remuneration on a case by case basis. The full remuneration policy can be found on www.changex.org.

Results for the year

The consolidated profit for the financial year amounted to € 4,588 (2021: €31,502 profit).

Principal risks and uncertainties

Going concern

The directors believe that the company is in a strong position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2022 the company continued to solidify its "Impact as a Service" business model, working with eight new and existing partners to engage communities and manage community funds, while simultaneously investing, through grant finance, in the product, team and processes to prepare for the growth at scale needed to positively impact 1 billion people by 2030. The grant finance will continue to part-fund the company's operations until early 2024, at which point the directors believe the company will reach a position of self-sufficiency due to the growth of service fee income through existing and addition of new partnerships.

DIRECTORS' REPORT (CONTINUED)

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT (CONTINUED)

The directors believe that the addition of three global brands in 2022 and one further so far in 2023, alongside the solidification and growth of existing partnerships, has created a solid financial basis for the coming years. All existing partnerships continued to renew year on year, with growth seen in all accounts in 2022 and some growing by as much as 400%. 2023 so far has seen further growth from existing partners, most notably from the addition of a global media company that grew by 200% between 2022 and 2023 and two of the world's largest technology companies, one of which grew by 100% based on contracts signed for FY24 compared to FY23 and one of which is planning to grow its account with the company by 500% in 2024.

The directors believe the investments in the product, team and processes that have been made with the grant finance secured in 2022 has put the company in a strong position to secure additional partnerships, grow its impact, and continue in existence. The platform is now managing funds and scaling innovations in 14 countries and 10 languages. In 2023 the company piloted the packaging of higher value decarbonisation ideas on the ChangeX platform and the management of two funds related to these ideas, which were successful. The directors believe that the increasingly global nature of the company's operations in addition to its ability to activate higher value-higher impact projects will make it more attractive to potential partners.

The directors note that the company has raised significant strategic grant finance in 2022 to fuel the company's growth plans through 2024. ChangeX has been supported by a number of funders in the past who are strong supporters of the mission and the board reasonably believes they would provide further funding if it were needed. There is also an option to access credit to bridge any cash flow gaps.

As a result, the directors, having reviewed the results achieved in 2022, to date in 2023 and the financial and cash flow projections, have a strong expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Risk

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The company manages its financial assets and liabilities to ensure it will continue as a going concern. The company's principal financial assets are bank balances and other receivables. The company's credit risk is primarily attributable to its other receivables. The amounts present in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is an Identified loss event which, based on previous experience, is evident of a reduction in the recoverability of the cash flows. The principal financial liabilities of the company are trade and other payables.

Liquidity risk

The liquidity risk is managed by regular monitoring of cash balances.

Political donations

The group did not make any political donations during the year (2021: €nil).

Events after the balance sheet date

There have been no significant events affecting the group and the company since the financial year end.

Political donations

The group did not make any political donations during the year (2021: €nil).

**CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS' REPORT (CONTINUED)

Directors and Company Secretary

The directors and Company Secretary who served during the year and thereafter were as follows:

Caroline Casey
Sorcha McKenna
Brian Caulfield
Katie Smith (Secretary)

The directors and secretary who held office at 31 December 2022 had no beneficial interest in the company at any time during the financial year (2021: none).

Accounting records

The measures taken by the directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the group are maintained at Dogpatch Labs, Chq Building, IFSC, Dublin Docklands, Dublin 1.

Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of Companies Act 2014:

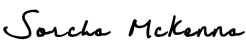
(a) so far as each director is aware, there is no relevant audit information of which the group's statutory auditors are unaware, and

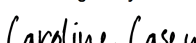
(b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's statutory auditors are aware of that information.

Auditors

In accordance with Section 383(2) of the Companies Act, 2014, the auditors, Mazars, Chartered Accountants and Statutory Audit Firm, will continue in office.

Approved by the board of directors and signed on its behalf by

DocuSigned by:

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Sorcha McKenna
Director

DocuSigned by:

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Caroline Casey
Director

Date: 29th Nov 2023

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that standard, issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group as at the financial year end date and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for ensuring that the group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the group, enable at any time the assets, liabilities, financial position and profit or loss of the group to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board of directors and signed on its behalf by:

DocuSigned by:
Sorcha McKenna
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Sorcha McKenna
Director

DocuSigned by:
Caroline Casey
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Caroline Casey
Director

Date: 29th Nov 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGEX INTERNATIONAL

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ChangeX International (the "company") and its subsidiary undertaking (herein referred to as the "group") for the year ended 31 December 2022, which comprise the Consolidated Statement of Income and Retained Earnings, the Company Statement of Financial Position, Consolidated Statement of Financial Position and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of that Standard.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and the company as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of that Standard;
- have been properly prepared in accordance with the requirements of the Companies Act 2014

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the company and the group in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's and the group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGEX INTERNATIONAL

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the company and the group were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit of the company and the group.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and the group and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the company and the group. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGEX INTERNATIONAL

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Aedin Morkan".

Aedin Morkan
For and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 04 December 2023

CHANGEX INTERNATIONAL**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 €	2021 (as restated) €
Income	3	4,235,951	1,211,195
Operating Costs and Community Funds Disbursed	4	<u>(4,212,807)</u>	<u>(1,177,259)</u>
Profit on ordinary activities before taxation		23,144	33,936
Tax on loss on ordinary activities		-	-
Profit for the year	5	<u>23,144</u>	<u>29,068</u>
Other Comprehensive Income/(Loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange loss on translation of foreign operations		(2,737)	-
Exchange loss on foreign transactions		<u>(15,819)</u>	<u>(2,434)</u>
Total Comprehensive income		4,588	31,502
Balance of revenue reserves at beginning of year		<u>(33,154)</u>	<u>(64,656)</u>
Balance of revenue reserves at end of year		<u>(28,566)</u>	<u>(33,154)</u>

There were no gains or losses in the current or prior year other than as stated above.
All income is in respect of continuing operations.

The accompanying notes on pages 15 to 26 form an integral part of these financial statements.

CHANGEX INTERNATIONAL**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 €	2021 (as restated) €
Fixed assets			
Tangible assets	10	<u>11,169</u>	<u>5,561</u>
		<u>11,169</u>	<u>5,561</u>
Current assets			
Debtors	11	202,254	351,060
Cash at bank and in hand		<u>3,985,337</u>	<u>469,343</u>
		<u>4,187,591</u>	<u>820,403</u>
Current liabilities			
Creditors: Amounts falling due within one year	12	<u>(2,640,809)</u>	<u>(273,502)</u>
Total current assets less current liabilities		<u>1,546,782</u>	<u>546,901</u>
Non-Current Liabilities			
Creditors: Amounts falling due after one year	13	<u>(1,544,298)</u>	<u>(560,324)</u>
Net Assets		<u>13,653</u>	<u>(7,862)</u>
Reserves			
Revenue reserves		<u>13,653</u>	<u>(7,862)</u>
		<u>13,653</u>	<u>(7,862)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accompanying notes on pages 15 to 26 form an integral part of these financial statements.

29/11/23

The financial statements have been approved by the Board of Directors on _____ and signed on its behalf by:

DocuSigned by:
Sorcha McKenna
6E87C26C48B54E0...
Sorcha McKenna
Director

DocuSigned by:
Caroline Casey
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Caroline Casey
Director

CHANGEX INTERNATIONAL**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT ENDED 31 DECEMBER 2022**

	Notes	2022 €	2021 €
Fixed assets			
Tangible assets	11	<u>12,170</u>	<u>6,500</u>
		<u>12,170</u>	<u>6,500</u>
Current assets			
Debtors	12	443,839	300,455
Cash at bank and in hand		<u>4,057,096</u>	<u>518,682</u>
		<u>4,500,935</u>	<u>819,137</u>
Current Liabilities			
Creditors: Amounts falling due within one year	13	<u>(2,395,971)</u>	<u>(298,466)</u>
Total current assets less current liabilities		<u>2,104,964</u>	<u>520,669</u>
Non-Current Liabilities			
Creditors: Amounts falling due after one year	14	<u>(2,145,700)</u>	<u>(560,324)</u>
Net Liabilities		<u>(28,566)</u>	<u>(33,154)</u>
Reserves			
Revenue Reserves		<u>(28,566)</u>	<u>(33,154)</u>
		<u>(28,566)</u>	<u>(33,154)</u>

These financial statements have been prepared in accordance with the provisions applicable to groups subject to the small companies' regime.

The accompanying notes on pages 15 to 26 form an integral part of these financial statements.

29/11/23

The financial statements have been approved by the Board of Directors on _____ and signed on its behalf by:

DocuSigned by:
Sorcha McKenna
5E87C26C18B54E0...
Sorcha McKenna
Director

DocuSigned by:
Caroline Casey
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Caroline Casey
Director

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

These financial statements comprising the Consolidated Statement of Income and Retained Earnings, Company Statement of Financial Position, Consolidated Statement of Financial Position and the related notes 1 to 17 constitute the financial statements of the group and the company for the financial year ended 31 December 2022.

ChangeX International is a company incorporated in the Republic of Ireland under the Companies Act 2014 under registration number 555232. The company is a public benefit entity. The address of its registered office is Dogpatch Labs, Chq Building, I.F.S.C., Dublin Docklands, Dublin 1. The Group's principal activities are discussed in pages 3 to 4 of the Directors' Report.

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes, if necessary on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of the company an amount not exceeding €1.27. The company is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its members.

Under the provisions of the Companies Act 2014, the company is exempt from including the word "Limited" in its name.

Statement of Compliance

The financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"), applying Section 1A of that standard, and the Companies Act 2014.

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the parent company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, applying Section 1A of that standard, and the Companies Act 2014.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking for the financial year ended 31 December 2022. ChangeX United States, Inc. is accounted for as a subsidiary undertaking as the company is the sole voting member of the former.

Income

The group's principal sources of income are service fee income, community funds income and donations or grants from various individuals and corporations.

ChangeX recognises service fee income upon the fulfillment of criteria outlined in the grant agreements or based on percentage of completion, which is based on total hours spent during the financial period over total hours expected to be spent for each project over the duration of the project. The income is deferred where the group did not fulfill the grant agreement criteria and is recognised in the Consolidated Statement of Income and Retained Earnings in the period when criteria are met.

Community funds income is recognised when it is probable that the economic benefit will flow to the group or when the fund is approved and granted by the funder and the amount is measurable.

The group recognises the donations on a receipt basis.

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Leases

Operating lease rentals are charged to the Consolidated Statement of Income and Retained Earnings on a straight-line basis over the lease term.

Foreign currencies

The financial statements are measured and presented in the currency of the primary economic environment in which the parent entity operates (its functional currency).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction. 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.

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 the Statement of Income and Retained Earnings.

Taxation

The company has been granted charitable tax-exempt status by the Revenue Commissioners under CHY number 21264 and therefore no provision for corporation tax is required.

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, tangible fixed assets are carried at cost less accumulated depreciation and any impairment losses. The assets are depreciated on the straight-line basis over their expected useful life to their estimated residual value. The useful life of items of computer equipment has been assessed as 3 years.

The residual value and useful life of tangible assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful life, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful life of the assets.

Impairments of assets other than financial instruments

Where there is objective evidence that recoverable amounts of an asset are less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Consolidated Statement of Income and Retained Earnings.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the Consolidated Statement of Income and Retained Earnings.

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The group only holds basic financial instruments and has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

Basic financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets include debtors and cash at bank and in hand. Financial liabilities include creditors (excluding PAYE/PRSI and deferred income).

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances are classified as payable or receivable within one financial year if payment or receipt is due within one financial year or less. If not, they are presented as falling due after more than one financial year. Balances that are classified as payable or receivable within one financial year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

Going concern

The directors believe that the company is in a strong position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2022 the company continued to solidify its "Impact as a Service" business model, working with eight new and existing partners to engage communities and manage community funds, while simultaneously investing, through grant finance, in the product, team and processes to prepare for the growth at scale needed to positively impact 1 billion people by 2030. The grant finance will continue to part-fund the company's operations until early 2024, at which point the directors believe the company will reach a position of self-sufficiency due to the growth of service fee income through existing and addition of new partnerships.

The directors believe that the addition of three global brands in 2022 and one further so far in 2023, alongside the solidification and growth of existing partnerships, has created a solid financial basis for the coming years. All existing partnerships continued to renew year on year, with growth seen in all accounts in 2022 and some growing by as much as 400%. 2023 so far has seen further growth from existing partners, most notably from the addition of a global media company that grew by 200% between 2022 and 2023 and two of the world's largest technology companies, one of which grew by 100% based on contracts signed for FY24 compared to FY23 and one of which is planning to grow its account with the company by 500% in 2024.

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The directors believe the investments in the product, team and processes that have been made with the grant finance secured in 2022 has put the company in a strong position to secure additional partnerships, grow its impact, and continue in existence. The platform is now managing funds and scaling innovations in 14 countries and 10 languages. In 2023 the company piloted the packaging of higher value decarbonisation ideas on the ChangeX platform and the management of two funds related to these ideas, which were successful. The directors believe that the increasingly global nature of the company's operations in addition its ability to activate higher value-higher impact projects will make it more attractive to potential partners.

The directors note that the company has raised significant strategic grant finance in 2022 to fuel the company's growth plans through 2024. ChangeX has been supported by a number of funders in the past who are strong supporters of the mission and the board reasonably believes they would provide further funding if it were needed. There is also an option to access credit to bridge any cash flow gaps.

Recognition of income

The group's income recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of income. Income is recognised based on percentage of project completion, which is measured principally based on the hours spent up until the end of the reporting period as a proportion of total hours expected to be spent for each project.

3. INCOME

COMPANY	2022	2021
	€	€
ChangeX Service Fee	695,188	747,463
Community Funds Income	2,069,000	167,017
Donations and Grants Received	1,108,472	21,893
	<u>3,872,660</u>	<u>936,373</u>
GROUP	2022	2021
	€	€
ChangeX Service Fee	798,701	747,463
Community Funds Income	2,328,778	421,221
Donations and Grants Received	1,108,472	42,511
	<u>4,235,951</u>	<u>1,211,195</u>

Income is derived from activities undertaken as follows:

COMPANY	2022	2021
	€	€
Republic of Ireland	356,983	254,600
United States of America	718,684	206,626
Others (inc. Denmark, UK, Mexico)	2,796,993	475,147
	<u>3,872,660</u>	<u>936,373</u>

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

GROUP	2022	2021
	€	€
Republic of Ireland	601,689	254,600
United States of America	1,081,975	481,448
Others (inc Denmark, UK, Mexico)	2,552,287	475,147
	<u>4,235,951</u>	<u>1,211,195</u>

4. OPERATING COSTS AND COMMUNITY FUNDS DISBURSED

GROUP	2022	2021
	€	€
Operating costs comprise the following:		
• Research & Development	339,125	158,768
• Sales & Marketing	244,924	143,648
• Direct costs of service delivery	508,688	219,251
• Operations & Finance	791,293	234,371
Community Funds Disbursed	2,328,777	421,221
	<u>4,212,807</u>	<u>1,177,259</u>

5. PROFIT FOR THE YEAR BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

COMPANY

	2022	2021
	€	€
Auditor's remuneration (including VAT)	14,145	14,145
Depreciation of tangible assets	7,878	3,340
Lease expense	12,547	7,436

GROUP

	2022	2021
	€	€
Auditor's remuneration (including VAT)	14,145	14,145
Depreciation of tangible assets	7,878	3,809
Lease expense	15,040	7,436

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****6. DIRECTORS' REMUNERATION AND TRANSACTIONS**

The directors received no emoluments from the Company during the period (2021: €nil).

7. STAFF COSTS

The number of staff earning salaries (excluding employer PRSI) over €60,000 is:

COMPANY	2022	2021
€60,000 - €69,999	-	1
€70,000 - €79,999	2	-
€80,000 - €89,999	1	1
€90,000 - €99,999	-	-
€100,000 - €109,999	-	-
€110,000 - €119,999	-	-
€120,000 - €129,999	-	-
€130,000 - €139,999	-	1
€140,000+	1	-
	4	3

GROUP	2022	2021
€60,000 - €69,999	-	1
€70,000 - €79,999	2	-
€80,000 - €89,999	1	1
€90,000 - €99,999	-	-
€100,000 - €109,999	1	-
€110,000 - €119,999	-	-
€120,000-€129,999	1	-
€130,000-€139,999	-	1
€140,000+	1	-
	6	3

Key management personnel compensation

The total remuneration (including employer PRSI) for key management personnel for the year amounted to €453,175. (2021: €147,513). Key Management personnel for 2022 consisted of: 1. CEO, 2. Head of Impact and 3. Head of Operations (2021 was 1.CEO).

Included in the total remuneration for key management personnel for the financial year ended 31 December 2022 is €80,764 (2021: €nil) relating to salaries voluntarily deferred between 2016 and 2018 which the board has now decided to approve.

8. TAXATION

No taxation arises in the current financial year or prior financial year due to the charitable status of the company.

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****9. EMPLOYEE NUMBERS**

The average number of persons employed by the company during the financial year was 7 (2021: 6) and is analysed into the following categories:

COMPANY AND GROUP	2022	2021
Executive	3	1
Operational	4	5
	<u>7</u>	<u>6</u>

10. SUBSIDIARY COMPANY

ChangeX United States, Inc. is accounted for as a subsidiary of ChangeX International, who is the sole voting member of the former. ChangeX United States, Inc. is a company incorporated in the United States of America on 6 March 2020, a registered not for profit and without authority to issue capital stock. ChangeX United States, Inc.'s principal activity is to provide services and resources for the benefit of, to perform the functions of, or to carry out the purposes of ChangeX International.

The results of operation of ChangeX United States, Inc. is as follows:

	2022	2021 (as restated)
	€	€
Income	607,996	274,822
Expenses	(626,595)	(353,889)
Loss for the year	<u>(18,599)</u>	<u>(79,067)</u>
	2022	2021 (as restated)
		€
Total assets	846,657	103,048
Total liabilities	(893,287)	(129,345)
Net (liabilities) / assets	<u>(46,630)</u>	<u>(26,297)</u>

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. TANGIBLE FIXED ASSETS

COMPANY	Computer Equipment €	Total €
<i>Cost:</i>		
At 1 January 2022	11,801	11,801
Additions	13,485	13,485
At 31 December 2022	25,286	25,286
<i>Depreciation:</i>		
At 1 January 2022	6,240	6,240
Depreciation charge	7,877	7,877
At 31 December 2022	14,117	14,117
<i>Net book value</i>		
At 31 December 2022	11,169	11,169
At 31 December 2021	5,561	5,561
GROUP	Computer Equipment €	Total €
<i>Cost:</i>		
At 1 January 2022	13,209	13,209
Additions	13,579	13,579
At 31 December 2022	26,788	26,788
<i>Depreciation:</i>		
At 1 January 2022	6,709	6,709
Depreciation charge	7,909	7,909
At 31 December 2022	14,618	14,618
<i>Net book value</i>		
At 31 December 2022	12,170	12,170
At 31 December 2021	6,500	6,500

12. DEBTORS

COMPANY	2022 €	2021 €
Amounts falling due within one year:		
Income receivables	202,254	300,455
Amounts due from subsidiary undertaking (see note 14)	-	50,605
	202,254	351,060

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

GROUP	2022	2021
	€	€
Amounts falling due within one year:		
Income receivables	443,839	300,455
	<u>443,839</u>	<u>300,455</u>

13. CREDITORS (due within one year)

COMPANY	2022	2021
	€	€
Accruals	130,810	64,156
PAYE/PRSI/Social Security and Taxes	108,711	85,019
Trade creditors	275,927	59,978
Deferred income	1,699,907	64,349
Intercompany payable (Note 13)	425,454	-
	<u>2,640,809</u>	<u>273,502</u>

GROUP	2022	2021
	€	€
Accruals	142,059	69,694
PAYE/PRSI/Social Security and Taxes	119,609	99,813
Trade creditors	287,887	59,978
Deferred income	1,846,416	68,981
	<u>2,395,971</u>	<u>298,466</u>

14. CREDITORS (due after one year)

COMPANY	2022	2021
	€	€
Community Funds (not yet disbursed to communities)	1,544,298	560,324
	<u>1,544,298</u>	<u>560,324</u>

GROUP	2022	2021
	€	€
Community Funds (not yet disbursed to communities)	2,145,700	560,324
	<u>2,145,700</u>	<u>560,324</u>

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****15. PRIOR YEAR ADJUSTMENT**

The 2021 comparative amounts in the statement of income and retained earnings and balance sheet reflect a prior year restatement in respect of the following two adjustments:

1. A re- allocation of €53,776 donation income from ChangeX Ireland to ChangeX US in 2019. This donation income was previously accounted for under ChangeX Ireland, but was earned by its subsidiary, ChangeX US, and should have been reflected as income therein.

The effects of this adjustment are as follows:

- An increase in ChangeX US donation income of \$60,000 and a decrease in ChangeX Ireland income of €53,776 in 2019, with corresponding changes in each entities' retained earnings and intercompany balances respectively.
 - Foreign exchange adjustment arising from translation of affected balances in the US entity at each subsequent year-end.
2. Re-allocation of €104,380 deferred income from ChangeX US to ChangeX Ireland in 2021. This balance was previously accounted for as deferred income in ChangeX US, but related to ChangeX Ireland and should have been reflected as a liability therein.

The effects of this adjustment are as follows:

- The reclassification of \$118,678 of deferred income in ChangeX US to Amount due to ChangeX Ireland in 2021.
- The reclassification of €104,380 of Amount due from ChangeX US to deferred income in ChangeX Ireland in 2021.
- Foreign exchange adjustment arising from translation of affected balances in the US entity at each subsequent year-end.

The overall effect of the prior year adjustments on the balance sheet of ChangeX is as follows:

	2021	Effect of Restatement	2021
	As previously		As restated
	stated		
Balance Sheet			
<i>As at 31st December 2021 (closing 2021 balance)</i>			
Intercompany Loan receivable - Ireland	-	€50,604	€50,604
Intercompany Loan payable - US	-	(€51,609)	(€51,609)
Equity impact (decrease) on translation of US operations	-	€1,005	€1,005

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. RELATED PARTY TRANSACTIONS

Related party transactions

As at 31 December 2022, the company has an outstanding balance due to the subsidiary amounting to €424,454 (2021 (restated): Amount due from subsidiary was €51,609) which relates to community funds paid out and operational costs incurred on behalf of the company (see note 11 and 14).

ChangeX received no donation from directors of the Company during the year (2021: €5,000).

The directors of the group and the company did not receive any remuneration during the year (2021: €nil).

There were no other related party transactions that warrant disclosure in accordance with Section 1A of FRS 102.

17. FINANCIAL COMMITMENTS

There are no capital and lease commitments which have been authorised or contracted for as at 31 December 2022.

18. EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the balance sheet date that required adjustment to or disclosure in the financial statements.

19. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements and authorised them for issue on 29/11/23.