

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 2023**

**CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Forvis 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 2023

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 2023.

Principal activities

A grassroots movement enabled by an innovative and unique technology platform, ChangeX connects communities to proven social and environmental innovations and grants funding to get them started. It empowers people everywhere to change their communities for the better by making it easy for them to access the ideas, funding and support they need.

ChangeX partners with community changemakers, social innovators and funders to advance and accelerate their impact on the world's most pressing social and environmental challenges with the goal of impacting one billion people by 2030.

It sources and packages the best ideas from a range of thematic areas (including education, health, environmental sustainability, inclusion and civic participation), and inspires, recruits and supports communities across the world to adopt and adapt those ideas. ChangeX also enables partners to fund local homegrown ideas in communities, complimenting the replication model.

In 2023, the group had active funds in Ireland, UK, Sweden, Denmark, Spain, Austria, Germany, Ukraine, the US, Brazil, Colombia, Mexico, Canada, and South Africa, as well as a global Inclusion, Diversity & Equity (ID&E) fund. 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 9 to the consolidated financial statements.

Review of the business

In 2023, ChangeX saw significant growth across a range of key metrics (*see table below*). It funded 1,125 community projects across 14 countries and distributed €4.4 million to communities, directly impacting 380,000 people.

ChangeX launched in 4 new countries in 2023 (Canada, Germany, Ukraine and South Africa), bringing the total number of countries in operation to 14.

	2023	2022	Change
<i>Community projects funded</i>	1,125	755	+49%
<i>Funds distributed</i>	€4.4 million	€2.3 million	+91%
<i>IaaS Revenue</i>	€935,823	€797,209	+17%
<i>People impacted</i>	380,000	117,000	+225%
<i>Number of countries</i>	14	10	+40%

ChangeX made a number of important strategic hires in 2023, recruiting a finance manager to solidify the finance function and deepening the expertise in its product team with a new senior developer.

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

In 2023, ChangeX continued to develop its partnership with one of its key partners, the LEGO Foundation. Building on the community funds launched in Brazil and Colombia in 2022, it launched community funds in 9 countries, supporting 316 play projects and impacting more than 62,000 children so far. This included 2 new countries for ChangeX, Ukraine and South Africa, where huge demand was evident. This demonstrated ChangeX's capacity to mobilise grassroots community leaders in a wide range of contexts.

Through a new partnership with ServiceNow, ChangeX added higher impact climate ideas to its platform in 2023, designed to contribute in a meaningful way to reducing carbon emissions and addressing climate change. A pilot fund supported 10 community projects across Ireland and Germany.

ChangeX also launched a Global ID&E Fund with AWS in 2023, highlighting its ability to adapt its product and processes to new contexts. It supported 24 community projects across 13 countries, including Senegal, Costa Rica, South Korea, and India.

Remuneration Policy

ChangeX introduced a new remuneration policy in 2022, which has changed the way it benchmarks salaries for its global, remote workforce. To compete for talent globally, ChangeX remuneration is now more in line with market rates, rather than being benchmarked against the Irish non-profit sector (as was the case prior to 2022). The remuneration policy considers both cost of living adjustments and local market data/existing remuneration on a case by case basis, and also balances both financial sustainability and alignment with the company's values/mission. The full remuneration policy can be found on www.changeX.org.

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

Curating and packaging innovations

ChangeX added 51 new proven ideas to its platform in 2023 (2022: 40), spanning the themes of environment and sustainability, education and skills, play, and inclusion, diversity, and equity. Almost half of these new ideas contributed to ChangeX's expanding play portfolio, supporting the continued expansion of the group's partnership with the LEGO Foundation. Also, there was an increased focus on climate-focused ideas.

Some of the new ideas added to the ChangeX platform in 2023 include City Activation Game (a board game to support the transformation of a public space); Play Parks (a community-centred programme that provides free and accessible weekly physical activity sessions for children) and Little Free Pantry (a grassroots movement of neighbors feeding neighbors through the creation of free mini pantries).

2023 also saw a major evolution in the type of ideas featured on the ChangeX platform. The group successfully piloted the packaging of higher-value decarbonisation ideas on its platform and the management of two funds related to these ideas (Ireland and Germany). Examples of these higher-value ideas include Bike Library (a bike-sharing scheme to promote sustainable transport), Large Community Pocket Forest (a programme to support the creation of urban forests) and Solar Education (a schools programme to encourage energy transition).

ChangeX also expanded the hybrid fund option to more regions in 2023, giving more communities the opportunity to apply for funding to start or expand a project of their choice and providing a potential pipeline of new innovations for the ChangeX platform.

Recruiting, supporting and funding starters

The number of funded community projects increased by almost 50% to 1,125 in 2023, up from 755 in 2022. A total of €4.4 million was distributed in communities across 58 funds in 14 countries. In 2023, ChangeX marketing efforts in communities resulted in a digital ad reach of 2.5 million and a PR reach of 176.5 million, building awareness for the innovations on ChangeX and our brand.

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Product development

In 2023, 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 2023 include:

- South Africa, Ukraine, Canada and Germany have been added as new regions on the platform, with the platform localised into the relevant languages.
- Ongoing architecture updates, fixes and improvements have strengthened the product's ability to support more users across multiple languages and regions.
- Significant improvements to user experience for fund admins, meaning better visibility of fund impact and a better understanding of the progress status of funds.
- Work to enable communities globally to receive payments with minimal friction and delay, including the integration of a new payment service provider.
- Ongoing developments to the user experience for local community leaders, boosting conversion rate through improved sign-up and onboarding flow.
- Development work to enable the new high value fund structure that was piloted in 2023.

Funded starters' user experience of the ChangeX platform averaged 9.6 out of 10 for 2023.

Sales and fundraising

In 2023, ChangeX added two new 'Impact as a Service' partners, ServiceNow and PwC and worked with them on a significant, successful pilot of community funds focused on higher impact ideas. ChangeX also expanded its existing partnerships in 2023.

The cost breakdown for the year was as follows: research & development, including the addition of new innovations made up 26% of costs (2022:18%); sales and marketing accounted for 11% (2022:12%); 26% of costs were spent on delivering 'Impact as a Service' partnerships across regions (including recruitment, starter support and impact tracking) (2022:27%); and finally, operations and finance accounted for the remaining 37% of costs (2022:42%).

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

Results for the year

The profit after taxation for the financial year amounted to €39,934 (2022: €4,588)

Principal risks and uncertainties

Going concern

The directors believe that the company is in a good position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2023 the company continued to solidify and develop its Impact as a Service business model, working with eight funding partners to engage communities and manage community funds, while simultaneously investing, through grant finance, in the product, team and processes to prepare for growth towards our goal to positively impact 1 billion people by 2030.

The company's operations will be funded primarily from revenue in 2024 with a reduced dependency on grant finance. The directors believe that the ongoing growth of long-term partners, coupled with new partner additions, has created a solid financial basis for the coming years. Revenue is on track to more than double in 2024 and partner commitments point to another year of strong revenue growth in 2025. Net Revenue Retention amongst funding partners in 2024 is over 190%. In 2023, ChangeX added a new global partner, ServiceNow. PWC and Paramount were added in early 2024, with both partnerships looking likely to expand in 2025.

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The directors believe the company is in a strong position to continue to grow existing partnerships and secure new partnerships. Additional growth will be financed through a mix of grant and debt finance, with a round of fundraising underway and the first €1m secured. The platform is now managing funds and scaling innovations in 24 countries, supporting 12 languages. The directors believe that the increasingly global reach of the company's operations, in addition to its ability to activate higher value-higher impact projects will in combination make it more attractive to potential partners.

As a result, the directors, having reviewed the results achieved in 2023 and 2024 and the financial and cash flow projections, have an 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.

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 presented 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 (2022: €nil).

Events after the balance sheet date

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

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 2023 had no beneficial interest in the company at any time during the financial year (2022: 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.

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REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
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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, Forvis Mazars, Chartered Accountants and Statutory Audit Firm, will continue in office.

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



**Sorcha McKenna
Director**



**Caroline Casey
Director**

Date: 3/13/2025

CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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:



Sorcha McKenna
Director



Caroline Casey
Director

Date: 3/13/2025



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 2023, 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 2023 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 Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 14 March 2025

CHANGEX INTERNATIONAL**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Notes	€	€
Income	3	6,936,400	4,235,951
Operating Costs and Community Funds Disbursed	4	<u>(6,867,507)</u>	<u>(4,212,807)</u>
Profit on ordinary activities before taxation		68,893	23,144
Tax on profit on ordinary activities		-	-
Profit for the year	5	<u>68,893</u>	<u>23,144</u>
Other Comprehensive Income/(Loss)			
Exchange gain/(loss) on translation of foreign operations		28,489	(2,737)
Exchange (loss)/ gain on foreign transactions		<u>(59,322)</u>	<u>(15,819)</u>
Total Comprehensive income		38,062	4,588
Balance of revenue reserves at beginning of year		<u>(28,566)</u>	<u>(33,154)</u>
Balance of revenue reserves at end of year		<u>9,496</u>	<u>(28,566)</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 24 form an integral part of these financial statements.

CHANGEX INTERNATIONAL**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	2023 €	2022 €
Fixed assets			
Tangible assets	11	<u>7,340</u>	<u>11,169</u>
		<u>7,340</u>	<u>11,169</u>
Current assets			
Debtors	12	701,926	202,254
Cash at bank and in hand		<u>2,626,233</u>	<u>3,985,337</u>
		<u>3,328,159</u>	<u>4,187,591</u>
Current liabilities			
Creditors: Amounts falling due within one year	13	<u>(1,114,998)</u>	<u>(2,804,809)</u>
Total current assets less current liabilities		<u>2,213,161</u>	<u>1,382,782</u>
Non-Current Liabilities			
Creditors: Amounts falling due after one year	14	<u>(2,242,956)</u>	<u>(1,380,298)</u>
Net (Liabilities) / Assets		<u>(22,455)</u>	<u>13,653</u>
Reserves			
Revenue reserves		<u>(22,455)</u>	<u>13,653</u>
		<u>(22,455)</u>	<u>13,653</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 24 form an integral part of these financial statements.

3/13/2025

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



Sorcha McKenna
Director



Caroline Casey
Director

CHANGEX INTERNATIONAL**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT ENDED 31 DECEMBER 2023**

	Notes	2023 €	2022 €
Fixed assets			
Tangible assets	11	<u>7,882</u>	<u>12,170</u>
		<u>7,882</u>	<u>12,170</u>
Current assets			
Debtors	12	998,580	443,839
Cash at bank and in hand		<u>2,756,636</u>	<u>4,057,096</u>
		<u>3,755,216</u>	<u>4,500,935</u>
Current Liabilities			
Creditors: Amounts falling due within one year	13	<u>(990,494)</u>	<u>(2,395,971)</u>
Total current assets less current liabilities		2,764,722	2,104,964
Non-Current Liabilities			
Creditors: Amounts falling due after one year	14	<u>(2,763,108)</u>	<u>(2,145,700)</u>
Net Assets / (Liabilities)		<u>9,496</u>	<u>(28,566)</u>
Reserves			
Revenue Reserves		<u>9,496</u>	<u>(28,566)</u>
		<u>9,496</u>	<u>(28,566)</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 24 form an integral part of these financial statements.

3/13/2025

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



Sorcha McKenna
Director



Caroline Casey
Director

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023.

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 2023. 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 2023

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 a 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 2023

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 good position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2023 the company continued to solidify and develop its Impact as a Service business model, working with eight funding partners to engage communities and manage community funds, while simultaneously investing, through grant finance, in the product, team and processes to prepare for growth towards our goal to positively impact 1 billion people by 2030.

The company's operations will be funded primarily from revenue in 2024 with a reduced dependency on grant finance. The directors believe that the ongoing growth of long-term partners, coupled with new partner additions, has created a solid financial basis for the coming years. Revenue is on track to more than double in 2024 and partner commitments point to another year of strong revenue growth in 2025. Net Revenue Retention amongst funding partners in 2024 is over 190%. In 2023, ChangeX added a new global partner, ServiceNow. PWC and Paramount were added in early 2024, with both partnerships looking likely to expand in 2025.

The directors believe the company is in a strong position to continue to grow existing partnerships and secure new partnerships. Additional growth will be financed through a mix of grant and debt finance, with a round of fundraising underway and the first €1m secured. The platform is now managing funds and scaling innovations in 24 countries,

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

supporting 12 languages. The directors believe that the increasingly global reach of the company's operations, in addition to its ability to activate higher value-higher impact projects will in combination make it more attractive to potential partners.

As a result, the directors, having reviewed the results achieved in 2023, to date in 2024 and the financial and cash flow projections, have an 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.

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	2023	2022
	€	€
ChangeX Service Fee	688,722	695,188
Community Funds Income	3,227,342	2,069,000
Donations and Grants Received	1,554,675	1,108,472
	<u>5,470,739</u>	<u>3,872,660</u>
GROUP	2023	2022
	€	€
ChangeX Service Fee	935,823	798,701
Community Funds Income	4,445,902	2,328,778
Donations and Grants Received	1,554,675	1,108,472
	<u>6,936,400</u>	<u>4,235,951</u>

Income is derived from activities undertaken as follows:

COMPANY	2023	2022
	€	€
Republic of Ireland	1,979,585	356,983
United States of America	230,465	718,684
Others (inc. Denmark, UK, Mexico)	3,260,689	2,796,993
	<u>5,470,739</u>	<u>3,872,660</u>
GROUP	2023	2022
	€	€
Republic of Ireland	1,966,389	601,689
United States of America	1,562,378	1,081,975
Others (inc Denmark, UK, Mexico)	3,407,633	2,552,287
	<u>6,936,400</u>	<u>4,235,951</u>

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****4. OPERATING COSTS AND COMMUNITY FUNDS DISBURSED**

GROUP	2023	2022
	€	€
Operating costs comprise the following:		
• Research & Development	629,618	339,125
• Sales & Marketing	266,377	244,924
• Direct costs of service delivery	629,618	508,688
• Operations & Finance	895,993	791,293
Community Funds Disbursed	4,445,901	2,328,777
	<u>6,867,507</u>	<u>4,212,807</u>

5. PROFIT FOR THE YEAR BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

COMPANY

	2023	2022
	€	€
Auditor's remuneration (including VAT)	20,295	14,145
Depreciation of tangible assets	9,941	7,878
	<u>30,236</u>	<u>22,023</u>

GROUP

	2023	2022
	€	€
Auditor's remuneration (including VAT)	20,295	14,145
Depreciation of tangible assets	10,376	7,878
	<u>30,671</u>	<u>22,023</u>

6. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors received no emoluments from the Company during the period (2022: €nil).

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****7. STAFF COSTS**

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

COMPANY	2023	2022
€60,000 - €69,999		-
€70,000 - €79,999	1	2
€80,000 - €89,999	-	1
€90,000 - €99,999	1	-
€100,000 - €109,999	1	-
€110,000 - €119,999	1	-
€120,000 - €129,999		-
€130,000 - €139,999		-
€140,000+	1	1
	5	4
GROUP	2023	2022
€60,000 - €69,999		-
€70,000 - €79,999	1	2
€80,000 - €89,999	-	1
€90,000 - €99,999	1	-
€100,000 - €109,999	2	1
€110,000 - €119,999	1	-
€120,000-€129,999		1
€130,000-€139,999	1	-
€140,000+	1	1
	7	6

Key management personnel compensation

The total remuneration (including employer PRSI) for key management personnel for the year amounted to €695,817. (2022: €453,175). Key Management personnel for 2023 consisted of: 1. CEO, 2. Head of Impact, 3. Head of Operations 4. Head of Product, 5. Strategic Operations Lead (2022: 1.CEO, 2. Head of Impact, 3. Head of Operations)

Included in the total remuneration for key management personnel for the financial year ended 31 December 2023 is € 67,740 (2022: €80,764) relating to salaries voluntarily deferred between 2016 and 2018 which the board has now decided to approve.

There are 2 staff members included in the figures above, one of which is a key management personnel, that earn salaries over €60,000 who are not hired by ChangeX directly, but hired by an Employer of Record company called [Remote.com](#) (2022: nil)

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 2023****9. EMPLOYEE NUMBERS**

The average number of persons employed by the company during the financial year was 13 (2022: 7) and is analysed into the following categories:

COMPANY AND GROUP	2023	2022
Executive	5	3
Operational	3	4
	8	7

In addition, there are 5 (2022:5) employed by remote.com on behalf of the company.

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:

	2023	2022
	€	€
Income	1,465,660	607,996
Expenses	(1,415,841)	(626,595)
Loss for the year	49,819	(18,599)
	2023	2022
		€
Total assets	1,457,219	846,657
Total liabilities	(1,455,630)	(893,287)
Net (liabilities) / assets	1,589	(46,630)

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****11. TANGIBLE FIXED ASSETS**

COMPANY	Computer Equipment €	Total €
<i>Cost:</i>		
At 1 January 2023	25,286	25,286
Additions	6,112	6,112
At 31 December 2023	31,398	31,398
<i>Depreciation:</i>		
At 1 January 2023	14,117	14,117
Depreciation charge	9,941	9,941
At 31 December 2023	24,058	24,058
<i>Net book value</i>		
At 31 December 2023	7,340	7,340
At 31 December 2022	11,169	11,169
GROUP	Computer Equipment €	Total €
<i>Cost:</i>		
At 1 January 2023	26,788	26,788
Additions	6,088	6,088
At 31 December 2023	32,876	32,876
<i>Depreciation:</i>		
At 1 January 2023	14,618	14,618
Depreciation charge	10,376	10,376
At 31 December 2023	24,994	24,994
<i>Net book value</i>		
At 31 December 2023	7,882	7,882
At 31 December 2022	12,170	12,170

12. DEBTORS

COMPANY	2023 €	2022 €
Amounts falling due within one year:		
Income receivables	701,926	202,254
	701,926	202,254

CHANGEX INTERNATIONAL**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

GROUP	2023	2022
	€	€
Amounts falling due within one year:		
Income receivables	998,580	443,839
	998,580	443,839

13. CREDITORS (due within one year)

COMPANY	2023	2022
	€	€
		(reclassified)
Accruals	51,999	130,810
PAYE/PRSI/Social Security and Taxes	110,111	108,711
Trade creditors	279,941	275,927
Deferred income	411,829	1,699,907
Intercompany payable (Note 15)	261,118	589,454
	1,114,998	2,804,809

GROUP	2023	2022
	€	€
Accruals	68,741	142,059
PAYE/PRSI/Social Security and Taxes	117,496	119,609
Trade creditors	289,246	287,887
Deferred income	515,011	1,846,416
	990,494	2,395,971

There was a prior year reclassification of intercompany payable amount for €164,000. This was due to reclassification of an AWS fund which was recognized under Irish entity in 2022 in error when the original contract was with US entity. The net effect on consolidated balance is Nil.

14. CREDITORS (due after one year)

COMPANY	2023	2022
	€	€
		(reclassified)
Community Funds (not yet disbursed to communities)	2,242,956	1,380,298
	2,242,956	1,380,298

GROUP	2023	2022
	€	€
Community Funds (not yet disbursed to communities)	2,763,108	2,145,700
	2,763,108	2,145,700

CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

There was a prior year reclassification of intercompany payable amount for €164,000. This was due to reclassification of an AWS fund which was recognized under Irish entity in 2022 in error when the original contract was with US entity. The net effect on consolidated balance is Nil.

15. RELATED PARTY TRANSACTIONS

Related party transactions

As at 31 December 2023, the company has an outstanding balance due to the subsidiary amounting to €261,118 (2022: €589,454) and amount due from subsidiary was €Nil (2022: €Nil) which relates to community funds paid out and operational costs incurred on behalf of the company (see note 12 and 13).

ChangeX received no donation from directors of the Company during the year (2022: €Nil).

The directors of the group and the company did not receive any remuneration during the year (2022: €nil).

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

16. FINANCIAL COMMITMENTS

There are no capital, lease or other financial commitments which have been authorised or contracted for as at 31 December 2023.

17. 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.

18. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements and authorised them for issue on 3/13/2025.