ChangeX International and Subsidiary Undertaking

Report and Consolidated Financial Statements
For the year ended
31 December 2021
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CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS AND OTHER INFORMATION

Directors
Caroline Casey
Sorcha McKenna
Michael Kelly (Retired 21/12/2021)
Brian Caulfield (Appointed 21/12/2021)

Secretary
Niamh McKenna (Retired 21/12/2021)
Katie Smith (Appointed 21/12/2021)

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
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 the “group”) for the financial year ended 31 December 2021.

Principal activities and review of the business

Principal activities

The mission of the group is to strengthen wellbeing in communities and help them thrive. The group does this by sourcing and packaging the best ideas across the fields of education, environment, health, inclusion and civic participation that communities can take and use locally, and then inspiring, recruiting and supporting people to replicate these ideas in local communities with funding, information and tools. In 2021, the group had active funds in Ireland, UK, Sweden, the U.S. and Brazil. 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 2021 ChangeX demonstrated growth across a number of key metrics. Revenue to ChangeX from Impact as a Service partnerships grew by 145% and represented 95% of all revenue (excluding Community funds that were passed through the platform). The number of funded projects in communities more than doubled to 325 with the total number of new people impacted during the year at 47,089.

ChangeX launched over €1m in community funds during the year, adding the first two non-English speaking regions including Sweden and Brazil.

While the total number of partners grew, total revenue was down in 2021, driven by loss of a one-time Covid response partnership of €1 million in 2020. Gross profit margin across partnerships grew from 57% in 2020 to 71% in 2021.

In 2021, ChangeX continued to grow its multi-year partnership with one of the world’s largest technology companies, while also adding three new global brands as partners. All of the three new partners have grown by more than 100% in 2022.

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

Curating and packaging innovations

Throughout 2021, there were 17 new proven innovations added to the ChangeX platform, giving communities further choice and opportunity to find an idea to benefit their community. Education and environment continued to be two key themes during 2021 with the addition of innovations like Education for Sharing from Mexico, Nudel Kart from Australia and Plant Pure Communities from the US.

The number of ideas on the ChangeX platform that ten or more teams started in their community was 15 in 2021, demonstrating ChangeX growing value as a distribution platform for social innovators. The top themes with greatest demand from communities during 2021 included pollinator habitat improvements, tree planting, food growing and waste reduction, remote work communities and STEM education.

Recruiting, supporting and funding starters

The number of funded community projects more than doubled to 325 during 2021, up from 148 in 2020. Together with partners, we launched over €1 million in community funds in eight regions across the U.S., Ireland, UK, Sweden and Brazil.
CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS’ REPORT (CONTINUED)

Principal activities and review of the business (Continued)

Product development

The product team focused on building and improving features to improve the starter, funder and social innovator experience on the ChangeX platform. Preparing the platform for localisation in additional regions and languages was a significant project, with Sweden and Brazil successfully added and launched through Swedish and Portuguese during 2021. The team also added the ability for funders to manage their own funds through ChangeX with first pilots launched at wind farms in Ireland. Funded starters’ user experience of the ChangeX platform remained at above 9 out of 10.

Sales and fundraising

In 2021, the organisation focused on expanding the number of ‘Impact as a Service’ partners amongst multinational companies, helping them to manage their community funds and achieve their social impact goals. The company added three large global multinationals as partners during the year, plus an international renewable energy company, all of which diversified revenue and expanded reach. While total revenue was down during 2021, contracted revenue grew significantly and is reflected in the strong revenue growth during 2022 with all the new partners growing at more than 100% year on year. During 2021, ChangeX also secured commitment to multi-year grant financing which was received in early 2022.

During 2021, the company successfully sold and launched its first hybrid fund which combines funding for communities to adopt proven innovations or to fund their own projects. ChangeX also launched its first self-service funds where a funder manages the funds through the ChangeX platform themselves. These additional product offerings will help us secure new partners, who will ultimately fuel the scaling of proven innovations in communities.

The cost breakdown for the year was as follows: product development, including the addition of new ideas made up 21% of costs; sales and marketing accounted for 19%; 29% of costs were spent on fulfilling ‘Impact as a Service’ partnerships across regions (including recruitment, starter support and impact tracking); and finally, operations and finance accounted for the remaining 31% of costs.

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

Profit for the financial year amounted to €31,503 (2020: €6,698).

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 2021 the company solidified its Impact as a Service model, successfully providing community engagement and community fund management services to existing and new partners. The company added three new global brands as partners during the year. Net revenue and the number of community projects funded more than doubled in the year. The company also demonstrated its model works in two non-English speaking regions including Sweden and Brazil.
DIRECTORS’ REPORT (CONTINUED)

Principal risks and uncertainties (continued)

The directors believe that the partnerships developed during 2021 with the three global brands have created a solid financial base for the coming years, with all partnerships growing by more than 100% during 2022. One partner, a Foundation linked to a large international retail company, has signed a five-year contract across twelve countries plus three years of substantial grant financing to further scale the company's operations. In 2022, ChangeX has also signed contracts with two of the world's largest technology companies, two Fortune 500 professional services companies; and a three-year contract with an international renewable energy company.

To build sustainability, over previous years the company has been focused on reducing its dependence on philanthropic donations and growing its Impact as a Service revenue (excluding Community funds that were passed through the platform). In 2017 21% of net revenue came from the IaaS business model, in 2018 this figure grew to 44%, and in 2019 it was 75%. In 2020 this figure fell slightly to 60% as contracts were slower to finalize in a year of global uncertainty, but was up to 95% in 2021.

The directors note that the company has raised significant strategic grant finance in 2022 to fuel the company's growth plans through 2024. ChangeX continues to have a close relationship with a number of long-standing backers who can be called on to invest strategically in our growth if and when they are needed and as demonstrated over the years, and 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 2021, to date in 2022 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.

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 creditors and accruals.

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 (2020: €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’ 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  
Michael Kelly (Retired 21/12/2021)  
Brian Caulfield (Appointed 21/12/2021)  
Niamh McKenna (Secretary) (Retired 21/12/2021)  
Katie Smith (Secretary) (Appointed 21/12/2021)

The directors and secretary who held office at 31 December 2021 had no beneficial interest in the company at any time during the financial year (2020: 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

Sorcha McKenna
Director

Date: 12/20/2022

Caroline Casey
Director
CHANGEX INTERNATIONAL
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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

Sorcha McKenna
Director
Date: 12/20/2022

Caroline Casey
Director
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 2021, 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 2021 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-9b8fa98202dc9c3a/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.

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

Date: 11 January 2023
CHANGEX INTERNATIONAL

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,211,195</td>
<td>1,521,657</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>(1,179,692)</td>
<td>(1,514,959)</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>31,503</td>
<td>6,698</td>
</tr>
<tr>
<td>Tax on profit on ordinary activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>31,503</td>
<td>6,698</td>
</tr>
<tr>
<td>Balance of revenue reserves at beginning of year</td>
<td>(64,656)</td>
<td>(71,354)</td>
</tr>
<tr>
<td>Balance of revenue reserves at end of year</td>
<td>(33,153)</td>
<td>(64,656)</td>
</tr>
</tbody>
</table>

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 23 form an integral part of these financial statements.
CHANGEX INTERNATIONAL

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

**Fixed assets**

<table>
<thead>
<tr>
<th>Tangible assets</th>
<th>10</th>
<th>5,561</th>
<th>2,235</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,561</td>
<td>2,235</td>
<td></td>
</tr>
</tbody>
</table>

**Current assets**

<table>
<thead>
<tr>
<th>Debtors</th>
<th>11</th>
<th>300,455</th>
<th>411,158</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>469,343</td>
<td>182,037</td>
</tr>
<tr>
<td></td>
<td>769,798</td>
<td>593,195</td>
<td></td>
</tr>
</tbody>
</table>

**Current liabilities**

<table>
<thead>
<tr>
<th>Creditors: Amounts falling due within one year</th>
<th>12</th>
<th>(742,028)</th>
<th>(658,922)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total current assets less current liabilities**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>27,770</th>
<th>(65,727)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total assets less current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>33,331</th>
<th>(63,492)</th>
</tr>
</thead>
</table>

**Capital and reserves**

<table>
<thead>
<tr>
<th>Revenue reserves</th>
<th>33,331</th>
<th>(63,492)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 23 form an integral part of these financial statements.

12/20/2022

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

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# CHANGEX INTERNATIONAL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT ENDED 31 DECEMBER 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>10</td>
<td>6,500</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>11</td>
<td>300,455</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>518,682</td>
</tr>
<tr>
<td><strong>Total current assets less current liabilities</strong></td>
<td></td>
<td>(39,653)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>(33,153)</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue reserves</td>
<td></td>
<td>(33,153)</td>
</tr>
</tbody>
</table>

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 23 form an integral part of these financial statements.

12/20/2022

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

**Sorcha McKenna**
Director

**Caroline Casey**
Director
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 16 constitute the financial statements of the group and the company for the financial year ended 31 December 2021.

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 group.

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” (“FRS 102”), 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 2021. 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 grants for impact as a service, community funds revenue and donations from various individuals and corporations.

Grants for impact as a service are recognised upon the fulfilment 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 fulfil 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 revenue 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.
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.
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 financial statements have been prepared on a going concern basis.

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 2021 the company solidified its Impact as a Service model, successfully providing community engagement and community fund management services to existing and new partners. The company added three new global brands as partners during the year. Net revenue and the number of community projects funded more than doubled in the year. The company also demonstrated its model works in two non-English speaking regions including Sweden and Brazil.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Going concern (continued)

The directors believe that the partnerships developed during 2021 with the three global brands have created a solid financial base for the coming years, with all partnerships growing by more than 100% during 2022. One partner, a Foundation linked to a large international retail company, has signed a five-year contract across twelve countries plus three years of substantial grant financing to further scale the company's operations. In 2022, ChangeX has also signed contracts with two of the world's largest technology companies, two Fortune 500 professional services companies; and a three-year contract with an international renewable energy company.

To build sustainability, over previous years the company has been focused on reducing its dependence on philanthropic donations and growing its Impact as a Service revenue. In 2017 21% of net revenue came from the IaaS business model, in 2018 this figure grew to 44%, and in 2019 it was 75%. In 2020 this figure fell slightly to 60% as contracts were slower to finalize in a year of global uncertainty, but was up to 95% in 2021.

The directors note that the company has raised significant strategic grant finance in 2022 to fuel the company's growth plans through 2024. ChangeX continues to have a close relationship with a number of long-standing backers who can be called on to invest strategically in our growth if and when they are needed and as demonstrated over the years, and 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 2021, to date in 2022 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.

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

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Impact as a service</td>
<td>747,463</td>
<td>219,635</td>
</tr>
<tr>
<td>Community funds revenue</td>
<td>167,017</td>
<td>995,533</td>
</tr>
<tr>
<td>Donations</td>
<td>21,893</td>
<td>207,118</td>
</tr>
<tr>
<td></td>
<td>936,373</td>
<td>1,422,286</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Impact as a service</td>
<td>747,463</td>
<td>305,300</td>
</tr>
<tr>
<td>Community funds revenue</td>
<td>421,221</td>
<td>1,009,239</td>
</tr>
<tr>
<td>Donations</td>
<td>42,511</td>
<td>207,118</td>
</tr>
<tr>
<td></td>
<td>1,211,195</td>
<td>1,521,657</td>
</tr>
</tbody>
</table>
3. INCOME (continued)

Income is derived from activities undertaken as follows:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Ireland</td>
<td>254,600</td>
<td>1,175,000</td>
</tr>
<tr>
<td>United States of America</td>
<td>206,626</td>
<td>247,286</td>
</tr>
<tr>
<td>Others</td>
<td>475,147</td>
<td>-</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td><strong>936,373</strong></td>
<td><strong>1,422,286</strong></td>
</tr>
</tbody>
</table>

4. PROFIT FOR THE YEAR BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s remuneration (including VAT)</td>
<td>14,145</td>
<td>14,145</td>
</tr>
<tr>
<td>Depreciation of tangible assets</td>
<td>3,340</td>
<td>1,118</td>
</tr>
<tr>
<td>Lease expense</td>
<td>7,436</td>
<td>9,048</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td><strong>1,211,195</strong></td>
<td><strong>1,521,657</strong></td>
</tr>
</tbody>
</table>

5. DIRECTORS’ REMUNERATION AND TRANSACTIONS

The directors received no emoluments from the Company during the period (2020: €nil).
6. STAFF COSTS

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

<table>
<thead>
<tr>
<th></th>
<th>COMPANY</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>€60,000 - €69,999</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>€70,000 - €79,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€80,000 - €89,999</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€90,000 – €99,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€100,000 - €109,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€110,000 - €119,999</td>
<td>-</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>€120,000-€129,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€130,000-€139,999</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>€60,000 - €69,999</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>€70,000 - €79,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€80,000 - €89,999</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€90,000 – €99,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€100,000 - €109,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€110,000 - €119,999</td>
<td>-</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>€120,000-€129,999</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>€130,000-€139,999</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

7. TAXATION

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

8. EMPLOYEE NUMBERS

The average number of persons employed by the company during the financial year was 6 (2020: 5) and is analysed into the following categories:

<table>
<thead>
<tr>
<th>COMPANY AND GROUP</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Administration</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>
9. 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:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>274,822</td>
<td>99,371</td>
</tr>
<tr>
<td>Expenses</td>
<td>(353,889)</td>
<td>(100,534)</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(79,067)</td>
<td>(1,163)</td>
</tr>
</tbody>
</table>

2021     2020
€        €

Total assets
50,277   283,874
Total liabilities
(116,761) (285,037)
Net (liabilities) / assets
(66,484) (1,163)

10. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Computer Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Cost:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>5,135</td>
<td>5,135</td>
</tr>
<tr>
<td>Additions</td>
<td>6,666</td>
<td>6,666</td>
</tr>
<tr>
<td><strong>At 31 December 2021</strong></td>
<td><strong>11,801</strong></td>
<td><strong>11,801</strong></td>
</tr>
</tbody>
</table>

| **Depreciation:**    |                    |       |
| At 1 January 2021    | 2,900              | 2,900 |
| Depreciation charge  | 3,340              | 3,340 |
| **At 31 December 2021** | **6,240**      | **6,240** |

**Net book value**

| At 31 December 2021 | 5,561 | 5,561 |
| At 31 December 2020 | 2,235 | 2,235 |
CHANGEX INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

GROUP

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>5,135</td>
<td>5,135</td>
</tr>
<tr>
<td>Additions</td>
<td>8,074</td>
<td>8,074</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td>13,209</td>
<td>13,209</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>2,900</td>
<td>2,900</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>3,809</td>
<td>3,809</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td>6,709</td>
<td>6,709</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2021</td>
<td>6,500</td>
<td>6,500</td>
</tr>
<tr>
<td>At 31 December 2020</td>
<td>2,235</td>
<td>2,235</td>
</tr>
</tbody>
</table>

11. DEBTORS

COMPANY

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

Amounts falling due within one year:

Funding receivables     | 300,455| 135,385|
Amounts due from subsidiary undertaking (see note 13) | - | 275,773|

GROUP

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

Amounts falling due within one year:

Funding receivables     | 300,455| 135,385|

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

COMPANY

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

Accruals               | 64,156| 47,956|
PAYE/PRS1              | 97,602| 84,896|
Trade creditors        | 59,978| 16,039|
Deferred income        | 520,292| 510,031|

742,028 | 658,922
13. RELATED PARTY TRANSACTIONS

**Related party transactions**

As at 31 December 2021, the company has an outstanding balance due from the subsidiary undertaking amounting to €Nil (2020: €275,773) which relates to donations received by the subsidiary undertaking on behalf of the company (see note 11).

ChangeX received a donation of €5,000 from one of the directors of the Company during the year (2020: €nil).

**Key management personnel compensation**

The total remuneration (including employer PRSI) for key management personnel for the year amounted to €147,513, Paul O’Hara (2020: €122,871). The directors of the group and the company did not receive any remuneration during the year (2020: €nil).

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

14. FINANCIAL COMMITMENTS

There are no capital and lease commitments which have been authorised or contracted for as at 31 December 2021.

15. 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.

16. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements and authorised them for issue on 12/20/2022.