Investing in the transition to Net Zero

i(x) Net Zero Plc

2022 Annual report & Audited Financial Statements for the year ended 31 December 2022

i(x) NET ZERO

Contents

Overview

i(x) Net Zero Plc ("i(x)" or the "Company" or the "Group") is an investing company that provides its shareholders and investors the opportunity to create long-term capital growth with positive, scalable, measurable and sustainable impact on the environment and on the communities it serves.

The Group was founded as i(x) investments, LLC ("i(x) investments") in 2015 as a permanently capitalised holding company by Pär Lindström, Trevor Neilson, and Howard W. Buffett.

In accordance with its belief that some of the world's biggest problems present significant market opportunities, i(x) focuses on the critical area of Energy Transition, which will be the main focus for the year ahead. The Company expects Sustainability in the Built Environment to form a smaller proportion of the Company's portfolio in the coming years.

The Group uses a multi-strategy investment approach, providing the companies in which it invests with the expertise and catalytic capital to help them grow.

To date, i(x) has invested in biofuels, direct air carbon capture, renewable energy, sustainable workforce housing and sustainable energy efficient apartment buildings for the urban core.

As its name and its areas of focus suggest, the Company is committed to investing in businesses that contribute to net zero and carbon neutral solutions. In the principal areas of its investment focus, Energy Transition and Sustainability in the Built Environment, the Company's investee companies are employing proven technologies and building businesses around them that seek to reduce and avoid carbon emissions at scale.

The Company is a provisional signatory to the UN Principles for Responsible Investment and has the London Stock Exchange's Green Economy Mark, which recognises companies that derive 50 per cent. or more of their total annual revenues from products and services that contribute to the global green economy.

With its principal focus area of critical need, facilitating and accelerating the Energy Transition to clean and sustainable energy, the Company seeks to invest in innovative commercial and scalable solutions to these problems that can have a material impact on the transition to net zero.

Group Structure

Notwithstanding that the Company is incorporated in Jersey, by application of the inversion rules of the U.S. Internal Revenue Code as a result of the reorganisation, the Company is subject to and will pay corporate income tax in the United States as if it were a U.S. corporation.

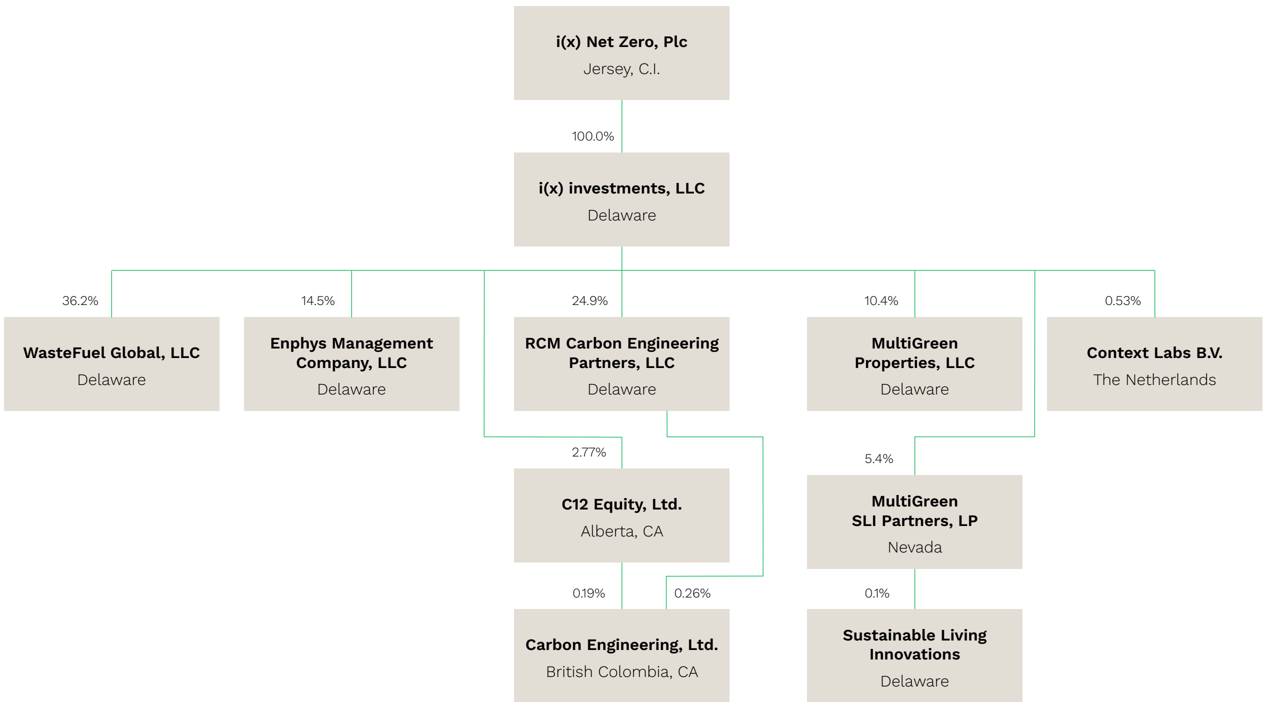
By incorporating in Jersey, where it is not subject to corporate income tax, the Company avoids any question of potentially being subject to double taxation.

As a Jersey-incorporated company, the Company will be subject to the UK Takeover Code; other investor protections, such as pre-emption rights, whilst not applicable to Jersey-incorporated companies by operation of Jersey law, have been incorporated in the Company's articles of association.

i(x) Net Zero, Plc

Entity Organisational Chart

As of 31 December 2022



* percentage represent i(x) Net Zero's indirect interest

Highlights

The last twelve months have been ones of both challenges and opportunities. The war in Ukraine, inflation, interest rate hikes, financial sector volatility and associated events created challenging capital market environments around the world. This was particularly evident on AIM, which hosts smaller companies with growth strategies, leading to a scarcity of capital and reduction in valuations.

Over the next 12-24 months, access to capital is expected to be a continuing challenge for most emerging companies.

In addition to this, i(x) faced the need to refocus its operations, support its portfolio companies and reduce costs. This refocusing and costs reduction was completed after the CEO transition in January 2023.

While i(x) has met its near term challenges and enhanced its long term competitiveness, the global market continues to affirm the long term growth and we currently expect robust investment opportunities in Energy Transition. Indeed, the demand for new technology, new ideas and capital to support the scalability of these areas continues to grow.

The Group has augmented its management team to utilise its enhanced operational expertise and financial structuring skills in order to increase NAV and execute profitable investment realisations, providing liquidity for operations and new investments.

Longer term, the Company will seek to develop new platforms for investment consistent with its overall strategy, especially those that incorporate the transfer of technology and experience to and from the US and western Europe. Given the strong growth of these target markets, the Company will continue to develop alternatives for sourcing capital, utilising both its own resources and external sources, as appropriate.

i(x) is now well positioned to grow both its portfolio and NAV by utilising its expertise in its core markets, ability to scale emerging growth companies and capitalise on new market development with an enhanced management team well versed in active and effective investment strategies. With improved liquidity through its recently established line of credit, robust deal flow opportunities and a focus on sustainability and profitability, the Company is now well positioned to enhance shareholder value.

A dedicated and unique impact investor

Democratising access to businesses working on net zero strategies

A portfolio that provides access to the long-term secular trend of capital flowing towards sustainable finance and ESG-related investing

Strengthened management team providing active asset management to help build and develop investee companies

Financial and Investment Highlights

$63.84 million

Fair value of investments in i(x)'s portfolio companies ("Portfolio NAV") as at 31 December 2022 increased by 5.10% to $63.84 million (31 December 2021: $60.74 million).

$7.48 million

Portfolio NAV per share, including cash of $7.48 million (£6.19 million), as at 31 December 2022 of $0.90 per share (£0.75 per share) (31 December 2021: $0.80 per share (£0.59 per share).

$(5.08) million

Loss of $(5.08) million from continuing operations before non-cash deferred tax provision and share-based compensation1 (2021: Profit $35.98 million).

Zero borrowings

As at 31 December 2022, the Company had no borrowings and cash of $7.48 million (31 December 2021: no borrowings and cash of $2.13 million).

$1.60 million

In 2022, i(x) made portfolio investments of $1.60 million (2021: $4.37 million).

[1] Loss of $(5.08) million from continuing operations before non-cash deferred tax provision and share-based compensation is derived as operating loss before financing activities of $6.83 million excluding share-based compensation expense of $1.75 million

Key messages

Corporate and Portfolio Highlights

In February 2022

The Company raised gross proceeds of $14.48 million (c.£10.68 million) through the placing of 14,056,811 ordinary shares and its enlarged issued share capital was admitted to trading on AIM.

$1.5 million accretive follow-on investment

i(x) agreed to make a $1.5 million accretive follow-on investment in Enphys Management Company to further enable Enphys to meet its goal of becoming the regional sustainable energy champion in Latin America. The investment comprised an initial payment of $0.5 million made in H1 2022, and 10 monthly payments of $0.1 million each, which commenced in July 2022. In conjunction with this investment, the Company renegotiated the terms of its existing equity interest in Enphys, converting its shares into participating preferential shares, which carry rights over other Enphys share classes. Together, the $1.5 million investment and the renegotiated terms of the existing equity interest, increased the value of the Company's investment in Enphys by $4.6 million.

LSE Green Economy Mark

i(x) Net Zero was awarded the LSE Green Economy Mark, in recognition of the role it plays in helping decarbonise industries in their transition to their net zero goals.

In November 2022

WasteFuel embarked upon a partnership with Averda Holdings International Ltd ("Averda"), a leading end-to-end waste management company, to develop the first commercial scale municipal waste-to-renewable biomethanol plant in the Middle East.

Also in November 2022

Carbon Engineering announced that it has received millions of dollars in equity investments from Airbus and Air Canada to further the development of its DAC technology.

Partnership with Williams announced

Context Labs announced a partnership with Williams (NYSE: WMB), a Fortune 500 American energy company with operations across the natural gas value chain for large-scale enterprise-wide deployment of its Decarbonisation as a Service™ ("DaaSTM") platform.

World's first net zero energy high-rise apartment building

SLI's 15 storey apartment building at 303 Battery in Seattle, the world's first net zero energy high-rise apartment building, completed the placement of the top floor panels which is expected to be completed before year-end, in line with SLI's targeted 13-15 month construction cycle from the pouring of the foundation.

Detailed engineering and early site construction announced

Carbon Engineering's strategic partner, Occidental (NYSE: OXY) and its subsidiary 1PointFive announced it plans to begin detailed engineering and early site construction for its first large-scale Direct Air Capture (DAC) plant in Ector County, Texas. Also, Carbon Engineering has signed an agreement with its US development partner, 1PointFive, to begin planning and engineering for DAC facilities at a second site in the U.S., in Kleburg County, Texas. This site is expected to provide access for the potential construction of multiple DAC facilities that would be capable of collectively removing up to 30 million tonnes of carbon dioxide from the atmosphere annually for dedicated sequestration, creating one of the largest DAC projects in the world.

Awarded Certified B Corporation™ status

MultiGreen Properties was awarded Certified B Corporation™ status in recognition of its meeting the highest standards of verified social and environmental performance.

Key messages

Events Subsequent to FY2022

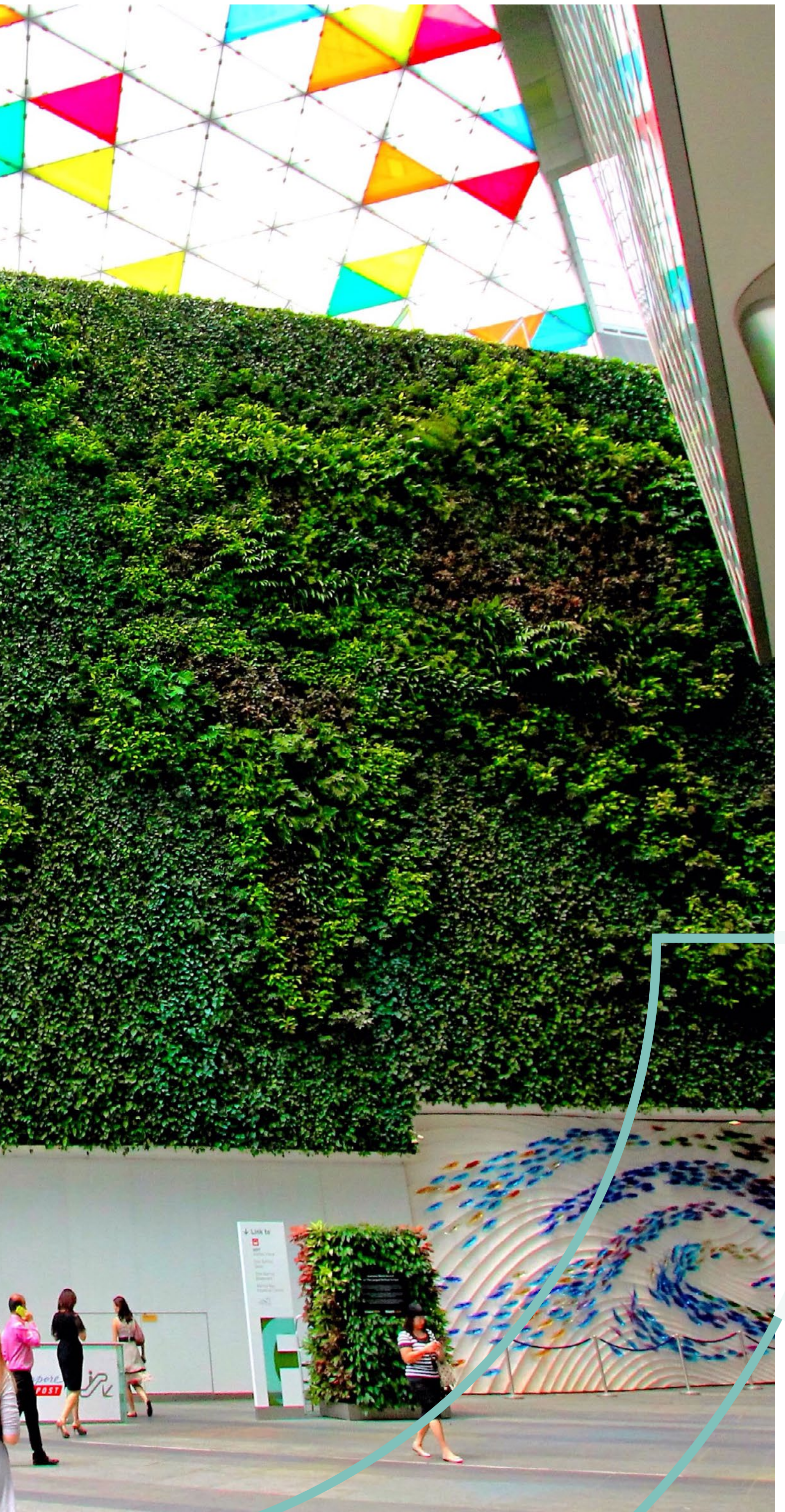
The following are key developments subsequent to the FY 2022 year end:

In January 2023, the Company announced the appointment of Pär Lindström, the Company's Chief Investment Officer, as its Chief Executive Officer, replacing Steve Oyer, who stepped down from the Board, with immediate effect. Pär will continue in his role as Chief Investment Officer of the Company;

In March 2023, the Company announced that its investee company, Sustainable Living Innovations, Inc. ("SLI"), entered into a non-binding Letter of Intent in relation to a proposed business combination with NYSE listed Churchill Capital Corp V ("Churchill V"). i(x) Net Zero has an indirect 0.1% interest in SLI which is held though MultiGreen SLI Partners, LP and, as of 31 December 2022, i(x) Net Zero carried its investment in SLI at an NAV of $0.74 million;

In April 2023, the Company announced the appointment of Jonathan Carpenter Stearns as CFO and Executive Director of the Company. Mr. Stearns brings over 40 years of C-suite level experience as CFO, CEO and CIO in the operating management of emerging growth companies. In addition, Mr. Stearns has significant experience in portfolio management, complex financial structuring and strategic consulting with both public and private companies located in the US and Europe. Previously Mr. Stearns was a Managing Director with AIG in its private capital group and started his career at JP Morgan.

In April 2023, following a period of strategic and operational review, the Board of Directors set ambitious NAV targets for the executive management team, in order to drive growth in the business and diversify the Company's portfolio of investments. The Company is accelerating its pursuit of this strategy with a more streamlined approach to operations. The Directors have introduced a near term target of reducing operating expenditure to 2% of NAV, down more than 50% from the 2022 operating expenditure.



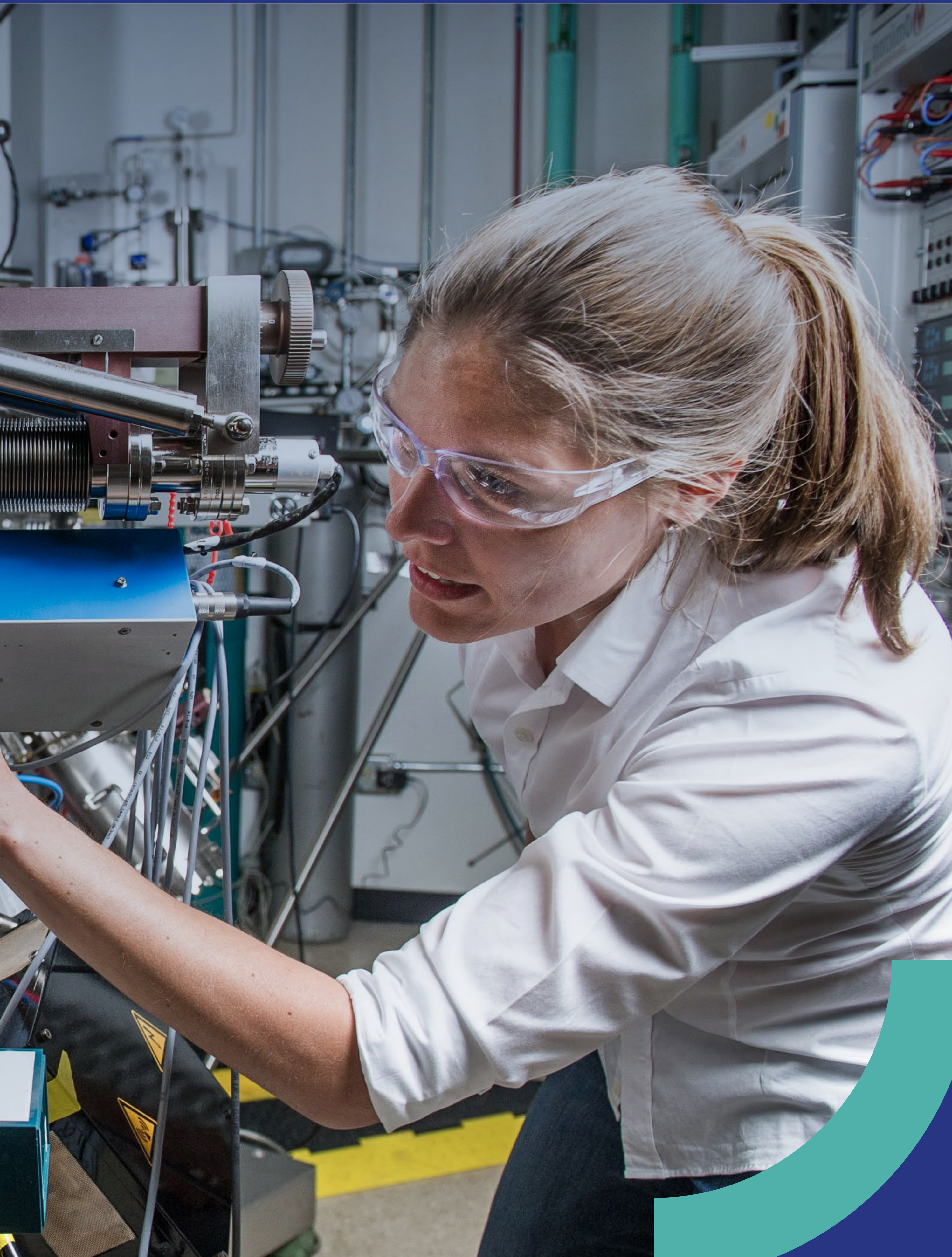
In April 2023, the Company announced that its wholly owned subsidiary, i(x) investments LLC entered into a new secured $7.5 million 2 year term loan facility with European Depositary Bank S.A. ("EDB") ("Loan"). The Loan, once drawn, bears interest at 10.5% coupon (subject to periodic change in line with EDB's USD Base rate) and which is payable quarterly. The Loan can be utilised for the purposes of the financing of investments and general working capital purposes. The Loan is guaranteed by the Company.

In April 2023, the Company issued a total of 6,324,545 options to subscribe for new Ordinary Shares in the Company ("Options") under the 2022 i(x) Net Zero Plc Equity Incentive Plan (the "EIP"). The Options all have an exercise price of 20p, being a 142.4 per cent premium to the previous day's closing share price on AIM of 8.25p at the time of the grant.

Following issuance of 6,820,618 new ordinary shares in respect to 2022 bonus shares and CEO bonus shares to Mr Lindström, CEO, in April 2023, the Company has 85,877,429 Ordinary Shares in issue. Mr. Lindstrom may not sell, transfer, or otherwise transact in these shares until such time as the risk of forfeiture with respect to the bonus shares has lapsed. This forfeiture risk will expire if and when the Company's Net Asset value reaches and exceeds $120 million within the 24 month period following their issue.

MultiGreen continues to build on positive recent developments in developing its project in Henderson, NV. However, increased costs, restricted access to capital and deteriorating local markets provide a challenged environment for all of MultiGreen's projects. Consequently, the value of our investment in MultiGreen was reduced by $2.55 million as of year end 2022. We will continue to monitor this investment closely as it weathers these turbulent real estate markets.

Strategic report



Chairman's Statement

The last twelve months have been challenging for the company. Market conditions have not favoured small growth companies like i(x) and the stock has suffered from low levels of liquidity.

The Board assumes that access to capital will continue to be a challenge over the next 12-24 months. However we remain convinced that the growing momentum of the global transition to net zero presents an extraordinary opportunity to both create shareholder value and deliver positive impact.

We have taken decisive action to change the leadership team and put the company on a more sustainable path in relation to its cost base. Specifically, the Directors have introduced a near term target of reducing operating expenditure to 2% of NAV, down more than 50% from the 2022 operating expenditure.

The executive team has been successful in improving the liquidity position of the company through a new line of credit and is now actively looking at opportunities to optimise the current portfolio and make new investments to support the energy transition.

During the year, the fair value of investments in i(x)'s portfolio companies increased by 5.10% to $63.84 million with Portfolio NAV per share, including cash of $7.48 million (£6.19 million), as at 31 December 2022 of $0.90 per share (£0.75 per share).

I would like to thank my follow board members and the executive team, past and present, for their commitment to increasing NAV and shareholder value in very difficult circumstances.

Nick Hurd

Nicholas Hurd
Chairman
12 June 2023

CEO's statement/ review

Success for i(x) is defined as generating superior risk adjusted financial returns while enhancing access and scale businesses working on net zero strategies. This is being achieved via investing in a portfolio that provides access to the long-term secular trend of capital flowing towards sustainable finance and ESG-related investing.

It has been a challenging year – with volatile external markets resulting in a scarcity of capital and reduction in valuations. However, it is a year that we feel we have navigated well. We have refocused and enhanced the management team and re-sized our cost base to better match current market conditions and opportunities.

While there will be challenges in such a dynamic market, especially for smaller, growth stage companies such as ourselves, there are also opportunities given more rational levels of valuations for both listed and unlisted targets and expected timing of technology development. With a robust deal flow and continued high growth in our target markets, we are confident that capital, both from our balance sheet and external sources, will be available to fund selective investments.

Consistent with past successes, the Group will seek out investment targets with the following characteristics:

Companies with proven business models that are ready to scale yet find it challenging to access capital including listed and unlisted growth companies in our target markets with depressed equity valuations;

Companies that have technologies that are proven at scale and profitability in certain developed markets but require capital and expertise to expand into other markets like the US or Western Europe;

Companies that are operating in our core markets and achieving scalable, positive ESG impact with near term paths to revenue and operating cash flow and long-term profitability profiles.

The global policy-making environment favours and supports our approach. In August 2022, the US Congress passed the "Inflation Reduction Act of 2022," which includes key legislation aimed at tackling climate change.

This historic and significant piece of legislation allocates approximately $369 billion to reducing greenhouse gas emissions and incentivises expanded production and use of domestic clean energy.

The sustainable fuel, renewable power, battery development and carbon capture industries are expected to benefit from these tax credits and associated incentives, which the Company expects will lead to further increased demand for the products and services provided by the Company's portfolio companies, and to act as a powerful driver of their further growth. Elsewhere in the world, governments continue to enact legislation and offer incentives for companies and industries to reduce their carbon emissions. The transition to net zero is widely seen as a key part of the innovative technology and process that i(x)'s portfolio companies provide.

Having reduced our operational expenditure, strengthened our team, and enhanced our financial liquidity by adding a new line of credit, we believe we have put in place the necessary building blocks to execute a focused acquisition strategy on growth capital for proven business models and technology with the aim of building our NAV and creating stronger momentum as we progress in 2023 and beyond.

Operational Review

I am pleased to report that after a challenging twelve months during 2022, the new management team has been working to reposition and restructure the business. This has led to a renewed focus on improving net asset value, lowering the cost base and opportunistically obtaining liquidity from its existing investments.

The table below shows the change in the Net Asset Value of the Company's portfolio companies in the year to 31 December 2022.

Investee Company	Equity interest (31/12/2022)	$m Audited Portfolio NAV as at (31/12/2022)	$m Audited Portfolio NAV as at 31/12/2021	$m Increase/ (Decrease) during 2022
WasteFuel Global, LLC	36.2%	46.91	46.82	0.09
Enphys Management Company, LLC	14.5%	10.34	5.73	4.62
MultiGreen Properties, LLC	10.4%	2.26	4.81	(2.55)
Sustainable Living Innovations	0.1%	0.74	0.50	0.24
Carbon Engineering Ltd	0.5%	2.58	2.38	0.20
Context Labs B.V.	0.5%	0.51	0.50	0.01
Simple Agreement For Future Equity (SAFE) with WasteFuel Global, LLC		0.25	-	0.25
Convertible note of MultiGreen Properties, LLC		0.25	-	0.25
Total		**63.84**	**60.74**	**3.10**

The Board of Directors has set ambitious NAV targets for the executive management team, in order to drive growth in the business and diversify the Company's portfolio of investments while the Company will accelerate its pursuit of this strategy with a more streamlined and lower cost approach to operations.

CEO's statement/ review

Portfolio Review

The following are brief descriptions of each of our investee companies:

WasteFuel Global, LLC ("WasteFuel") is focused on developing renewable, non-fossil fuels to help reduce the carbon emissions of the transportation sector with a particular focus on waste to energy for trucks, planes and ships.

During the period, the launch of WasteFuel Methanol Module was announced, a new technology that will significantly accelerate the use of organic waste to produce green ethanol. The Methanol Module is designed to facilitate the production of up to 100 metric tons per day of fuel grade methanol from a variety of waste sources, including landfill gas and biogas from anaerobic digestion. The Company has filed a provisional patent application for the novel approach and unique configuration.

WasteFuel Marine's business line has embarked upon a commercial-scale bio-methanol partnership with A.P. Moller - Maersk ("Maersk"), the global container logistics company. Maersk intends to buy a minimum of 30,000 tons per year of WasteFuel's green bio-methanol, which is generated from municipal waste, to fulfil the demand of Maersk's 12 new green methanol powered ships starting from the second half of 2025.

In November 2022, WasteFuel embarked upon a partnership with Averda Holdings International Ltd ("Averda"), a leading end-to-end waste management company, to develop the first commercial scale municipal waste-to-renewable biomethanol plant in the Middle East. Under the terms of the agreement, which was announced on the first day of the COP27 Climate Conference in Egypt, Averda will collect and provide the plant with waste feedstock which cannot be otherwise re-used and recycled.

Utilising WasteFuel technology, the plant will produce renewable biomethanol that is expected to help shipping companies reduce their CO2 emissions and other greenhouse gases by up to 90% compared with conventional fuels. The location of the plant is currently being researched, and is expected to be in Jebel Ali, United Arab Emirates.

WasteFuel also strengthened its management team with the appointment of Marc Chennault as full time CFO. Marc will work closely with WasteFuel CEO, Trevor Neilson, to drive forward the company's growth and to take full advantage of the significant demand for its sustainable fuel products and services.

Enphys Management Company, LLC ("EMC") is i(x) Net Zero's partnership with the Latin America Investment Group, a business development and investment group. EMC pursues private and public opportunities focused on renewables and energy transition in Latin America and has a direct ownership in Enphys Acquisition Sponsor, LLC ("EAS"), the sponsor company of Enphys Acquisition Corp. ("EAC"), a NYSE-listed SPAC targeting renewable energy businesses in Latin America, in which EMC also has an ownership.

Its strategy is to create a regional champion in the Americas for alternative energy through the aggregation of existing, cash-flow positive wind and solar assets. Latin America provides a rapidly growing energy market where alternative energy production is often the lowest cost source. This provides Enphys the opportunity to execute at scale and become a significant publicly traded leader in energy transition.

i(x) Net Zero invested an additional $1.5 million (including $0.5 million paid in H1 2022 and 10 monthly payments of $0.1 million each commencing in July 2022 and finishing in April 2023) in cash in Enphys to enable the company to actively pursue merger opportunities as announced at its listing.

In conjunction with this investment, the Company renegotiated the terms of its existing equity interest in Enphys, converting its shares into participating preferential shares, which carry rights over other Enphys share classes. Together, the $1.5 million investment and the renegotiated terms of the existing equity interest, increased the value of the Company's investment in Enphys by $4.6 million. Enphys continues to focus on finding a merger opportunity in 2023 creating a large renewables energy group that will be a regional champion for sustainability in the Americas.

MultiGreen Properties, LLC ("MultiGreen") is a developer of sustainable, multi-family properties that aims to supply affordable workforce rental housing by reducing construction costs and duration. MultiGreen intends to become the first net zero energy operator of multi-family projects in the US by 2025. The company is delivering on its mission to provide attainable, tech-enabled rental apartments in supply-constrained US markets.

While it is executing on its pipeline of developments at scale with 1,106 units currently under construction, the challenges in the regional banking market in the US and continued uncertainty around local economies has meant that ViaVerde, its multi-phase development in Albuquerque, New Mexico has faced some delays in Phase I leasing, which now due to commence in June 2023.

MultiGreen continues to build on positive recent developments in developing its project in Henderson, NV. However, increased costs, restricted access to capital and deteriorating local markets provide a challenged environment for all of MultiGreen's projects. Consequently, the value of our investment in MultiGreen reduced to $2.26 million as of year end 2022. We will continue to monitor this investment closely as it weathers these turbulent real estate markets.

Sustainable Living Innovations ("SLI") is a construction technology and product development company producing panelised buildings to address housing affordability, while delivering a new standard in sustainable living. SLI continues to capture market share as a leader in delivering net zero buildings at scale. Its factory-assembled and cost-effective steel panel technology addresses both the inflationary pressure on material costs and supply chain issues.

SLI is due to complete its 15-storey apartment complex in Seattle ready for occupancy in 2023. This will be the world's first multi-family tower designed to meet the net zero energy criteria set by the International Living Future Institute's Living Building Challenge.

During the period, SLI broke ground with Downtown Emergency Service Center (DESC), a non-profit housing organisation in Seattle, for a 5 storey 124-unit energy-efficient permanent supportive apartment building as a solution for long term homelessness. SLI is also expanding its assembly plant locations on the West Coast of the US and plans eventually to move eastwards to serve additional markets.

In May 2022, i(x) Net Zero participated in SLI's US$53 million accelerated growth round, which will allow the company to expand into other US markets. The company completed its conversion from a limited liability company to a C Corporation, which triggered a 50 per cent. increase in i(x) Net Zero's share ownership in SLI due to the preference rights it acquired when it made its initial investment.

In March 2023, SLI signed a non-binding letter of Intent in relation to a proposed business combination with NYSE listed Churchill Capital Corp V ("Churchill V"). With the signing of this LOI, i(x) is actively considering a follow on investment that would allow SLI to complete the combination and cover the costs associated with its underlying projects development.

CEO's statement/ review

Portfolio Review (continued)

Carbon Engineering Ltd. ("Carbon Engineering") has developed a proprietary Direct Air Capture ("DAC") technology that removes carbon dioxide directly from the atmosphere for sequestration and storage. With its DAC and carbon-to-value proposition, it represents the next generation of industrial scale decarbonisation. The company has a clear path to global opportunity and is focused on licensing its technology to industrial partners to build and operate.

The company, through its strategic partner 1PointFive, an initiative with Occidental Petroleum's (NYSE: OXY) Low Carbon Ventures business, anticipates building and operating 70 DAC facilities by 2035, each with an expected capacity of up to 1 million tonnes per year.

The partnership announced it plans to begin detailed engineering and early site construction in Q3 2022, for its first large-scale DAC plant in Ector County, Texas. Upon completion and becoming operational in late 2024, the first DAC plant will be the world's largest of its kind, expected to capture up to 500,000 metric tons of carbon dioxide per year with the capability to scale up to 1 million metric tons per year.

Also, Carbon Engineering has signed an agreement with its US development partner, 1PointFive, to begin planning and engineering for DAC facilities at a second site in the U.S., in Kleburg County, Texas. This site is expected to provide access for the potential construction of multiple DAC facilities that would be capable of collectively removing up to 30 million tonnes of carbon dioxide from the atmosphere annually for dedicated sequestration, creating one of the largest DAC projects in the world.

In November 2022, Carbon Engineering announced that it has received millions in equity investments from Airbus and Air Canada to further the development of its DAC technology.

Context Labs B.V. ("Context Labs") is an impact software company whose blockchain technology platform enables the harvesting and processing of data to help businesses track their carbon emissions and their compliance with regulatory frameworks.

Context Labs secured a multi-year partnership with Williams, a Fortune 500 American energy company with operations across the natural gas value chain for large-scale enterprise-wide deployment of its Immutably™-based Decarbonisation as a Service™ ("DaaSTM") platform.

The Context Labs solution will target Williams' facilities, along with its upstream and downstream ecosystem partners representing 30 per cent. of the natural gas in the United States, to facilitate Williams' energy transition and affirm its commitment to provide transparency and strong governance regarding its decarbonisation ambitions.

During the period, Context Labs announced the launch of its CLEAR Path™ Platform, which converges advanced machine learning/AI and blockchain technologies to form new empirical data-driven registry capabilities, ensuring that data for environmental attributes and differentiated commodities are transparent, trusted and traceable.

The company also announced the appointment of distinguished American writer on business management practices, Thomas J. Peters, to join the business as an Advisor and member of the Board of Directors.

Outlook

While the growing global trend towards decarbonisation continues apace with the backing of government legislation and corporate commitments, the Company has grappled with a challenging twelve months.

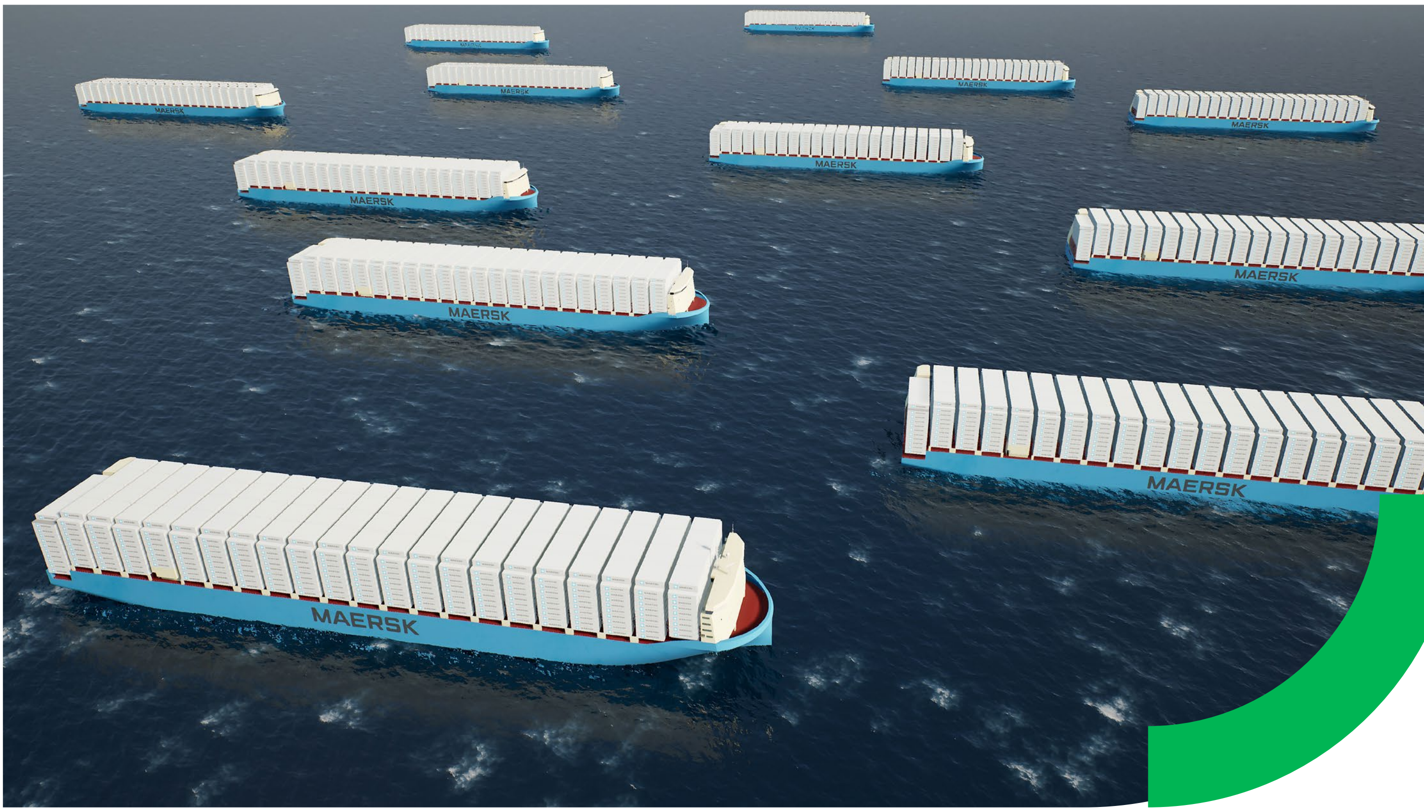
With the necessary changes to lower its expense and more tightly focus its investment strategy to those opportunities in the energy transition and technology enhancements to the built environment behind it, i(x) Net Zero is now well positioned to selectively expand its portfolio of investee companies.

In order to achieve its stated ambition, the Company will look to pursue strategic acquisitions that meet its strict investment criteria. It has already identified a number of exciting opportunities and plans to consider further investment in its existing portfolio. This may include near-term opportunities to participate in capital raises, negotiated add on investments, as well as replicating its success via new platforms in scaling technology and new market penetration.

The Company also remains eager to explore an investment in, or other potential alliance with, a renewables and circular economy platform that has a mission and purpose that is similar to the Company's, namely to build profitable businesses that support the achievement of the UN Sustainable Development Goals.

The Board of Directors have set ambitious NAV and profitability targets for the executive management team, including a near term target of reducing operating expenditure to 2% of NAV and growing NAV by more than 50% over the course of 2023. We believe that these targets, while challenging, should enhance shareholder value over the near and longer term.

Par Lindstrom, OLY
Chief Executive Officer & Chief Investment Officer
12 June 2023



Financial review

The Group continued delivering an improvement in the fair value of investments in its portfolio companies ("Portfolio NAV") which increased by 5.10% or, $3.10 million, to $63.84 million as at 31 December 2022 (31 December 2021: $60.74 million).

The annual increase in Portfolio NAV over the period of $3.10 million (2021: $40.80 million) comprises unrealised gains of $1.50 million (2021: $40.80 million) due to the change in fair value of portfolio investments and $1.60 million of additions to investments (2021: $4.10 million). The majority of unrealised gains relates to an increase in fair value of Enphys Management Company, LLC of $3.52 million offset by a decrease in fair value of MultiGreen Properties, LLC of $2.55 million.

Enphys NAV rose as a result of the Company's investment of $1.10 million combined with the re-negotiating of its investment terms which increased Company's equity interest in Enphys and increased the Company's NAV by $4.62 million. MultiGreen NAV was reduced due to increased costs, restricted access to capital and deteriorating local markets providing a challenged environment for MultiGreen's projects.

As at 31 December 2022, Portfolio NAV per share, including cash of $7.48 million (£6.19 million), was $0.90 per share (£0.75 per share) (31 December 2021: $0.80 per share (£0.59 per share)).

Loss from continuing operations before non-cash deferred tax provision and share-based compensation was $5.08 million in 2022. (2021: profit $35.98 million) (This $5.08 million loss is derived as operating loss before financing activities of $6.83 million minus share-based compensation of $1.75 million).

During 2022, stock options were granted to management employees under the 2022 Company's Equity Incentive Plan and non-cash share-based compensation of $1.75 million was recognised (2021: nil).

General and administrative expenses increased by $3.42 million to $8.25 million (2021: $4.83 million), largely due to non-cash share-based compensation expense, IPO bonus and costs related to running i(x) as a publicly traded company.

As a result of the corporate inversion and resulting IPO transaction, i(x) Net Zero Plc is being treated as a U.S. domestic corporation for all purposes of the U.S. tax code as of the date of the transaction and there will be non-cash deferred tax implications related to the Company's temporary difference in the book and tax basis of its assets, the most material of which is the difference between the tax basis and the fair value of the Company's investments.

For 2022, non-cash deferred tax expense of $11.27 million was recognised in the statement of profit or loss. This deferred tax expense would not have been recognised by i(x) investments LLC, if the IPO transaction did not occur.

Net loss amounted to $18.13 million in 2022 primarily as a result of non-cash deferred tax provision and share-based compensation and an increase in general and administrative expenses (2021: net profit of $35.75 million).

The Company continues to be in a strong financial position and as at 31 December 2022 had no borrowings, cash of $7.48 million (31 December 2021: no borrowings and cash of $2.13 million) and net current assets of $6.68 million (31 December 2021: $2.77 million). In April 2023, the Company announced that its wholly owned subsidiary, i(x) investments LLC entered into a new secured $7.5 million 2 year term loan facility with European Depositary Bank S.A. ("EDB") ("Loan").

The Loan, once drawn, bears interest at 10.5% coupon (subject to periodic change in line with EDB's USD Base rate) and which is payable quarterly. The Loan can be utilised for the purposes of the financing of investments and general working capital purposes. The Loan is guaranteed by the Company.

In February 2022, the Company raised gross proceeds of approximately $14.48 million (£10.68 million) ($12.13 million (c.£9.0 million) net)) through the placing of 14,056,811 ordinary shares at 76 pence per share and its enlarged share capital was admitted to trading on AIM. During the period from the beginning of 2021 and until the listing, i(x) investments, LLC, the Company's predecessor, had capital contributions of approximately $1.64 million.

In January 2022, Lion Point Capital, LP, on behalf of funds managed by it, ("Lion Point") and the Company entered into a strategic relationship to identify and pursue certain transactions together, with an initial focus on opportunities in Energy Transition. Lion Point is a global special situations investment firm that seeks to invest in equity and debt securities of undervalued public and private companies.

At the time of the Company's IPO, Lion Point Master, LP ("Lion Point Master") entered into a subscription agreement and subscribed for $6.8 million (approximately £5.0 million) in ordinary shares of the Company at the placing price as part of the fundraising. Lion Point Master was granted a put option and pursuant to the put option, the Company is obliged to repurchase Lion Point Master's holding of 6,672,161 Ordinary Shares at the placing price (£0.76 per share ($1.02 per share)) amounting up to $6.8 million at any time during the three year term following the Company's admission to trading on AIM.

Lion Point has also granted the Company a call option to purchase $6.8 million of common shares of Suniva, Inc, which has one of the largest solar cells manufacturing facilities in North America.

Further details are set out in paragraph 5.6 of Part 1 and paragraphs 18.1(j), (k) and (l) of Part 7 of the Company's Admission document dated 4 February 2022, which is available on the Company's website https://ixnetzero.com/.

Prior to its IPO, the Company undertook a reorganisation in which i(x) Merger LLC, a wholly owned subsidiary of the Group merged with i(x) investments, LLC, with i(x) investments continuing as the surviving entity and as a wholly owned subsidiary of the Company.

Prior to the reorganisation of the Group, i(x) Financial Services, LLC ("i(x) Financial Services"), (a wholly owned subsidiary of i(x) investments), i(x) Securities, LLC (a wholly owned subsidiary of i(x) Financial Services) and certain other assets held by i(x) investments were transferred to i(x) Sustainable Holdings, LLC, an entity owned by the shareholders of the Company. This transaction was reflected as an equity distribution of $1.62 million assets.

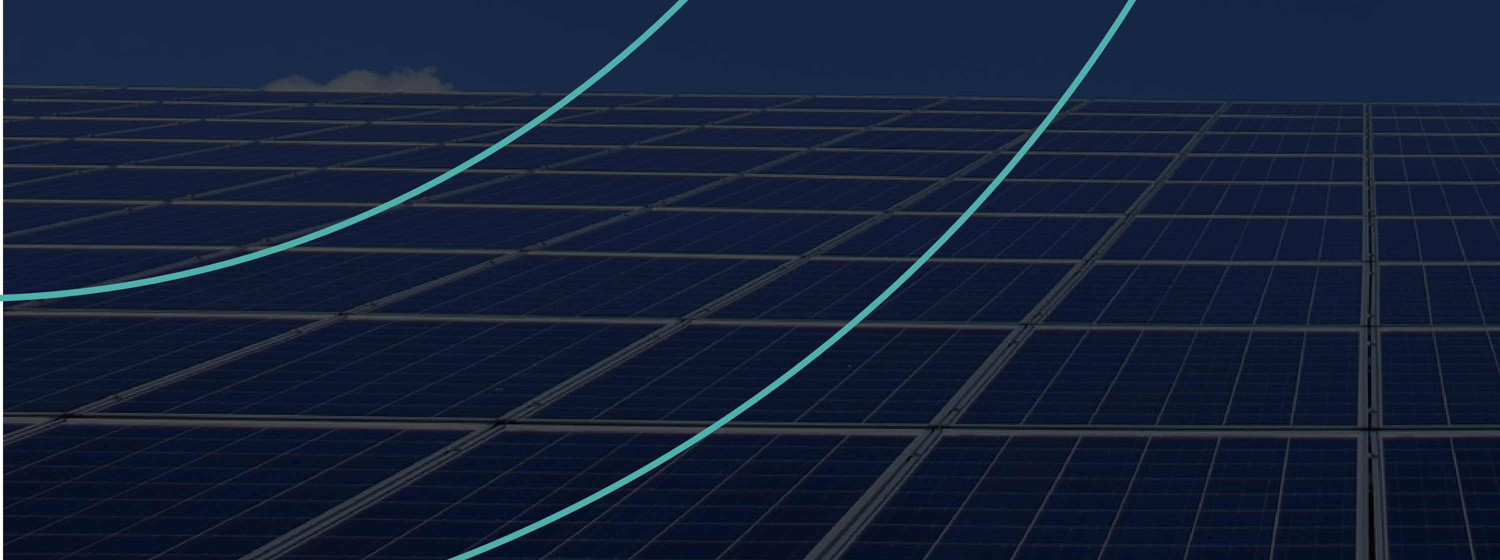
Business model and strategy

Strategy

The Company's approach to the investments it makes is generally to be actively engaged in creating, building and developing the businesses of its investee companies within its core areas of focus: Energy Transition and Sustainability in the Built Environment. The main focus for the year ahead will be Energy Transition as the Company is seeing fewer opportunities in the Sustainability in the Built Environment space, and expects it to form a smaller portion of the Company's portfolio in coming years. The Company's strategy can be summarised as follows:

- deploy capital within its areas of interest that enables companies to build scale;
- source deal flow from, amongst other sources, the significant family offices that are its shareholders and co-investors, with many of which the Company has long-standing relationships;
- provide its expertise to help build and develop its investee companies;
- invest for the long term; the Company does not have a fixed time horizon for any of its investments; and
- source additional capital from its shareholders and other investors to co-invest alongside the Company, thereby aligning their interests with the Company's and building enterprise value for its shareholders in the process.

The Company's Investing Policy can be found on our website at ixnetzero.com - About us and Our holdings.



Business Model

The key elements of the Company's business model include:

- leverage its team's long and broad experience in strategic development and operational excellence with financial markets expertise within the Company's core areas of focus in particular;
- accelerate the growth of its investee companies through investment of catalytic capital and the proactive engagement by the Company to support scale and profitability consistent with maximising sustainability and positive impact;
- access intentional capital globally to maximise impact through scale;
- acquire equity stakes in its investee companies sufficient for i(x) to have a meaningful impact on the company's growth and operational and financial efficiency and negotiate opportunities to earn additional equity from its in-depth participation in the development of their businesses and the achievement of meaningful and well-defined key milestones and metrics;
- evaluate and implement sustainable business strategies that maximise positive ESG and sustainability in its investee companies within its core areas of focus;
- seek to develop, implement and monitor impact measurement with its investee companies to provide transparency not just to the targeted financial returns from their investments, but also the impact results; and
- adopt flexible time horizons to benefit from opportunities by investing into both near-term opportunities and the full growth cycle of its assets.

Future Opportunities

The Company plans to consider further investments in its existing portfolio companies as follows:

- WasteFuel: participate in future capital raises at the WasteFuel level and/or invest in discrete projects or subsidiaries of WasteFuel that may raise capital directly;
- Enphys: make additional investments to increase the Company's 14.5 per-cent. ownership of Enphys and participate in Enphys' capital related activity, including potential future SPACs or funds that it sponsors or co-sponsors.;
- SLI: continue to assess opportunities to create joint ventures with SLI and i(x) family office shareholders with relevant spheres of influence and corporate assets to build SLI factories outside the U.S. to facilitate the development of SLI Net Zero Energy apartment buildings;
- Context Labs: assess joint ventures with Context Labs to develop business opportunities that utilise its data fabric platform in areas of interest to the Company; and
- Carbon Engineering: continue to assess joint venture or licensing opportunities with Carbon Engineering Direct Air Capture plants and carbon credits

The Company expects to make new investments, including potentially one or more of the following:

- Capitalising on its proven capability, explore taking more influential positions in one or two more companies that have technologies that are proven and scalable and/or need for growth capital for market expansion, especially in the area of Energy Transition and sustainable infrastructure services and technology.
- Explore an investment in or other potential alliance with a renewables and circular economy platform that has a mission and purpose that is very similar to the Company's, namely to build profitable businesses that support the achievement of the UN Sustainable Development Goals; and
- The Company will also continue to seek new opportunities within its stated investing policy.

Sustainability/ ESG report

At i(x) Net Zero, our support for a greener and more sustainable future comes from our investment in a portfolio of businesses that are contributing to net zero and carbon neutral solutions.

In 2022, i(x) Net Zero continued its commitment to driving the energy transition and promoting sustainability in the built environment. The company's investments focused on innovative technologies and solutions to achieve carbon neutrality at scale.

i(x) Net Zero is dedicated to investing in businesses that contribute to the energy transition and utilisation of energy efficiency by incorporating green/biomaterials, management systems and renewable sources to sustainability in the built environment.

The company recognises the urgent need to address climate change and environmental degradation by supporting projects and initiatives that mitigate carbon emissions, enhance energy efficiency, and promote sustainable practices in the construction and infrastructure sectors.

Our business model is inherently sustainability focused, addressing SDGs that include:

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

In addition to evaluating a prospective investment's anticipated or potential financial return, the Company looks to answer the following questions:

1. What is the stated and desired area of impact (for example, climate change, energy efficiency, etc.)?
2. How significant is the specific issue that the business seeks to address?
3. How significant an impact can the business make on the overall issue? How does the business intend to achieve the impact?
4. How sustainable is the impact, and how scalable is it?
5. How central is the impact to the business' core operations – is it the focus of the business' revenue model, or is it tangential to the business' main focus?
6. How does the business measure its impact, and does its approach align with generally accepted metrics for its sector?

We then evaluate how we will assess the business' overall impact achievements going-forward, whether by building our own sustainability metrics and scorecard or by engaging an independent third party to perform that function.

We hold ourselves accountable by developing a proprietary methodology framework that measures how effective an investment is at accomplishing a specific impact and how much of a given platform's impact goal is achieved by that investment. We develop, implement and monitor impact measurement with our investee companies to provide transparency not just to the financial returns that investors should anticipate from their investments, but also the impact results.

The Company has formed an ESG Committee that serves as an advisory adjunct to the Board. Its mission is to authenticate and guide all aspects of the operations and investments of the Company from an ESG perspective. The Committee will periodically assess the initiatives of the Company to determine accountability to Company-held and third-party standards adopted by the Company as part of its overall ethos.

We have five key areas of focus over the next twelve months:

1. Further develop a bespoke set of investment criteria that ensure we only make new investments in sectors / companies that make a positive, scalable and measurable impact on the environment and communities.
2. Engage with potential providers of a carbon audit for i(x)'s own activities and formulate a strategy to reduce our footprint and to purchase high-quality offsets for the residual amount.
3. Engage with our portfolio companies to further understand how they articulate and measure their positive impact and where possible to share the data they have available.
4. Engage with our portfolio companies to better understand their approach to management of ESG risks and agree a forward-looking reporting framework.
5. Articulate i(x) Net Zero's own Theory of Change which will contain a narrative explaining how the business will deliver its intended impact and how it will be measured

Environmental

Energy Transition Investments

i(x) has invested in renewable energy projects such as scalable technologies to convert municipal (trash) and agricultural waste into low-carbon fuels, renewable natural gas, and green methanol. The company has also recently supported a project for Direct Air Capture (DAC) technology that captures carbon dioxide from the air at megaton-scale.

These investments aim to accelerate the adoption of clean and sustainable energy sources, reduce reliance on fossil fuels, and contribute to decarbonisation efforts.

Sustainability in the Built Environment Investments - Legacy Investments

The company's investments in the built environment are focused on sustainable construction practices, green building technologies, and energy-efficient infrastructure. i(x) has supported projects that prioritise resource efficiency, waste reduction, and the use of environmentally friendly materials, with the mission to provide much-needed affordable apartment units and permanent supportive housing for homeless service organisations.

Carbon Neutrality Efforts

i(x) recognises the importance of achieving carbon neutrality in its own operations. To this end, the company is adopting a fully auditable carbon accounting program that is designed to enable it to achieve carbon neutrality (or better) in its own activities by 2025 or before, largely by funding a specific plan to invest in carbon removal and carbon credits and offsets.

Sustainability/ ESG report

Social

Employee Well-being and Diversity

i(x) places a strong emphasis on promoting employee well-being and maintaining a diverse and inclusive workforce. The company has implemented policies and programmes to ensure a safe working environment, offered professional development opportunities, and fostered a culture of respect, equality, and diversity. Two out of five Board members are women.

Governance

Corporate Governance Structure

The company maintains a well-defined governance structure, including a board of directors with diverse expertise, committees overseeing ESG matters, and policies that align with global best practices.

Risk Management

i(x) conducts thorough due diligence on potential investments, assesses environmental and social risks, and develops risk mitigation strategies to safeguard the long-term value of its investments.

ESG Key Performance Indicators

i(x) is focused on establishing KPIs to measure its ESG performance. These KPIs will include carbon emissions reductions, renewable energy capacity added, energy efficiency improvements, community engagement metrics, and diversity and inclusion goals. The company is formulating the engagement and data sharing strategy with the portfolio companies to further understand how they articulate and measure their positive impact and approach to ESG risk measurement to establish a forward-looking reporting framework.

UN Principles for Responsible Investment (PRI)

i(x) is a provisional signatory to the UN Principles for Responsible Investment (PRI), demonstrating its commitment to incorporating ESG factors into investment decision-making processes and promoting sustainable finance practices.

Green Economy Mark

i(x) qualified for the London Stock Exchange's Green Economy Mark, reflecting its focus on products and services that contribute to the global green economy. The company's investments aim to drive positive environmental impact while generating sustainable revenue streams.

Conclusion:

Through strategic investments, stakeholder engagement, and adherence to rigorous governance practices, i(x) aims to create long-term value while contributing to a more sustainable and resilient future.

	i(x) Net Zero Portfolio	Overview and impact	Projects and Solutions
Energy transition	WASTEFUEL	WasteFuel produces renewable fuels using proven technologies to address the climate emergency and revolutionise mobility by air, land, and sea. WasteFuel converts municipal (trash) and agricultural waste into low-carbon fuels, renewable natural gas, and green methanol.	- Major focus of the company is WasteFuel Sea, a renewable fuel solution for the shipping sector (biomethanol for container ships); - WasteFuel Land - converts agricultural waste into low-carbon fuels including renewable natural gas and green methanol; - WasteFuel Air - converts municipal waste into aviation-grade low-carbon fuel that burns at an 80% reduction in carbon to fossil fuel-based aviation fuels.
Energy transition	enphys	Enphys Acquisition capitalises the renewable energy industry supporting the acceleration of the transition from fossil fuels to clean energy as well as the growing engagement in climate change related investments, and driving capital inflows into ESG assets.	Specifically focuses on Ibero-America companies which own and operate renewable energy assets in Latin America, a region with best-in-class wind and solar resources, and reliable transmission networks as well as strong social awareness & pan-partisan political support.
Energy transition	Carbon Engineering	Carbon Engineering focuses on global deployment of megaton-scale Direct Air Capture (DAC) technology that captures carbon dioxide (CO2) directly out of the atmosphere and sequesters it for commercial and industrial use.	- DAC + Storage has the potential to deliver permanent carbon removal at gigaton-scale; - AIR TO FUELS™ delivers synthetic, low carbon intensity fuels – such as gasoline, diesel, and jet-A. Implementing CE's advanced technology, in collaboration with Oxy and 1PointFive, CE begins construction of World's largest Direct Air Capture plant in the Texas Permian Basin.
Energy transition	CONTEXTLABS	Context Labs is an impact software company, incorporated in the Netherlands and headquartered in the U.S. Its digital infrastructure technology platform brings trusted data and analytics to complex problems with contextual precision. It has a particular focus on enabling carbon reductions through better data.	Immutably,™ Context Labs' foundational technology, enables organisations to better harness data and transform it into trusted insights that drive their business. Immutably™ turns data into an asset to reduce a company's risks and enable it to better respond to changing market dynamics.
Sustainability in the Built Environment	SUSTAINABLE LIVING INNOVATIONS	SLI is a building technology company that provides proven, patented panelised building systems for the multifamily residential market. SLI technology produces buildings that are intended to exceed the world's most stringent sustainability standards and provide affordable housing solutions.	- World's first Net Zero Energy (NZE) multifamily tower — 303 Battery — which has been audited and pre-certified by the International Living Future Institute under the Living Building Challenge; - 124 units of permanent supportive housing for Downtown Emergency Service Center - Seattle's leading homeless service organisation, SLI's first low-rise building using its V7 load-bearing panels demonstrates the system's broad applicability and cost competitiveness.
Sustainability in the Built Environment	MULTIGREEN	MultiGreen Properties is a real estate development and operating company dedicated to the construction of sustainable and technology-enabled multifamily properties through tax-advantaged structures. The mission of MultiGreen Properties is to be a Top 25 Owner of newly constructed multifamily units by 2030, and to be recognised as a global leader in sustainable entry-level housing.	Attainable Living – is MG approach to solving the high quality "workforce" and "entry-level" rental housing demand. MultiGreen provides a market-based solution, not dependent on government subsidies. Sustainable – means projects will be built to a minimum of LEED (Leadership in Energy and Environmental Design) or Green Globes standards, with GRESB (Global Real Estate Sustainability Benchmark) benchmarking and other proprietary benchmarking tools. MultiGreen analyses the capital efficiency of sustainable technologies to understand the total cost of ownership.

Principal risks & Risk management

Firm level

Portfolio concentration: i(x) will seek to enhance diversification through selective liquidity of existing investments, especially those which have reached a more mature stage of development, growth of other existing portfolio companies NAV and new investee companies.

Financial liquidity: following on from i(x)'s reduction in annualised operating expenses and enhanced access to lines of credit, the Company is cognisant of the need to enhance liquidity via asset sales, capital raising and meeting its requirements under the existing put arrangement with LionPoint.

Reliance on key management members: With a small but effective management, the Company is reliant on the continued focus of its senior leadership whereby the Directors have implemented long term incentive plans tied to shareholder value for key executives.

Limited access to capital for new investments: to further its NAV targets and expansion of its investment strategy, i(x) will need to generate additional capital via asset sales and accretive capital formation vehicles that could include joint ventures and investment partnerships.

Portfolio

WasteFuel is the largest investment by NAV for i(x) and will need to meet its revenue and project development goals by raising additional capital and securing the active support of strategic investors and partners.

Enphys – with a keen focus on finding the appropriate entity to capitalise on energy transition assets, it may need funding for operational needs to secure and complete merger opportunities and strategic alliances.

Carbon Engineering – being well established in its core market, it may provide an opportunity for liquidity for i(x) even if public markets prove too volatile to fund its path to a more mature business.

MultiGreen – choppy financing markets and headwinds in the property development markets may make it difficult for MultiGreen to find continued funding for its projects or extend timing and pathways to liquidity.

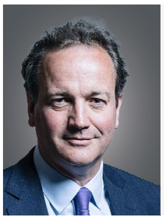
Context Labs – enhanced demand for its business deliverables points to possible investment to support growth.

SLI – as with other development projects in the built environment, SLI will need access to further funding via either a merger with a public company or a much reduced scope of operations.

Corporate Governance

Board of Directors & Management (skills/experience)

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance. The Directors will meet at least 6 times per annum and the Audit Committee of the Company will meet at least 3 times per annum. The Directors are as follows:



Nicholas Richard Hurd, Non-Executive Chairman (aged 61)

The Right Honourable Nicholas Hurd served as a Member of Parliament in the UK for fourteen years before stepping down in December 2019. During his time as a Member of Parliament, he served as a UK Government Minister for more than eight years to three different Prime Ministers.

Before politics, Mr. Hurd spent 18 years in business, including almost nine years in investment banking and fund management. He was a buy-side analyst and then institutional pension fund manager at Morgan Grenfell Asset Management. At Flemings Investment Bank, he was Managing Director of the full service Brazilian subsidiary which he set up; after negotiating a joint venture to scale the business in Brazil, he served on the new board and focused on investment banking advisory.

Mr. Hurd has a long involvement in climate change policy. He served in Parliament on the UK Environment Audit Committee, the Climate Change Bill scrutiny committee and as chair of the All Party Environment Group. In addition, he served as the UK International Development Minister, which included responsibility for climate change and climate finance.

He also served as UK Minister for Climate Change and Industry, where he provided oversight of carbon budgets, clean growth strategy, ratification of the Paris treaty and international climate finance.

As one of the longest serving Ministers for Civil Society, Mr. Hurd led the Government work that helped establish the UK as a world leader in developing the impact investment market. He is Chair of the Access Social Investment Foundation, a Chair of the Global Steering Group for Impact Investment (GSG) and serves on the Advisory Council for the UK Institute for Impact Investment. Mr. Hurd is on the board of the National Citizen Service Trust, a not for profit set up by Royal Charter. He Chairs the Impact Taskforce set up with the support of the UK G7 Presidency.

In addition to being Non-Executive Chairman, he is also an adviser to WasteFuel.

Pär Arne Lindström, OLY Chief Executive Officer & Chief Investment Officer (aged 52)

Pär Lindström is Chief Executive Officer & Chief Investment Officer of the Company and President of Enphys Management Company and a Director and the Chief Financial Officer of Enphys Acquisition Corp, one of the Company's investments and NYSE listed SPAC. Mr. Lindström is also on the board of directors of WasteFuel.

Mr. Lindström brings over 25 years' investment experience and business development expertise through a career focused on venture capital, growth capital and private equity investments in the U.S., Europe and the emerging markets concentrating on Renewables, Energy, Industrials, Technology, Life Sciences, Agri and Infrastructure.

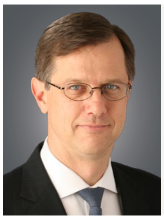
Previously, Mr. Lindström spent over five years as Principal in the Global Special Situations and Private Equity groups at the Abu Dhabi Investment Council ("ADIC"), where he was part of the team that built the newly established sovereign wealth fund by driving direct investments and backing various investment teams across multiple asset classes.

Prior to ADIC, he was a Principal at Partners Capital Investment Group, a firm backed by Lord Jacob Rothschild and Sir Ronald Cohen, where he headed up the Private Equity, Growth Capital and Venture Capital investments.

Earlier in his career, Mr. Lindström was co-head of Applied Value's New York office, a global turnaround advisory firm with a growth equity investment arm and a senior investment professional at Investor Growth Capital, part of the Wallenberg family's investment company Investor AB, and Affärsstrategerna VC. Mr. Lindström has also held positions with Bain & Company's Private Equity Groups in Europe and the U.S. and with KPMG Banking & Finance.

He is a former Advisory Board member of Carlyle Partners V and TPG Partners VI as well as a member of Milken Institute Global Capital Markets Advisory Council from 2009 to 2013.

Mr. Lindström holds a Bachelor of Science from University of California at Berkeley, an MBA from Harvard Business School and is a two-time Olympian in swimming.



Jonathan Stearns, Chief Financial Officer (aged 64)

Mr. Stearns, CFO, brings over 35 years of experience as a senior executive in private capital investing and management across numerous industries, capital structures and stages of development in companies located in the U.S., South America, Western Europe and Asia. Mr. Stearns has served in an executive capacity in the senior management teams of venture and growth capital companies including as CEO, COO, CFO and CIO. Prior to joining i(x), he was the Managing Partner of Stearns Associated Partners and Senior Operating Partner of i2 Capital, LLC.

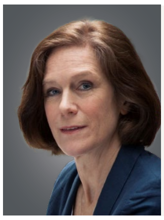
Prior to Stearns Associated Partners, he was a Managing Director with AIG Investments and its successor, PineBridge Investments, where he actively managed numerous private equity and private debt investments and funds focused on the US and abroad in a number of areas with a particular emphasis on the education, healthcare, software, renewal energy, financial services and mobile communications industries.

Mr. Stearns has served on the Board of Directors of numerous private and public companies, including as chairman and the head of audit, executive and human resources. committees.

Building on his experience in leading the impact investment area at AIG and starting an ESG assessment and valuation company, Mr. Stearns is focusing on working with and investing in companies with superior financial and social return opportunities, including affordable housing and renewable energy.

Mr. Stearns received his BA in History and Political Science from The University of the South and studied economics and politics at the graduate school of Cornell University.

Mr. Stearns has lived in New York City for the last 25 plus years and has two daughters.



Alice Georgina Chapple, Non-Executive and Senior Independent Director (aged 58)

Alice Chapple is a U.K. citizen and resident who is an economist and a specialist in impact investment and impact assessment. She established Impact Value, a specialist consultancy firm that helps impact investors identify how they can best use their capital to create positive social or environmental change, in 2012. (Impact Value's website is https://impact-value.com/) She has spent her career working to find ways in which companies and investors can have a meaningful impact beyond financial returns.

Before establishing Impact Value, Ms. Chapple worked as Director of Sustainable Financial Markets at Forum for the Future, where she worked on projects exploring the scope for innovative financial instruments, more effective valuation techniques, better risk assessment and longer-term investment strategies to drive capital to sustainable solutions.

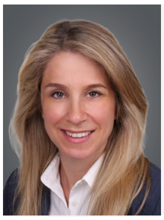
Prior to that role, she worked for many years at UK development finance institution, CDC Group Plc, as financial analyst, fund manager and social and environmental advisor. In the late 1990's, she established a program for evaluation of development impact, and in the 2000's she designed processes for fund managers to assess the ESG aspects of their investments.

Ms. Chapple's current roles include Chair of Tracker Group which seeks to align capital markets with a sustainable future through Carbon Tracker and Planet Tracker, two financial think tanks, Independent Director of the Schroders BSC Social Impact Trust Plc, Trustee of the Shell Foundation and member of the Advisory Boards of Frontier Finance Solutions and WHEB Asset Management.

She has also developed a sustainable finance course for the University of Cambridge Institute of Sustainability Leadership.

Ms. Chapple has an MA in Economics from Cambridge University and is a chartered accountant.

Board of Directors & Management (skills/experience)



Patricia Jean McCall, Non-Executive Director (aged 53)

Patricia McCall is a U.S. citizen, based in the New York area, with more than 20 years of international experience in philanthropy advising, investment management, economic development, regulatory reform and education. In her current role as Winrock International's Vice President of Corporate Affairs and Global Strategy, Ms. McCall leads Winrock's efforts to develop impact investment programmes, oversee corporate partnerships, and evolve efforts to secure philanthropic partners for its programmes.

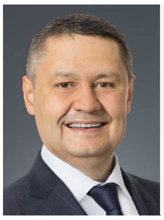
She has developed private-public partnerships, led policy institutes and designed investments and initiatives to maximise return and impact. She has worked in the United States, the Middle East and the United Kingdom.

Ms. McCall has a background in philanthropy, impact investing and global development. She worked for the International Finance Corporation ("IFC") in Cairo, guided philanthropic programming for several family-led foundations in the Middle East, and led the Center for Economic Growth at the INSEAD campus in Abu Dhabi, Europe's leading graduate school of business.

Ms. McCall holds an Masters in International Affairs (MIA) with a concentration on Economic and Political Development from the Columbia University School of International and Public Affairs and a B.A. in economics from the University of Virginia.

i(x) TEAM

In addition to the executive Directors named above (Pär Lindström, Chief Executive Officer & Chief Investment Officer, and Jonathan Stearns, Chief Financial Officer), the Company's senior management team comprises:



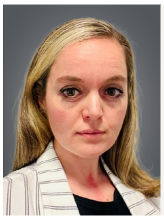
Dmitri Tsvetkov, COO & Group Director of Finance (ex-Chief Financial Officer) (aged 50)

Dmitri has more than 28 years of financial, accounting and operational experience, including significant experience of working with energy sector listed companies in London, Africa, Asia and Canada.

Dmitri joined the Company from OPG Power Ventures plc, an AIM quoted developer and operator of power generation facilities in India, where he was Chief Financial Officer and a Board Director. Dmitri was a member of OPG's ESG committee and part of the leadership team developing its energy transition strategy and its first standalone ESG report. Prior to OPG, he was CFO at Advance International Exploration Inc., a Canadian private oil & gas company, and Interim Chief Executive Officer and CFO at Mart Resources Inc., a TSX-listed international exploration and production oil and gas company.

Dmitri, who is a non-executive director of AIM quoted Mercantile Ports & Logistics Limited, is a member of the Association of Chartered Certified Accountants, the Canadian Institute of Chartered Accountants and the Chartered Financial Analysts (CFA) Institute.

Mr. Tsvetkov holds a Bachelor of Science from the Moscow State University and an MBA from the University of Chicago Booth School of Business.



Karina Edwards,
Director of Operations (aged 39)

Karina has 20+ years' experience leading major initiatives, international experience in business development, logistics, project and operations management in the Middle East, Asia, and CIS countries.

Karina joined the Company from Meteors Chemicals Ltd., one of the leading producer of water-based printing inks in the Middle East, where as a General Manager of the Russian branch she developed a strategy of shifting the ratio consumption of the solvent based inks towards environmentally friendly water-based products, and creating a much healthier work conditions at the factories by replacing toxic products and implementing purifying systems that allows to recycle water and significantly reduce a release of the toxic wastes.

Karina holds a Master of Engineering in Organic Chemistry from Mendeleyev University of Chemical Technology of Russia.

Corporate governance report

The Company is committed to high standards of corporate governance and places good governance at the heart of the business. The Directors recognise that it is in the best interests of the Company and its Shareholders, given the Company's size and the constitution of the Board, to comply with the recommendations set out in the Quoted Companies Alliance's ("QCA") corporate governance code ("the Code") in line with requirements of the AIM Rules for Companies.

In accordance with AIM Rule 26, the Directors review the compliance with the Code on an annual basis.

The Code sets out ten corporate governance principles. The ways in which the Company meets the following principles are described on our website at Investors - i(x) Net Zero (ixnetzero.com):

1. Establish a strategy and business model which promotes long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.
3. Take into account wider stakeholder and social responsibilities and other implications for long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.
5. Maintain the board as a well-functioning, balanced team led by the chair.
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.
8. Promote a corporate culture that is based on ethical values and behaviour.
9. Maintain governance structures and processes that are fit for purpose and support good decision making by the board.
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Board of Directors as at 31 December 2022

The Board of the Directors of the Company comprised of the following individuals as at 31 December 2022:

Executive Directors as at 31 December 2022

1. Mr. Stephen Oyer, Chief Executive Officer;
2. Mr. Pär Lindström, Chief Investment Officer;
3. Mr. Dmitri Tsvetkov, Chief Financial Officer

Non-executive Directors as at 31 December 2022

4. Mr. Nicholas Richard Hurd, Non-Executive Chairman;
5. Ms. Alice Chapple, Non-Executive Director;
6. Ms. Patricia McCall, Non-Executive Director.

Changes in the Board of Directors

Mr. Stephen Oyer resigned from the Board of the Company and was replaced by Mr. Pär Lindström as Chief Executive Officer of the Company with effect from 24 January 2023.

Mr. Dmitri Tsvetkov, Chief Financial Officer stepped down and retired from the Board of Directors of the Company with effect from 20 April 2023 and Mr. Jonathan Stearns was appointed as Chief Financial Officer and Executive Director of the Company with effect from 21 April 2023. Mr. Dmitri Tsvetkov continued in a senior management role as Chief Operating Officer & Group Director of Finance, with effect from the same date.

Mr. Marc Chennault, Chief Financial Officer stepped down and retired from the Board of Directors of the Company with effect from 1 July 2022 and Mr. Dmitri Tsvetkov was appointed as and Chief Financial Officer of the Company and Executive Director with effect from 1 July 2022. Mr. Marc Chennault was appointed as Chief Financial Officer of WasteFuel Holdings LLC, an investee company of i(x) Net Zero, with effect from the same date. Therefore, as at the date of this Report, the Board of Directors of the Company comprises the following Executive and Non-Executive Directors:

Executive Directors

1. Mr. Pär Lindström, Chief Executive Officer & Chief Investment Officer;
2. Mr. Jonathan Stearns, Chief Financial Officer, Executive Director

Non-executive Directors

3. Mr. Nicholas Hurd, Non-Executive Chairman;
4. Ms. Alice Chapple, Non-Executive Director;
5. Ms. Patricia McCall, Non-Executive Director.

Division of Responsibilities

The roles and responsibility of the Chief Executive Officer, Non-Executive Chairman and other Directors are laid out below:

The Chief Executive Officer's primary responsibilities are to: implement the Company's strategy in consultation with the Board; take responsibility for new investment opportunities and existing investments; run the Company on a day-by-day basis; implement the decisions of the Board; monitor, review and manage key risks; act as the Company's primary spokesman; communicate with external audiences such as investors, analysts and media; be responsible for the administration of all aspects of the Company; oversee the accounting function of all group companies and deal with all matters relating to the independent audit.

The Non-Executive Chairman's primary responsibilities are to: lead the Board and to ensure the effective working of the Board; in consultation with the Board, ensure good corporate governance and set clear expectations with regards to the Company culture, values and behaviour; set the Board's agenda and ensure that all Directors are encouraged to participate fully in the decision-making process of the Board and take responsibility for relationships with the Company's professional advisers and major shareholders.

The NEDs participate in all Board level decisions and play a particular role in the determination and articulation of strategy. The NEDs provide oversight and scrutiny of the performance of the Company's executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates within the risk management framework.

The QCA Code recommends that at least two members of the Board are non-executive directors determined by the Board to be independent. Currently, the Board comprises 5 directors, of whom 2 are executive and 3 are non-executive. The Board considers all of the non-executives to be independent. The QCA Code invites companies to consider whether to appoint one of its independent non-executive directors to be the senior independent director (the ''SID''). The SID should act as a sounding board and intermediary for the chair or other board members as necessary and should be an alternative route of access for Shareholders and other directors who have a concern that cannot be raised through the normal channels. The Company's SID is Alice Chapple.

The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

Corporate governance report

Board Committees

The Board is supported by the Audit, Remuneration and Nomination committees as described below. Whilst not a requirement of the QCA Code, the Company also has an ESG committee.

Audit Committee

The Audit Committee comprises Alice Chapple as Chair and Patricia McCall, both of whom are independent non-executive Directors.

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It receives and reviews reports from the Company's executive management team and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The Audit Committee normally meets at least three times a year at appropriate times in the reporting and audit cycle.

Remuneration Committee

The Remuneration Committee comprises Patricia McCall as Chair and Alice Chapple. The Remuneration Committee reviews the performance of the Company's executive Directors, the Chair and senior management team and makes recommendations to the board on matters relating to their remuneration and terms of service. The Remuneration Committee normally meets at least three times a year.

Nomination Committee

The Nomination Committee comprises Nicholas Hurd as Chairman and Alice Chapple. The Nomination Committee has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. The Nomination Committee normally meets at least twice a year at appropriate times in the reporting cycle.

ESG Committee

The ESG Committee comprises Nicholas Hurd as Chairman, Patricia McCall and Alice Chapple. The ESG Committee serves as an advisory adjunct to the Board. Its mission is to authenticate and guide all aspects of the operations and investments of the Company from an ESG perspective. The Committee periodically assesses the initiatives of the Company to determine accountability to

Company-held and third-party standards adopted by the Company as part of its overall ethos. This periodic assessment guides internal management planning and resource allocation that assures equity amongst all stakeholders. The ESG Committee meets at least twice a year at appropriate times in the reporting cycle.

Share dealing code

The Company has adopted, with effect from Admission, a share dealing code for the Directors and certain employees, which is appropriate under the UK version of the Market Abuse Regulation for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies) and the Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees.

Re-election of Directors

At every AGM, all Directors will be up for re-election.

Information and professional development

All Directors received a briefing from the Company's nominated adviser of their duties, responsibilities and liabilities as a Director of an AIM company. In addition, all Directors receive a regular briefing on the AIM Rules for Companies and the Market Abuse Regulations (MAR) from the Company's Nominated Adviser. Directors are encouraged to keep abreast of developments and attend training courses to assist them with their duties.

In addition to the formal meetings of the Board, the Non-Executive Chairman is available to the other Non-executive Directors to discuss any issues of concern they may have relating to the Group or regarding their area of responsibility and to keep them fully briefed on ongoing matters relating to the Group's operations.

Board performance and evaluation

The Non-Executive Chairman, as part of his responsibilities, informally assesses the performance of the Board and its Directors on an ongoing basis and brings to the Board's attention any areas for improvement. For the time being, the Board will continue to evaluate in this way the balance of skills, experience, independence and knowledge required to ensure that its composition is appropriate to the Group's size and complexity.

Meetings of the Board and its Committees

The following table sets out the number of meetings of the Board and its Committees during the year under review and individual attendance by the relevant members at these meetings:

	Board meetings		Board Committee meetings							
			Audit		Remuneration		Nomination		ESG***	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Nicholas Hurd	5	5	NA	NA	NA	NA	1	1	1	1
Pär Lindström*	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Stephen Oyer*	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Dmitri Tsvetkov**	5	3	NA	NA	NA	NA	NA	NA	NA	NA
Marc Chennault	5	2	NA	NA	NA	NA	NA	NA	NA	NA
Alice Chapple	5	5	3	3	2	2	NA	NA	1	1
Patricia McCall	5	5	3	3	2	2	1	1	1	1
Number of meetings held during the year	**5**		**3**		**2**		**1**		**1**	

* Mr. Stephen Oyer resigned from the Board of the Company and was replaced by Mr. Pär Lindström as Chief Executive Officer of the Company with effect from 24 January 2023.

** Mr. Dmitri Tsvetkov, was appointed as Chief Financial Officer of the Company and the Executive Director with effect from 1 July 2022. He stepped down and retired from the Board of Directors of the Company with effect from 20 April 2023.Mr. Marc Chennault, ex-Chief Financial Officer stepped down and retired from the Board of Directors of the Company with effect from 1 July 2022

*** ESG Committee had its meeting in 2023.

Corporate governance report

Accountability and Audit

Risk management and internal control

The Board has overall responsibility for the Group's system of internal control, which includes risk management. The Board has delegated the responsibility for reviewing the effectiveness of its internal control systems to the Audit Committee. The Audit Committee reviews these systems, policies and processes for tendering, authorisation of expenditure, fraud and the internal audit plan.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee will assist the Board in discharging its review responsibilities. The Board has carried out a robust assessment of the principal risks faced by the Group, including those that would threaten its business model, future performance, solvency or liquidity. A summary of the key risks facing the Group and mitigating actions is described on pages 30.

Assurance

Jeffreys Henry LLP was appointed as auditor for the Group for the financial year ended 31 December 2022 following a tender process. The Audit Committee reviewed the effectiveness of the external auditor and Jeffreys Henry LLP was reappointed for the financial year ended 31 December 2022.

The Audit Committee's assessment was based on inputs obtained in the course of monitoring the integrity of the financial statements and the significant financial reporting issues and judgements underlying the financial statements, and on its direct interactions with the external auditors.

The Audit Committee's principal interactions with the auditors were its discussions of the audit work performed on areas of higher audit risk and the basis for the auditors' conclusions on those areas.

These interactions were supplemented by others that enabled them, for example, to gauge the depth of the auditors' understanding of the Company's business. The Audit Committee's review focused on the level of experience and expertise of the audit team, their objectivity and professional scepticism, and their preparedness to challenge management in a knowledgeable, informed and constructive manner. The Committee's review also took account of feedback from management on the effectiveness of the audit process.

The Audit Committee considers that, at this stage in the Group's development, it is more efficient to use a single audit firm to provide certain non-audit services for transactions and tax matters. However, to regulate the position, the Committee will at the appropriate time establish a policy on the provision of non-audit services by the external auditor.

That policy will set out the external auditor's permitted and prohibited non-audit services and a fee threshold requiring prior approval by the Audit Committee for any new engagement. The external auditor did not provide any non-audit services during the year.

Viability statement

A statement on the Directors' position regarding the Company as going concern is contained in the Directors' Report on pages 50 and 51. As part of an annual strategy session, the Directors have assessed the prospects of the Group over a period significantly longer than the 12 months required by the going concern. In this assessment, the Board has considered the principal risks faced by the Group, relevant financial forecasts and the availability of adequate funding.

The Board conducted this assessment over a period to April 2025, primarily because this is the term of the loan facility. Based on its review, the Board is satisfied the viability of the Group would be preserved and have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the two-year period of their assessment.

Shareholder Relations and the Annual General Meeting

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Chief Executive Officer has been appointed to manage the relationship between the Company and its shareholders and will review and report to the Board on any communications received. To this end the Chief Executive Officer met with a number of institutional shareholders during the year. The Directors also encourage communications with private shareholders and encourage their participation in the AGM.

Notice of the AGM will be sent to shareholders at least 21 clear days before the meeting. The voting results will be made available on the Company's website following the meeting.

The Company also provides regular updates on the progress of the Company, detailing recent business and strategy developments in news releases which are available on the Company's website https://ixnetzero.com/.

The Company's financial reports can be found on its website https://ixnetzero.com/. The Company has elected to host its AGMs in London. The Directors believe hosting the AGM in London will enhance engagement with the Company's shareholders by making the meeting more accessible.

The Company also participates in various investor events including conferences and presentation evenings, at which shareholders can meet with management in person to answer queries, provide information on current developments and take into consideration shareholder views and suggestions.

Directors' remuneration report

This report sets out information about the remuneration of the Directors of the Company for the year ended 31 December 2022. As a company admitted to trading on AIM, i(x) is not required to prepare a directors' remuneration report. However, the Board follows the principle of transparency and has prepared this report in order to provide information to shareholders on executive remuneration arrangements.

This report has been substantially prepared in accordance with the Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (2008) (the 'Regulations').

Remuneration Committee

The Remuneration Committee as at 31 December 2022 comprises of Ms. Patricia McCall and Ms. Alice Chapple, who are independent Non-Executive Directors. Ms. Patricia McCall is the Chair of the Remuneration Committee.

Terms of reference have been approved for the Remuneration Committee the primary duty of which is to determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors, senior managers and such other members of the executive management team of the Group as is deemed appropriate. The remuneration of the Non-Executive Directors is a matter for the executive members of the Board.

The principal responsibilities of the Committee include:

- assessing and setting compensation levels for Directors and senior managers;
- reviewing the ongoing appropriateness and relevance of the remuneration policy at regular intervals to ensure that members of the executive team are provided with incentives that encourage enhanced performance;
- reviewing the design of share incentive plans for the approval of the Board or shareholders, as appropriate; and
- ensuring that contractual terms on termination are such that failure is not rewarded and that the duty to mitigate losses is fully recognised in the drafting of Directors' service agreements and letters of appointment.

In fulfilling these duties, the Committee shall be cognisant of remuneration trends across the Group and within the sector in which the Group operates.

The Executive Directors and external advisers may be invited to attend meetings of the Remuneration Committee but do not take part in the decision making.

Attendance at meetings of the Remuneration Committee by individual members is detailed in the Corporate Governance Report on page 41.

Remuneration policy

The Remuneration Committee seeks to maintain a remuneration policy to ensure that the Company is able to attract, retain and motivate its Executive Directors and senior management.

The retention of key management and the alignment of management incentives with the creation of shareholder value are key objectives of this policy.

The Group therefore sets out to provide competitive remuneration for all its management and employees appropriate to the business environment in the market in which it operates and in recognition of their contribution to Group performance. To achieve this, the remuneration package is based upon the following principles:

- total rewards should be set to provide a fair and attractive remuneration package;
- appropriate elements of the remuneration package should be designed to reinforce the link between performance and contribution to the Group's success and reward; and
- Executive Directors' incentives should be aligned with the interests of shareholders.

The remuneration strategy is designed to be in line with the Group's fundamental values of fairness, competitiveness and equity, and also to support the Group's corporate strategy.

The Group seeks increasingly to align the interests of shareholders with those of Directors and senior employees by giving the latter opportunities and encouragement to build up a shareholding interest in the Company.

Long-term incentives

The Remuneration Committee believes that it is appropriate to operate share incentive schemes to encourage Executive Directors and senior employees to meet the Group's long-term strategic and financial objectives set by the Board.

Equity Incentive Plan ('EIP or Incentive Plan')

Pursuant to the Incentive Plan for 2022, stock options were granted to management employees during 2022. On 4 February 2022, in conjunction with its IPO, the Company issued options over Ordinary Shares representing approximately 6.3 per cent. of the Company's issued share capital under the EIP ("IPO Options"). Each management employee was granted the option to purchase shares of the Company's stock in accordance with each employee's Stock Option Grant.

The options are exercisable at £0.76 per share and the options expire ten years from the grant date, as specified in each employee's Stock Option Grant. The shares subject to the Incentive Plan vest over three years and would only vest upon the Company's achievement of a total shareholder return compound growth per annum target for the Performance Period of 8% or more.

The Performance Period is the period of three years from the date the Company's shares were admitted for trading on the AIM market. Options are forfeited if an employee leaves the Company before the options vest.

	Year from January 1, 2022 to December 31, 2022
Outstanding at beginning of year	-
Granted during the year	5,779,277
Forfeited/cancelled during the year	(909,153)
Exercised during the year	-
Expired during the year	-
Outstanding at end of year	4,870,124*

Directors' Share Options

	Options granted	Options as at 1 Jan 2022	Granted	Movements during the year Expired/ Cancelled	Exercised	Options Outstanding 31 Dec 2022	Latest vesting date
Stephen Oyer	4 Feb 2022	Nil	1,668,323	Nil	Nil	1,668,323*	4 Feb 2025
Pär Lindström	4 Feb 2022	Nil	1,375,589	Nil	Nil	1,375,589*	4 Feb 2025
Dmitri Tsvetkov	31 May 2022	Nil	790,568	Nil	Nil	790,568*	31 May 2025
Marc Chennault	4 Feb 2022	Nil	909,153	(909,153)	Nil	Nil	4 Feb 2025

* Subsequent to year end, all share options granted in 2022 were either cancelled or have been surrendered.

Directors' remuneration report

On 21 April 2023, the Company issued a total of 6,324,545 options to subscribe for new Ordinary Shares in the Company ("Options") under the 2022 i(x) Net Zero Plc's EIP. The Options all have an exercise price of 20p, being a 142.4 per cent premium to the previous day's closing share price on AIM of 8.25p. The Options vest over a period of three years, with a third vesting on each of the three successive anniversaries of the date of grant.

Following the new grant of the Options, and the cancellation/surrender of IPO Options, the Company has a total of 6,324,545 options, including 3,083,216 granted to Pär Lindström, CEO & CIO, 2,450,761 granted to Jonathan Stearns, CFO and 790,568 granted to Dmitri Tsvetkov, COO & Group Director of Finance.

IPO bonus

As disclosed in the Admission document, upon Admission, Steven Oyer, the CEO and Director of i(x) Net Zero plc would have been entitled to $2,000,000 as an investor liquidity bonus under the terms of his service agreement. However, he voluntarily agreed to amend his agreement.

Under the amendment proposed by Steven Oyer, he would receive a cash bonus of $1,050,000, and $700,000 of his $2,000,000 bonus would at his direction and request instead be paid to other members of the i(x) executive team, including the CIO, CFO, COO and Director, Strategic Initiatives, for a total of $1.75 million in cash bonus to be paid to the executive team.

The executive team then agreed that an aggregate of $1,000,000 of the cash bonus payments (being approximately the aggregate after-tax amount of the cash bonus to the executive team) would be used to fund the acquisition by the executive team of $1,000,000 of Ordinary Shares at the Placing Price from Trevor Neilson, a former CEO and Director of i(x) investments.

The remaining $250,000 due to Steven Oyer under his original service agreement was paid to him via an option grant made on Admission to purchase any time after Admission such number of Ordinary Shares as equals $250,000 at the Placing Price. This option grant was in addition to the incentive grant awarded to Steven Oyer under the Company's Equity Incentive Plan on Admission.

On 9 February 2022 the five members of the executive team purchased 981,201 shares of i(x) Net Zero stock from Trevor Neilson, the former CEO and Director of i(x) investments for $1,000,000, which the Company paid on their behalf.

The Company recorded that payment as IPO bonus expense of $1,000,000. The Company then recorded the remaining $750,000 of the aggregate cash bonus, plus a small additional amount to cover additional employee income tax liability, for a total of $765,182, which was paid in 2022.

Annual bonus

In December 2022, the Company agreed to pay to Pär Lindström, CEO & CIO, an incentive bonus of £160,772 in respect of the year ended 31 December 2022, an amount which equates to approximately 50% of his annual compensation for the year. In order to preserve the Company's cash resources and to demonstrate his commitment to the Company, Mr Lindström has agreed to apply this sum to a subscription of new ordinary shares at the previous day's closing price of 8.25p per share.

This will resulted in the issue of 1,948,748 new ordinary shares to Mr Lindström ("2022 Bonus Shares"). The 2022 Bonus Shares represent 2.5% of the issued share capital prior to the issue of these shares.

Furthermore, as part of his promotion to CEO in January 2023, the Company agreed to pay Mr Lindström a promotion bonus based on increased responsibilities as CEO of £401,929 being approximately 120% of his 2023 annual compensation.

In order to preserve the Company's cash resources and to demonstrate his commitment to the Company, Mr Lindström has also agreed to apply this sum to a subscription of new ordinary shares at the previous day's closing price of 8.25p per share. This resulted in the issue of 4,871,870 new ordinary shares to Mr Lindström ("CEO Bonus Shares"). The CEO Bonus Shares represent 6.2% of the issued share capital prior to the issue of shares referred to in this announcement.

By way of further alignment to shareholders and the creation of shareholder value, in respect of the 2022 Bonus Shares and CEO Bonus Shares, the shares subscribed for by Mr Lindström pursuant to each of these bonus schemes will be subject to a risk of forfeiture and may not be sold or otherwise transferred until such forfeiture risk has lapsed.

Specifically, Mr. Lindstrom may not sell, transfer, or otherwise transact in these shares until such time as the risk of forfeiture with respect to the bonus shares has lapsed.

This forfeiture risk will expire if and when the Company's Net Asset value reaches and exceeds $120 million within the 24 month period following their issue ("NAV Hurdle"). If the NAV Hurdle is not met in that time period, the bonus shares will be forfeited back to the Company.

The 2022 Bonus Shares and the CEO Bonus Shares were admitted to trading on AIM London Stock Exchange on 26 April 2023.

Non-Executive Directors

The remuneration of the Non-executive Directors consists of fees that are paid quarterly in arrears. The Non-executive Directors do not have a contract of employment with the Company. Each has instead entered into a contract for services with the Company.

External appointments

It is the Board's policy to allow the Executive Directors to accept directorships of other companies provided that they have obtained the consent of the Board. Any such directorships must be formally notified to the Board.

Directors' interests in ordinary shares

The interests of Directors in the ordinary share capital of the Company as at 31 December 2022 were as follows:

	Number of ordinary shares	Percentage of voting rights
Nicholas Hurd	481,338	0.6%
Pär Lindström*	2,782,312	3.5%
Stephen Oyer *	1,778,177	2.3%
Alice Chapple	41,759	0.1%
Patricia McCall	43,139	0.1%
Dmitri Tsvetkov**	Nil	Nil
Total	**5,129,725**	**6.5%**

* Mr. Stephen Oyer resigned from the Board of the Company and was replaced by Mr. Pär Lindström as Chief Executive Officer of the Company with effect from 24 January 2023.

** Mr. Dmitri Tsvetkov, was appointed as Chief Financial Officer of the Company and the Executive Director with effect from 1 July 2022. He stepped down and retired from the Board of Directors of the Company with effect from 20 April 2023.

Directors' remuneration report

There were changes to Directors' interests between 31 December 2022 and the date of this report resulting in the following interests the date of this report:

	Number of ordinary shares	Percentage of voting rights
Nicholas Hurd	583,364	0.6%
Pär Lindström	9,602,930	3.5%
Jonathan Stearns *	850,000	2.3%
Alice Chapple	93,572	0.1%
Patricia McCall	63,139	0.1%
Total	**11,193,005**	**13.0%**

* Mr. Jonathan Stearns, was appointed as Chief Financial Officer and the Executive Director of the Company with effect from 21 April 2023.

Directors' remuneration for 2022

Salary, annual bonus and benefits	Salary/fees $	IPO & Annual bonus $	Total FY22** $
Non-Executive Chairman			
Nicholas Hurd	126,084	–	126,084
Executive Directors			
Stephen Oyer*	411,790	1,050,000	1,461,790
Pär Lindström*	439,701	264,000	703,701
Dmitri Tsvetkov**	168,397	–	168,397
Marc Chennault**	95,500	175,000	270,500
Non-Executive Directors			
Alice Chapple	66,944	–	66,944
Patricia McCall	66,385	–	66,385
Total	**1,374,801**	**1,489,000**	**2,863,801**

* Mr. Stephen Oyer resigned from the Board of the Company and was replaced by Mr. Pär Lindström as Chief Executive Officer of the Company with effect from 24 January 2023.

** Mr. Dmitri Tsvetkov was appointed as Chief Financial Officer of the Company and the Executive Director with effect from 1 July 2022. He stepped down and retired from the Board of Directors of the Company with effect from 20 April 2023.Mr. Marc Chennault, ex-Chief Financial Officer stepped down and retired from the Board of Directors of the Company with effect from 1 July 2022.

No consideration was paid or received by third parties for making available the services of any Executive or Non- Executive Director.

Under their service agreements, Executive Directors are entitled to medical insurance, pension and other allowances. During the year 2022, Stephen Oyer, Pär Lindström, Dmitri Tsvetkov and Marc Chennault received medical insurance, pension and other allowances aggregating to $93,024.

At 31 December 2022, the closing mid-market price of the Company's shares was 16.50 pence. During the year under review, the Company's closing mid-market share price ranged between a high of 77.00 pence and a low of 16.50 pence.

This report has been approved by the Board of Directors of the Company.

Ms Patricia McCall
Chair, Remuneration Committee
12 June 2023

Directors' report

The Directors present their report, together with the audited financial statements of the Company for the year ended 31 December 2022.

Principal activity

i(x) Net Zero Plc is an investing company and was incorporated in Jersey as a public limited company under the Companies (Jersey) Law 1991 with registered number 138730, which is quoted on the AIM Market of the London Stock Exchange ("AIM").

Results

The Group's results for the year ended 31 December 2022 are set out in the Consolidated Statement of Comprehensive Income. The Group's loss for the year after tax was $(18.1) million (2021 profit: $35.8 million).

Directors

The Board of Directors of the Company comprised the following Directors as at 31 December 2022:

Sl.No.	Name of the Directors	Profile
1.	Mr. Nicholas Hurd	Non-Executive Chairman, Chairman of Nomination and ESG Committees and a member of the Remuneration Committee.
2.	Mr. Stephen Oyer	Chief Executive Officer and a member of the ESG Committee;
3.	Mr. Pär Lindström	Chief Investment Officer, Executive Director;
4.	Mr. Dmitri Tsvetkov	Chief Financial Officer, Executive Director
5.	Ms. Alice Chapple	Non-Executive Director, Chair of Audit Committee and a member of the Remuneration Committee, ESG Committee and Nomination Committee.
6.	Ms. Patricia McCall	Non-Executive Director, Chair of Remuneration Committee and a member of the Audit Committee and ESG Committee..

Consequent to the changes in the Board of Directors as mentioned on Page 39, Board of Directors of the Company comprises of the following individuals as at the date of this Report:

Sl.No.	Name of the Directors	Profile
1.	Mr. Nicholas Hurd	Non-Executive Chairman, Chairman of Nomination and ESG Committees and a member of the Remuneration Committee.
2.	Mr. Pär Lindström	Chief Executive Officer and Chief Investment Officer;
3.	Mr. Jonathan Stearns	Chief Financial Officer, Executive Director and a member of the ESG Committee;
4.	Ms. Alice Chapple	Non-Executive Director, Chair of Audit Committee and a member of the Remuneration Committee, ESG Committee and Nomination Committee.
5.	Ms. Patricia McCall	Non-Executive Director, Chair of Remuneration Committee and a member of the Audit Committee and ESG Committee.

Directors' report

Directors' liability insurance and indemnities

The Company maintains liability insurance for the Directors and officers of the Company.

Indemnities are in force under which the Company has agreed to indemnify the Directors to the extent permitted by applicable law and the Company's Articles of Association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company.

Neither the Group's liability insurance nor indemnities provides cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly.

Share capital

The issued share capital of the Company at 31 December 2022 was comprised of 79,056,811 ordinary shares with no par value, of which there are no designated treasury shares. Following issuance of 6,820,618 new ordinary shares in April 2023, the Company has 85,877,429 Ordinary Shares in issue.

Political donations

The Group has made no political donations during the year under review.

Going concern

As highlighted in note 2 to the financial statements, the Company meets its day-to-day working capital requirements through cash from operations and bank facilities.

Further information on the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review.

The management's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

After making enquiries, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Substantial shareholdings

Details of the Company's substantial shareholdings are set out on the Company's website at www.ixnetzero.com. The Company has been notified, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following interests (whether directly or indirectly held) in 3% or more of the Company's total voting rights at 31 May 2023:

	Percentage of voting rights and issued share capital	Number of ordinary shares
Pär Lindström	11.2%	9,602,930
Lion Point Master	7.8%	6,672,171
MS&AD Ventures, LLC	4.1%	3,508,380
G2 i(x)Investments SPV, LLC	3.9%	3,384,649
Angelica Fuentes	3.5%	2,985,569
HRK Investments, LLP	3.4%	2,923,413
SP Trust	3.1%	2,704,448

Secretary

The Company Secretary at 31 December 2022 was Ogier Global Secretary Limited who served throughout the year and has continued to date.

Auditors

Jeffreys Henry LLP (a member of the Gravita Group) has indicated that it will not seek re-appointment as the company's auditor at the forthcoming Annual general Meeting as, following a business reorganisation, the group will provide audit services to clients from another company in the group, Gravita Audit Limited. A resolution to appoint Gravita Audit Limited as the company's auditor will be proposed at the Annual General Meeting.

Financial instruments

Information on the Group's financial risk management objectives and policies and its exposure to fair value estimation risk, liquidity risk, credit risk, risk and market risk can be found in note 18.

Disclosure of information to the auditor

The Directors serving at the date of approval of the financial statements confirm that:

1. To the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
2. Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board of Directors on 12 June 2023 and signed on its behalf by:

Nicholas Hurd
Non-Executive Chairman
3rd Floor, 44 Esplanade
St Helier JE4 9WG Jersey
12 June 2023

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Group financial statements. The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Company law requires the Directors to prepare such financial statements in accordance with IFRS and the Companies (Jersey) Law 1991.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows.

This requires the fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'.

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. 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 they have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies (Jersey) Law 1991.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in Jersey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

On behalf of the Board by:

Nicholas Hurd
Non-Executive Chairman
3rd Floor, 44 Esplanade
St Helier JE4 9WG Jersey
12 June 2023

Financial Statements

Independent Auditor's Report to the members of i(x) Net Zero Plc

Opinion

We have audited the financial statements of i(x) Net Zero Plc for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the schedule of investments and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of the Group's loss for the period then ended;
- the Group's financial statements have been properly prepared in accordance with IFRS as issued by the IASB; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) 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 Group in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities. 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. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing bank statements to monitor the cash position of the Group post period end;
- Obtaining an understanding of significant expected cash outflows in the forthcoming 12-month period from the date of signing these financial statements including any cash requirements the Group may have to provide to its investee companies; and,
- Assessing significant post period events that have a material effect on the financial statements.

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 Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted this statement is not a guarantee to the company's ability to continue as a going concern.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted investments Investments are the most significant balance on the balance sheet with carrying value of $63,840,722 (2021: $60,740,752) as at period end is reliant on third party financial information and projections. Due to the nature of the unquoted investments, there is a lack of observable inputs and therefore the key risk is considered to be the fair value of investments. We therefore identify the valuation of unquoted investments as high risk. The company's accounting policy on investments and critical accounting estimates is shown in note 2 to the financial statements.	**Our audit procedures:** We challenged the valuation of unquoted investments, assessing the methodology used by management and considered other potential valuation models which have been used in the industry. We tested the key inputs to the valuation model valuing the underlying assets and the forecasts of future revenue. We considered the sensitivity of the valuations to changes in key assumptions. We have agreed the valuation of the most significant investment to the indicative range suggested by an independent third-party valuations firm. We review the validity of the methodology and calculations used to value the investments. Additionally, in regard to the most significant unquoted investment, we prepared a further model and auditor's estimate of an acceptable valuation to compare against the valuation range arrived by the third-party valuations firm and whether materially close to the fair value valuation estimate used by management. We tested the mathematical accuracy of the valuation calculations.

Presentation of merging subsidiaries	**Our audit procedures**
During the year Group acquired and hived up i(x) investments LLC into a wholly owned subsidiary i(x) Merger LLC. This transaction was a share for share exchange and qualified for merger relief as described in Note 2. The treatment of the merger reserve was on a net basis with no intangible asset created.	We reviewed and reperformed the calculations for the hiveup. We confirmed various inputs used. We reviewed various documents relating to the pre and post IPO reorganisation of the Group. We considered whether there were any change in conditions subsequent to the reorganization for the group to continue to disclose its investments as if it were an investment company as described in IFRS 10, Consolidated Financial Statements.
Calculation of share-based payments	**Our audit procedures**
The share-based payment charge recognised in the income statement for the year is \$1,750,059 (2021: \$Nil). All share-based payments are equity-settled and are made up of share issues and share option issues. These share based payments have been reviewed for the purpose of calculating an appropriate share based payment charge. The fair value of services was used to value share-based payments where the fair value of services may be directly calculated. Where the fair value of services may not be directly calculated, the Black-Scholes model was used.	We have understood and assessed the methodology utilized to estimate the Company's share-based payment charge calculations and checked that the calculation of the provision was mathematically accurate. We have reviewed the variables and inputs included within the calculations and have agreed that they lie within the range of expected inputs.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality.

These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements
Overall materiality	$1.2 Million (2021: $665,000) for investments and $906,000 for income statement.
How we determined it	2% of Net Assets for investments and 5% of net loss for other areas (2021: 1% of gross assets for all areas)
Rationale for benchmark applied	We believe that splitting materiality is adequate for the Group as it is an investment company whose operations are focused on managing investments and hold a significant amount of assets in that regard, whilst costs for managing the administration of the Group requires a lower materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit for the Group above $45,300 (2021: $33,250), as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate. We therefore performed a group audit of the complete financial information of i(x) Net Zero Plc comprising of i(x) investments LLC as its subsidiary.

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 firm of assurance conclusion thereon.

In connection, with our audit of the financial statements, 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 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.

Matters on which we are required to report by exception by the Companies (Jersey) Law 1991

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 Article 113B(3) requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- we have not received all the information and explanations we require for our audit; or
- the Group and Parent Company financial statements are not in agreement with the accounting records and returns.

Responsibilities of Management and those charged with governance for the consolidated financial statements

As explained more fully in the directors' responsibilities statement set out on page 52, the Directors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Directors determine 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 and management are responsible for assessing the Group's and the Parent Company'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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 IFRS 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the group through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant tax authority and the group and company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statement is located on the Financial Reporting Council's website at:

www.frc.ork.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Sachin Ramaiya

For and on behalf of Jeffreys Henry LLP, Statutory Auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date:
12 June 2023

Consolidated Statement of Comprehensive Income
For the Years Ended 31 December 2022

(Expressed in U.S. dollars)

	Notes	2022	2021
Dividend and other income	9	$2,645	$561
Net changes in fair value on financial assets at fair value through profit or loss	10	1,413,805	40,852,816
General and administrative expenses		(8,246,839)	(4,832,105)
OPERATING (LOSS)/PROFIT BEFORE FINANCING ACTIVITIES		(6,830,389)	36,021,272
Finance cost	11	(27,495)	(43,220)
(LOSS)/PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		(6,857,884)	35,978,052
Tax provision – deferred tax expense	17	(11,271,318)	-
(LOSS)/PROFIT FROM CONTINUING OPERATIONS AFTER TAX		(18,129,202)	35,978,052
DISCONTINUED OPERATIONS (b)			
(Loss) from discontinued operations	7	-	(226,665)
(LOSS)/PROFIT AFTER TAX		$(18,129,202)	$35,751,387
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE (c)	5	$(0.23)	$0.45

Notes:

a) There is no other comprehensive income or loss for the years ended 31 December 2022 and 2021.
b) Discontinued operations represent i(x) Financial Services, LLC and its subsidiary, i(x) Securities, LLC. These entities were spun off from i(x) investments, LLC in a reorganization which occurred prior to the merger of i(x) investments, LLC with a subsidiary of i(x) Net Zero, PLC, as described in Note 1 to the financial statements.
c) For 2021, earnings per share was calculated based on the total number of shares issued and outstanding during 2022, as there were no shares issued prior to February 9, 2022.

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

Consolidated Statement of Financial Position
31 December 2022

(Expressed in US dollars)

	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	2	$7,479,832	$ 2,134,764
Assets held for disposal	7	-	1,216,841
Accounts receivable	2	66,838	40,374
Prepaid expenses and other current assets		135,806	1,549,716
Cash Advances for future investments	2	-	86,165
Total Current Assets		7,682,476	5,027,860
Non-Current assets			
Investments at fair value	3	63,840,722	60,740,752
Right-of-use asset	19	349,277	653,426
Furniture and equipment, net of accumulated Depreciation	2	1,839	15,311
Security deposits		82,942	82,942
Member tax advance		-	11,500
Total Non-Current Assets		64,274,780	61,503,931
Total Assets		$71,957,256	$66,531,791
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses		$612,788	$1,872,513
Lease liability	19	364,336	335,946
Security deposit payable		24,601	49,202
Total Current Liabilities		1,001,725	2,257,661
Non-Current liabilities			
Deferred tax liability	17	11,271,318	-
Lease liability	19	32,051	396,386
Total Non-Current Liabilities		11,303,369	396,386
Total Liabilities		12,305,094	2,654,047
Shareholders' Equity			
Share Capital, no par value (authorised, issued and outstanding - 79,056,811 ordinary shares)		77,671,903	-
Members' capital		-	63,877,744
Retained earnings		(18,019,741)	-
Total Shareholders' Equity		59,652,162	63,877,744
Total Liabilities and Shareholders' Equity		$71,957,256	$66,531,791

The financial statements were authorized for issue by the board of directors on 12 June 2023 and were signed on its behalf by:

Par Lindstrom
Chief Executive Officer

Jonathan Stearns
Chief Financial Officer

Company number - 138730

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

Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2022

(Expressed in U.S. dollars)

	Members' Capital	Share Capital and Other Reserves	Retained Earnings	Total
At 1 January 2021	$22,976,372	$-	$-	$22,976,372
Capital contributions	5,149,985	-	-	5,149,985
Net Income for the period (1 January 2021 31 December 2021	35,751,387	-	-	- 35,751,387
At 31 December 2021	**$63,877,744**	**$-**	**$-**	**$63,877,744**
At 1 January 2022	$63,877,744	$-	$-	$63,877,744
Capital contributions	1,644,981	-	-	1,644,981
Distribution of assets held for disposal to i(x) Sustainable Holdings, LLC	(1,216,841)	-	-	(1,216,841)
Distribution of cash to i(x) Sustainable Holdings, LLC	(400,000)	-	-	(400,000)
Net loss for the period (January 1, 2022 – February 8, 2022	(109,461)	-	-	(109,461)
At 9 February 2022	**$63,796,423**	**$-**	**$-**	**$63,796,423**
Conversion from members' capital to shareholders' Equity	(63,796,423)	63,796,423	-	-
Subscriptions for i(x) Net Zero shares, net of expenses (Note 4)	-	12,125,421	-	12,125,421
Net loss for the period (9 February 2022 - 31 December 2022	-	-	(18,019,741)	(18,019,741)
Share option expense	-	1,750,059	-	1,750,059
At 31 December 2022	**$-**	**$77,671,903**	**$(18,019,741)**	**$59,652,162**

The consolidated statement of changes in shareholders' equity is presented as changes in members' capital up to the date of the acquisition of i(x) investments, LLC, accounted for under merger principles as disclosed in Note 2.

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

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022

(Expressed in U.S. Dollars)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
FROM CONTINUING OPERATIONS			
(Loss)/Profit after taxes		$(18,129,202)	$35,978,052
Adjustments for:			
Depreciation expense	2	13,472	14,784
Loss on cash advances for future investments		86,165	-
Amortisation of right-of-use asset	19	304,149	288,424
Net changes in fair value on financial assets at fair value through profit or loss		(1,499,970)	(40,852,816)
Bonus expense paid in shares		1,000,000	-
Incentive stock option grant expense	6	1,750,059	-
Cash advances for future investments		-	238,773
Changes in operating assets and liabilities			
Decrease (increase) in accounts receivable		(26,464)	56,041
Decrease (increase) in prepaid expenses and other current assets		1,413,910	(1,463,959)
(Increase) decrease in security deposits		(24,601)	4,600
Increase in member tax advance		11,500	(11,500)
Increase (decrease) in accounts payable and accrued expenses		(1,259,725)	1,685,329
Increase in deferred tax liability		11,271,318	-
Increase (decrease) in professional fees payable		-	49,202
Net Cash Used in Operating Activities – Continuing Operations		(5,089,389)	(4,013,070)
FROM DISCONTINUED OPERATIONS			
Profit (loss) attributable to members		-	(226,665)
Adjustments for:			
Advisory fees		-	-
Changes in operating assets and liabilities			
Decrease (increase) in accounts receivable		-	36,823
Increase in prepaid expenses and other current assets		-	(6,441)
Increase in accounts payable and accrued expenses		-	151,344
Increase in loan payable		-	10,630
Net Cash Used in Operating Activities – Discontinued Operations		-	(34,309)
Net Cash Used in Operating Activities		(5,089,389)	(4,047,379)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	3	(1,600,000)	(4,369,955)
Cash from discontinued operation transferred to disposal group		-	(534,276)
Purchase of furniture and equipment		-	(3,902)
Net Cash Used in Investing Activities		(1,600,000)	(4,908,133)
CASH FLOWS FROM FINANCING ACTIVITIES			
FROM CONTINUING OPERATIONS			
IPO Proceeds, net of expenses		12,125,421	-
Distribution to i(x) Sustainable Holdings, LLC		(400,000)	-
Purchase of i(x) Net Zero shares		(1,000,000)	-
Capital contributions		1,644,981	5,149,985
Decrease in lease liability		(335,945)	(262,978)
Net Cash Provided by Financing Activities – Continuing Operations		12,034,457	4,887,007
Net Increase (Decrease) in Cash and Cash Equivalents		5,345,068	(4,068,505)

SH AND CASH EQUIVALENTS			
Beginning of year		2,134,764	6,203,269
End of year		$7,479,832	$2,134,764
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Non-cash investing activity – assets transferred to disposal group			
Cash advances for future investment	7	$-	$390,770
Investments	7	-	250,000
Noncash net assets of discontinued operation		-	41,795
Non-cash financing activity			
Share-based compensation		1,750,059	-
Distribution of assets held for disposal		1,216,841	-
Bonus expense paid in shares		1,000,000	-
		$3,966,900	$682,565

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

Schedule of Investments
31 December 2022

(Expressed in US dollars)

Principal Amount/Shares/ Units/Percent Ownership	Description	Fair Value
Private Operating Companies (percentage of shareholders' equity)		
United States		
Limited Liability Company Interests		
	Biofuel Developer (78.6%)	
10,380,581	Wastefuel Global, LLC	$46,908,475
	Real estate development (3.8%)	2,260,000
1,228,063	MultiGreen Properties, LLC	
	Total Limited Liability Company Interests (cost $4,069,597) (82.4%)	49,168,475
Limited Partnership Interest		
	Building technology	
	Sustainable Living Innovations (FKA Multigreen SLI Partners, LP) (1.2%)	742,000
	Total Limited Partnership Interests (cost $500,000) (1.2%)	742,000
Simple Agreement for Future Equity (SAFE)		
	Biofuel Developer (.4%)	
	Wastefuel Global, LLC	250,000
	Total SAFE (cost $250,000) (.4%)	250,000
Convertible Note		
	Real estate development (.4%)	
	MultiGreen Properties, LLC	250,000
	Total Convertible Note (cost $250,000) (.4%)	250,000
	Total United States (cost $5,069,597) (84.5%)	$50,410,475
Canada		
Common Shares		
	Carbon Capture Technology (4.3%)	
21,876	Carbon Engineering, Ltd. (1)	2,579,223
	Total Common Shares – Canada (cost $1,005,809)	2,579,223
Cayman Islands		
Limited Liability Company Interest		
	Renewable Energy (17.3%)	10,340,024
	Enphys Management Company	
	Total Limited Liability Company Interests – Cayman Islands (cost $4,470,000)	10,340,024
Netherlands		
Convertible Note – (8% due April 2022)		
499,955	Software/Information Technology (.9%)	
	Context Labs, BV	511,000
	Total Convertible Note – Netherlands (cost $499,955)	
	Total Investments (cost $11,045,361) (107%)	$63,840,722

(1) Shares of Carbon Engineering, Ltd. are held indirectly through investments in RCM Carbon Engineering Partners, LLC (12,490 common shares) and C12 Equity Ltd. (9,273 common shares).

Principal Amount/Shares/ Units/Percent Ownership	Description	Fair Value
Private Operating Companies (percentage of members' capital)		
United States		
Limited Liability Company Interests		
	Biofuel Developer (74.5%)	
10,380,581	Wastefuel Holdings, LLC	$46,822,213
	Real estate development (7.7%)	
1,228,063	MultiGreen Properties, LLC	4,810,000
	Total Limited Liability Company Interests (cost $4,069,597) (82.2%)	51,632,213
Limited Partnership Interest		
	Building technology (.8%)	
	MultiGreen SLI Partners, LP	500,000
	Total Limited Partnership Interests (cost $500,000) (.8%)	500,000
	Total United States (cost $4,569,597) (83%)	$52,132,213
Canada		
Common Shares		
	Carbon Capture Technology (3.8%)	
21,763	Carbon Engineering, Ltd. (1)	2,383,698
	Total Common Shares – Canada (cost $1,005,809)	2,383,698
Cayman Islands		
Limited Liability Company Interest		
	Renewable Energy (9.1%)	5,724,886
	Enphys Management Company	
	Total Limited Liability Company Interests – Cayman Islands (cost $3,370,000)	5,724,886
Netherlands		
Convertible Note – (8% due April 2022)		
499,955	Software/Information Technology (.8%)	
	Context Labs, BV	499,955
	Total Convertible Note – Netherlands (cost $499,955)	499,955
	Total Investments (cost $9,455,361) (96.7%)	$60,740,752

(1) Shares of Carbon Engineering, Ltd. are held indirectly through investments in RCM Carbon Engineering Partners, LLC (12,490 common shares) and C12 Equity Ltd. (9,273 common shares).

Notes to Consolidated Financial Statements
31 December 2022

1. Organisation and Nature of Business

i(x) Net Zero, PLC (the "Company") is a company incorporated and domiciled in Jersey, British Isles with Company Number 138730. The Company's shares are admitted to trading on the AIM market of the London Stock Exchange (ticker: IX). The Company is an investment company that provides its shareholders with an opportunity to create long-term capital growth with sustainable impact on the environment and communities it serves. The Company was founded as i(x) investments, LLC ("i(x) investments"), a limited liability company formed in the United States of America under the laws of the State of Delaware on 6 October 2015. The registered address of the Company is 3rd Floor, 44 Esplanade Street, Helier, Jersey JE4 9WG.

On 9 February 2022, the Company completed its initial public offering ("IPO") on the AIM market. The Company issued 14,056,811 ordinary shares at no par value in the IPO. The shares were issued at £0.76 per share, resulting in total share capital of £10,683,000 ($14,481,736) from the IPO. In addition, the members' capital in i(x) investments was converted to 65,000,000 shares in the Company as of the date of the IPO, bringing the total shares issued and outstanding as of 9 February 2022 to 79,056,811.

Prior to the IPO, the Company undertook a reorganisation in which i(x) Merger LLC, a wholly owned subsidiary of the Company merged with i(x) investments, with i(x) investments continuing as the surviving entity and as a wholly owned subsidiary of the Company. Prior to the reorganisation of the Company, i(x) Financial Services, LLC ("i(x) Financial Services"), (a wholly owned subsidiary of i(x) investments), i(x) Securities, LLC (a wholly owned subsidiary of i(x) Financial Services) and certain other assets held by i(x) investments were transferred to i(x) Sustainable Holdings, LLC ("i(x) Sustainable Holdings"), an entity owned by the members of i(x) investments, prior to the reorganisation.

The Company is governed in accordance with Companies (Jersey) Law 1991.

2. Summary of Significant Accounting Policies and Key Accounting Estimates

Basis of Presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations issued by the International Accounting Standards Board ("IASB") and with those parts of the Companies (Jersey) Law 1991 applicable to companies preparing their financial statements under IFRS. The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The Company reports cash flows from operating activities using the indirect method.

New Accounting Standards, Interpretations and Amendments

The following new standards and amendments to existing standards which are relevant to the Company were adopted by the Company for annual periods commencing on or after 1 January 2021:

Amendments to IFRS 3 – Business Combinations: The amendment updates IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework and adds other requirements to identify the liabilities assumed by an acquirer in a business combination.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Phase 2: the amendments relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying IFRS 7.

These new standards and amendments did not have an impact on the financial statements of the Company.

The following new amendments to accounting standards that are relevant to the Company are effective for annual periods beginning on or after January 1, 2023:

Amendments to IAS 1: Presentation of Financial Statements: The amendments require that an entity discloses its material accounting policies, instead of significant accounting policies. Further amendments to the standard explain how an entity can identify material accounting policies.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current: The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates: The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Directors are considering the new standards effective for periods beginning on or after 1 January 2023, however, at this time they are not expected to have a significant impact on the Company.

Going concern

The Company's financial statements have been prepared on a going concern basis. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in these financial statements and related notes. In addition, Note 2 to the financial statements describes the Company's significant accounting policies, and Note 18 describes the principal risks that the Company is exposed to, including liquidity risk, fair value estimation risk and credit risk.

In order to assess the going concern of the Company, the Directors have prepared cash flow forecasts for the Company. These cash flow forecasts show the Company expects to have sufficient headroom over available banking facilities. The Company has obtained banking facilities sufficient to facilitate the growth forecast in future periods. No matters have come to the attention of the Directors to suggest that future renewals may not be forthcoming on acceptable terms.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include any adjustments that would result if the forecast were note achieved.

Group reorganisation accounting

The Company acquired its 100% interest in i(x) investments on 9 February 2022 by way of a reverse merger. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of i(x) Net Zero, PLC but they are a continuance of those of i(x) investments. Therefore, the assets and liabilities of i(x) investments have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and i(x) investments. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation.

The consolidated financial statements therefore present the combined results and financial position of the group for the whole reporting period and the comparative information represents that of i(x) investments.

Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies and making any estimates. Changes in assumptions might have a significant impact on the financial statements in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements are fairly presented. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2 under Fair Value Estimation. Other areas where management has made assumptions and estimates that are significant to the financial statements include share-based compensation, leases, tax provisions and debtor recoverability.

As of 31 December 2021, management determined that the transfer of the Company's broker/dealer subsidiary should be treated as a discontinued operation.

Foreign Currency

The financial statements are presented in the functional currency of US Dollars, since the majority of its revenue and operating expenditure is denominated in this currency. Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the dates of the transactions. At each end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies, if any, are translated at the rates prevailing on the reporting end date. Gains and losses arising on translation, if any, are included in other income in the statement of comprehensive income for the period.

Assessment as an Investment Entity

Management of the Company has determined that it meets the definition of an investment entity within IFRS 10 and, therefore, is required to measure its subsidiaries held as investments at fair value through profit and loss rather than consolidate them. Management of the Company considered exit strategies and all the Company's activities to conclude whether the following criteria are satisfied:

- The entity obtains funds from one or more investors for the purpose of providing those investors with investment services;
- The entity commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;
- The entity measures and evaluates the performance of substantially all of its investments on a fair value basis.

Management determined that the Company meets the definition of investment entity in accordance with IFRS 10, Consolidated Financial Statements, as all of the above criteria are met by the Company.

The Company was established to obtain funds from its investors and with a view to manage the investments made from those funds.

- The only sources of profit for the Company are capital appreciation and investment income. The Company aims to maximise value of its investments and to monetise this value through dividend inflow, interest revenue and disposal of investments at the right time and at the right price. The Company does not obtain any other benefit from its investments that are not available to other parties that are not related to the respective investee.

In addition to the above, while assessing whether the Company meets the definition of investment entity, management considered the following typical characteristics of the investment entity (as indicated in IFRS 10):

- investment entity has more than one investment;
- investment entity has more than one investor;
- investment entity has investors that are not related parties of the entity;
- investment entity has ownership interests in the form of equity or similar interests.

The Company has all of the above typical characteristics of an investment entity.

Management has concluded that the Company meets the definition of an investment entity. This conclusion will be reassessed on an annual basis, if any of these criteria or characteristics change.

Basis of Consolidation and Control of Subsidiary Entity

The consolidated financial statements of the Company comprise the financial statements of i(x) Net Zero PLC and its subsidiary, i(x) investments, as at and for the period ended 31 December 2022. The Company consolidates the accounts of all subsidiaries which are deemed to be providing investment related services, as defined by IFRS 10, to the Company. All of the services provided by i(x) investments during 2022 were attributable to performing investment related services for the Company.
Accordingly, the statement of financial position of the Company was reported on a consolidated basis as of 31 December 2022.

As of 31 December 2021 the statement of financial position of the Company includes the unconsolidated accounts of the Company. The Company's subsidiary, i(x) Financial Services is not consolidated with the Company due to the Company's plan to distribute i(x) Financial Services and certain other assets, to a newly formed entity as described in Note 7. The assets to be distributed are reported as assets held for disposal on the statement of financial position as of 31 December 2021. These assets were distributed to a newly formed entity on 2 February 2022, and are no longer included in the i(x) Net Zero balance sheet at 31 December 2022. The statement of comprehensive income for the year ended 31 December 2021 is not consolidated and reflects the profit or loss from i(x) Financial Services as a discontinued operation.

Subsidiaries are entities controlled by the consolidated group of companies (the "Group"). Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over an investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group. Intergroup balances and any unrealised gains or losses or income expenses arising from the intergroup transactions are eliminated in preparing the consolidated financial statements.

The subsidiary consolidated in these consolidated financial statements, i(x) investments, was acquired via group reorganisation and as such merger accounting principles have been applied. i(x) investments' financial figures are included for their entire financial period rather than from the date the Company took control of them. The assets and liabilities of i(x) investments have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. i(x) investments prepares their accounts to 31 December, under FRS101. There are no deviations from the accounting standards implemented by the Company.

The current period merger reserve was created on the acquisition of i(x) investments by the Company. Ordinary shares in the Company were issued to acquire the entire share capital of i(x) investments. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

Valuation of Assets and Liabilities

The Company's investments consist of investments in private operating companies. These investments are valued by the Company's management at the end of each financial reporting period at fair value. As of 31 December 2022 and 2021, the fair values of these investments were determined by the Company's management, as described under Fair Value Estimation.

The fair value of all other assets and liabilities held by the Company are determined at their fair value as reasonably determined in good faith by the Company's management.

Although the Company's management uses its best judgment in determining the fair value of its investments, there are inherent limitations in any such process.

The fair value presented is not necessarily indicative of an amount the Company could realise in a current transaction and the differences could be material.

Financial Assets and Liabilities

Financial assets include cash and cash equivalents, investments, cash advances for future investments, accounts receivable, prepaid expenses and other assets.

Financial liabilities include accounts payable and accrued expenses, and professional fees payable.

Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity, loans and receivables financial assets, or available-for-sale financial assets, as appropriate. The Group classifies all its financial assets as trade and receivables. The classification depends on the purpose for which the financial assets were acquired.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables financial assets comprise other receivables (excluding prepayments) and cash and cash equivalents included in the Statement of Financial Position.

Financial Liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair valued are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate. The Group's loans and payables comprise trade and other payables (excluding other taxes and social security costs and deferred income). When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value at the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category. The Group determines the classification of its financial liabilities at initial recognition and re-evaluates the designation at each financial year end. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Financial Assets and Liabilities at Fair Value through Profit or Loss

The Company classifies all of its investment portfolio as financial assets at fair value through profit or loss. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information, and it uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, but these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the objective of the Company's business model. Consequently, all investments are measured at fair value through profit or loss. The Company recognises net changes in fair value on financial assets at fair value through profit or loss on the statement of comprehensive income. The Company's accounting policies for measurement and fair value estimation of financial assets are discussed under Measurement and Fair Value Estimation in the notes to the consolidated financial statements.

Recognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets are recognised on the trade date. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the statement of comprehensive income.

Income and expense are recognised on an accrual basis. Transactions for private obligations are recorded on the date when the terms of the transaction are fully negotiated and known. Realised gains and losses from investment transactions are determined using the specific identification method.

Dividend income and expense are recorded on the ex-dividend date. Interest expense is recognised as incurred. Interest and dividends have not been accrued for securities or other obligations when the Company's management believes there is substantial doubt of collection.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Measurement

Financial assets and financial liabilities are measured initially at cost which is the fair value of the consideration given or received.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value and accounted for through profit or loss. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the consolidated statement of comprehensive income in revenue, in the period in which they arise.

Cash and Cash Equivalents

Cash consists primarily of cash in an operating account maintained with First Republic Bank ("FRB"). Such balances may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit on an overnight basis.

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company held funds in a money market account at CNB as of 31 December 2021 and considered these funds to be cash equivalents. For further details, pertaining to the investment in the money market account, please see Note 18.

The following are the balances in cash and cash equivalents:

	2022	2021
Cash	$7,479,832	$1,133,917
Cash equivalents	-	1,000,847
Total	$7,479,832	$2,134,764

Cash Advances for Future Investments

The Company may pay direct expenditures on behalf of a private operating company which the Company's management expects to invest in, in the future. When such expenditures are paid, they are recorded as cash advances for future investment on the Company's statements of financial position. Such expenditures may be reimbursable by the private operating company that they were paid on behalf of, or they may be converted to equity or debt securities issued by the private operating company in future periods. If the Company determines that such expenditures are not collectible from the private operating company or will not be converted to equity or debt securities, then the Company recognises a loss on such expenditures in the year in which such loss is determined. In 2022 and 2021, the Company determined that $86,165 and $133, respectively, of expenditures paid on behalf of private operating companies were uncollectible and recorded a loss on such expenditures. These losses are reported on the Company's statements of profit and loss in net changes in fair value on financial assets at fair value through profit or loss. The balance in cash advances for future investments was $0 and $86,165 as of 31 December 2022 and 2021, respectively, and is reflected on the Company's statements of financial position.

Accounts Receivable

The following is an aging of the accounts receivable balance as of 31 December 2022 and 2021:

Accounts Receivable Balance	Carrying Amount	Neither Impaired Nor Past Due	61-90 Days	91-120 Days	More Than 120 Days
31 December 2022	$66,838	$26,278	$-	$-	$40,560
31 December 2021	40,374	-	-	-	40,374

Prepaid Expenses

Prepaid expenses consist primarily of prepaid insurance premiums as of 31 December 2022. Prepaid expenses as of 31 December 2021, include primarily expenses incurred in connection with the initial public offering of i(x) Net Zero, PLC ("i(x) Net Zero"). Total prepaid expenses as of 31 December 2021 amounted to $1,549,716. These expenses were accrued as of 31 December 2021 and deducted from the equity of the i(x) Net Zero upon completion of the IPO. The total of these expenses amounted to $1,416,000.

Property, Plant and Equipment

Property, plant and equipment consists of office furniture and equipment. These assets are carried at cost, net of accumulated depreciation. Depreciation is charged to operations over the estimated useful life of the furniture and equipment, primarily three to five years, utilising the straight-line method.

	2022	2021
Property, Plant and Equipment		
Cost, 1 January	$83,531	$79,629
Purchases	-	3,902
Cost, 31 December	83,531	83,531
Accumulated depreciation, 1 January	68,220	53,436
Depreciation expense for the year	13,472	14,784
Accumulated depreciation, 31 December	81,692	68,220
Property, Plant, and Equipment Net of Accumulated Depreciation	$1,839	$15,311

Current Liabilities

The balances in the accompanying statements of financial position (consolidated as of 31 December 2022) for accounts payable and accrued expenses, professional fees payable and the current portion of the lease liability are due and payable within one year from 31 December 2022 and 2021, respectively.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of 31 December 2021, include expenses incurred in connection with the initial public offering of i(x) Net Zero. These expenses were accrued as of 31 December 2021 and deducted from the equity of the i(x) Net Zero upon completion of the IPO. The total of these expenses amounted to $1,416,000.

Lease Accounting

The Company accounts for leases by recognising a right-of-use asset and a lease liability. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this rate is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision where the Company is contractually required to dismantle, remove or restore the leased asset. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in accordance with IAS 36.

The Company has a lease agreement with lease and non-lease components. Such non-lease components are accounted for separately.

The Company has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less, or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

Share Capital

The Company records the proceeds from the issuance of ordinary shares as share capital, at no par value. Incremental costs directly attributable to the issuance of new ordinary shares or options are deducted, net of any tax, from the proceeds.

Share-Based Compensation

Stock options granted to employees, which are settled in equity, are valued at fair value at the date of grant. The fair value of such options is charged to expense over the vesting period and the expense is reported in general and administrative expenses on the consolidated statement of comprehensive income. The shareholders' equity reserve account is credited by the amount of share-based compensation charged to expense.

Payroll and Benefits Expense

<u>Short-term Benefits</u>

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company.

Defined Contribution Plans

The Company operates a defined contribution pension scheme for eligible employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the consolidated statement of comprehensive income and they become payable in accordance with the rules of the scheme.

401K Plan

The Company has a 401K Plan (the "Plan") for all eligible employees. The Plan permits each participant to contribute up to the federal contribution limits and allows the Partnership to make discretionary contributions. The discretionary contributions are recorded as an expense and are included in general and administrative expenses in the consolidated statement of comprehensive income.

Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.
The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1: Assets and liabilities with inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2: Assets and liabilities with inputs other than quoted prices included within Level 1, that are observable either directly or indirectly, including quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are considered less active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Assets and liabilities with inputs that are unobservable. Level 3 includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. The valuation technique used is dependent on the level of data, the circumstances and the availability of observable inputs and may include discounted cash flow analysis, market comparables and option pricing models.

- Level 3 instruments include investments in private operating companies, which comprise 100% of the Company's investment portfolio. The Company's management determines the fair value of these investments using valuation techniques applicable to Level 3 investments. Typically, the Company's best estimate of fair value at inception is the transaction price, excluding transaction costs. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions.

In estimating the value of Level 3 investments, the inputs generally used by the Company's management include the original transaction price, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. The Company also considers specific events which may impact the fair value of investee companies, including the following:

- Corporate, political or operating events that may have a material impact on the investee company's prospects and therefore, its fair value.
- The investee company is placed into receivership or bankruptcy.
- The investee company is unlikely to continue as a going concern.
- Management changes at the investee company that may have a positive or negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Company's management in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalised as part of the security's cost basis. Assumptions used by the Company's management due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Company's results of operations.

Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments for the Company are reported based on the financial information provided to the Board, which is used to make strategic decisions. The Directors are of the opinion that under IFRS8 – "Operating Segments", the Company had only one reportable segment, being i(x) investments, during the period from February 9, 2022 to December 31, 2022. Prior to the reorganisation of the Company, i(x) investments had two operating segments, which were i(x) investments and i(x) Securities, LLC, a broker/dealer (refer to Note 7, Assets Held for Disposal and Discontinued Operations). The Board assesses the performance of operating segments based on financial information which is measured and presented in a manner consistent with that in the financial statements.

3. Investments in Private Operating Companies

The following table presents information about the Company's assets measured at fair value as of 31 December 2022 and 2021:

	Level 3 2022	Level 3 Consolidated 2021
Investments at Fair Value		
Common Stock	$2,579,223	$2,383,698
Convertible Note	761,000	499,955
Limited Liability Company Interests	59,508,499	57,357,099
Limited Partnerships	742,000	500,000
Simple Agreement for Future Equity (SAFE)	250,000	-
Total Investments at Fair Value, 31 December	$63,840,722	$60,740,752

The following tables present the changes in assets classified in Level 3 of the fair value hierarchy for the years ended 31 December 2022 and 2021:

2022	Common Stock	Convertible Note	Limited Liability Company Interests	Limited Partnerships	Simple Agreements For Future Equity (SAFE)	Totals
Balance at 31 December 2021	$2,383,698	$499,955	$57,357,099	$500,000	$-	$60,740,752
Purchase of investments	-	250,000	1,100,000	-	250,000	1,600,000
Unrealised gain	195,525	11,045	1,051,400	242,000	-	1,499,970
Balance at 31 December 2022	$2,579,223	$761,000	$59,508,499	$742,000	$250,000	$63,840,722

2021	Common Stock	Convertible Note	Limited Liability Company Interests	Limited Partnerships	Totals
Balance at 31 December 2020	$1,338,151	$50,000	$14,379,697	$-	$15,767,848
Purchase of investments	-	499,955	3,370,000	500,000	4,369,955
Transfer to assets held for disposal	(200,000)	(50,000)	-	-	(250,000)
Unrealised gain	1,245,547	-	39,607,402	-	40,852,949
Balance at 31 December 2021	$2,383,698	$499,955	$57,357,099	$500,000	$60,740,752

During the years ended 31 December 2022 and 2021 there were no transfers of securities between Levels.

The following tables summarise the methods and significant assumptions used to measure investments categorised in Level 3 of the fair value hierarchy and whose values were determined by management as of 31 December 2022 and 2021:

	Fair Value at 31 December 2022 (in thousands)	**Valuation Technique**	**Unobservable Input**	**Average**
Investments				
Common Stock				
Carbon Capture Technology	2,579	Equity Roll Forward	N/A	$118.51/sh
Total Common Stock	2,579			
Limited Liability Company Interests				
Biofuel Developer (1)	46,909	Market Approach	Recent transaction – capital raise (90% weight)	$4.52/unit

	Fair Value at 31 December 2022 (in thousands)	Valuation Technique	Unobservable Input	Average
		Option pricing method (backsolve)	Risk free rate – 3.9%, volatility – 139.2%; time to liquidly event – 5 years (10% weight)	
Real Estate Development	2,260	Income Approach – Discounted Cash flow	Discount rate – 75%	$1.84 unit
Renewable Energy	9,640	Options Pricing Method (Management Company)	Risk free rate – 4%, volatility – 4.4%; time to liquidity event – 5 years	
		Monte Carlo Simulation (Founders' shares owned indirectly by management company)	Risk free rate – 4.32%, volatility – 4.44%; term to maturity – 1.3 years (lockup period)	
	700	Transaction cost	Transaction cost	N/A
Total Renewable Energy	10,340			
Software/Information Technology	511	Market approach	Recent transaction cost – capital raise (50% weight)	$46.56
		Option Pricing Method (backsolve)	Risk free rate – 4%, volatility – 202.1%;time to liquidity event – 5 years (50% weight)	
Total Limited Liability Company Interests	60,020			
Limited Partnership Interest				
Building technology	742	Transaction cost	Transaction cost	$225/unit
Simple Agreement For Future Equity (SAFE)				
Biofuel Developer	250	Transaction cost	Transaction cost	N/A
Convertible Note				
Real Estate Development	250	Transaction cost	Transaction cost	N/A
Total	**63,841**			

	Fair Value at 31 December 2021 (in thousands)	Valuation Technique	Unobservable Input	Average
Investments				
Common stock				
Carbon Capture Technology	2,384	Market Approach	Implied value of equity	109.53/sh
Total Common Stock	2,384			
Limited Liability Company Interests				
Biofuel Developer (1)	46,822	Market Approach	Recent transaction – capital raise (90% weight)	4.51/unit
		Option Pricing Method (backsolve)	Risk free rate – 1.3%, volatility – 137.9%; time to liquidity event – 5 years (10% weight)	
Real Estate Development	4,810	Income Approach – Discounted Cash Flow	Discount rate – 15%	3.92/unit
Renewable Energy	5,025	Options Pricing Method (Management Company)	Risk free rate – 1.3%, volatility – 20%; expected life of option – 5 years	
		Monte Carlo Simulation (Founders' shares owned indirectly by management company)	Risk free rate - .85%, volatility – 10%; term to maturity – 2.3 years (lockup period)	
	700	Transaction cost	Transaction cost	N/A
Total Renewable Energy	5,725			
Software/Information Technology	500	Transaction cost	Transaction cost	N/A
Total Limited Liability Company Interests	57,857			
Limited Partnership Interest				
Building technology	500	Transaction cost	Transaction cost	N/A
Total	**60,741**			

(1) The investment in Biofuels represents the Company's interest in Wastefuel Global, LLC ("Wastefuel Global"). In January 2021, Wastefuel Holdings, LLC was reorganized into Wastefuel Global, LLC and the Company contributed its interest in Wastefuel Holdings to the new company, in exchange for 10,841,000 units of the new company.

The per unit price of Wastefuel Global in the most recent capital raise was given a 90% weight in the 31 December 2022 and 31 December 2021 valuations and a 10% weight was ascribed to the backsolve method, which is a method that derives the equity value for a company from a transaction involving the company's own securities. The rights and preferences of each class of equity, market interest rates, industry sector volatility data, and an estimated time period to a liquidity event are all considered and included in an option pricing model under the backsolve method. The weighting of these two valuation methods and the unobservable inputs used in the valuation were based on management judgment.

The unobservable inputs are presented in the Level 3 valuation table as of 31 December 2022 and 31 December 2021, in Note 3 above.

On a semi-annual basis, the Company's management reviews the fair value calculation for each Level 3 security and assesses, among other things, the reasonableness of the pricing models, the inputs to the pricing models and the significant assumptions developed internally or by independent valuation experts.

4. Share Capital

The Company has 79,056,811 ordinary shares, at no par value, authorised, issued and outstanding as of 31 December 2022. The ordinary shares were issued upon completion of the Company's IPO on 9 February 2022, as disclosed in Note 1, Organisation and Nature of Business.

Incremental costs directly attributable to the issue of new ordinary shares or options are included in shareholders' equity as a deduction, net of tax, from the proceeds. The gross and net proceeds from the IPO are as follows:

	Amount	Shares
Gross proceeds from IPO	$14,481,736	$14,056,811
Less: IPO expenses	(2,356,315)	-
Proceeds, net of expenses from IPO	$12,125,421	$14,056,811

5. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period. Fully diluted earnings per share is calculated based on the weighted average number of shares assuming all stock options are exercised. Due to losses in the year from 1 January 2022 to 31 December 2022, the effect of stock options on earnings per share is anti-dilutive and therefore stock options are not included in the calculation of diluted earnings per share. Earnings per share are set out below:

	2022	2021
Earnings attributable to the ordinary shareholders of the Company	$(18,019,741)	$35,751,387
Weighted average number of shares	79,056,811	79,056,811
Basic and diluted loss per share	$(0.23)	$0.45

For 2021, earnings per share was calculated based on the total number of shares issued and outstanding during 2022, as there were no shares issued prior to 9 February 2022.

6. Share-Based Compensation

Pursuant to the Company's Equity Incentive Plan for 2022 (the "Incentive Plan"), stock options were granted to management employees during the year from 1 January 2022 to 31 December 2022. Each management employee was granted the option to purchase shares of the Company's stock in accordance with each employee's Stock Option Grant. The options are exercisable at £0.76 per share and the options expire ten years from the grant date, as specified in each employee's Stock Option Grant. The shares subject to the Incentive Plan vest over three years and will only vest upon the Company's achievement of a total shareholder return compound growth per annum target for the Performance Period of 8% or more. The Performance Period is the period of three years from the date the Company's shares were admitted for trading on the AIM market. Options are forfeited if an employee leaves the Company before the options vest.

Details of the share options outstanding during the year from 1 January 2022 to 31 December 2022 are as follows:

	Period from 1 January 2022 to 31 December 2022
Outstanding at beginning of period	-
Granted during the period	5,779,277
Forfeited during the period	(909,153)
Exercised during the period	-
Expired during the period	-
Outstanding at end of period	4,870,124

The aggregate fair value of the options granted as of the dates granted was $4,303,000, which was determined using the Black Scholes options pricing model. The expected volatility used to determine the fair values of the options granted ranged from 123.4% to 125.2% and the average expected volatility was 124.4%. The risk-free rates used in the determination of the fair values of the options ranged from 1.86% to 2.85% and the average risk-free rate was 2.38%.

The expense recognised for the period from 1 January 2022 to 31 December 2022 was $1,750,059 and is included in general and administrative expenses on the consolidated statement of comprehensive income.

7. Assets Held for Disposal and Discontinued Operations

In June 2021, i(x) investments adopted a plan to spin off and distribute i(x) Financial Services and its subsidiary, i(x) Securities, LLC, and certain other assets, to the unitholders of i(x) investments, pending completion of the IPO transaction. As described in Note 1, Organisation and Nature of Business, these subsidiaries and other assets were transferred to i(x) Sustainable Holdings, an entity owned by the members of i(x) investments prior to the reorganization of the Company.

The following table sets out the assets and liabilities as of 31 December 2021, which were transferred from i(x) investments to i(x) Sustainable Holdings:

	i(x) Financial Services, LLC	i(x) Investments LLC	Total
Current Assets			
Cash and cash equivalents	$534,276	$-	$534,276
Cash advances for future investments	-	390,770	390,770
Accounts receivable	337,727	-	337,727
Prepaid expenses and other assets	26,763	-	26,763
Noncurrent Assets			
Investments	-	250,000	250,000
Total Assets	898,766	640,770	1,539,536
Current Liabilities			
Accounts payable	220,820	-	220,820
Loans payable	101,875	-	101,875
	322,695	-	322,695
Members' Capital	$576,071	$640,770	$1,216,841

In addition to the above, $400,000 was transferred from i(x) investments to i(x) Sustainable Holdings in January 2022 based upon the Transfer Agreement, as amended, between i(x) investments and i(x) Sustainable Holdings.

i(x) Financial Services and i(x) Securities, LLC represent a discontinued business. The loss from this discontinued business amounted to $226,665 in 2021. The business was discontinued as an operating segment of i(x) investments as of 31 December 2021.

8. Commitments and Contingencies

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties, and which provide indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

The Company has non-binding commitments to invest $2.475 million in Enphys Management Company over the 18-month period beginning in January 2022. The total amount funded through 31 December 2022, plus non-binding commitments over the next 2 years totals $6.0 million. In addition, i(x) Net Zero has agreed to invest an additional $1.5 million in cash in Enphys Management Company, LLC ("EMC"). The investment comprises an initial payment of $500,000 and 10 monthly payments of $100,000 each commencing in July 2022 and finishing in April 2023, each of which was funded from i(x) Net Zero's existing cash resources. Following the initial payment, i(x) Net Zero's holding in EMC increased by 3.5% to 14.5%. This investment also indirectly increased i(x) Net Zero's stake in Enphys Acquisition Corp ("EAC"). The Company expects this additional investment to be accretive to its net asset value.

In January 2022, Lion Point Capital, LP, on behalf of funds managed by it, ("Lion Point") and the Company entered into a strategic relationship to identify and pursue certain transactions together, with an initial focus on opportunities in Energy Transition. At the time of the Company's IPO, Lion Point Master, LP ("Lion Point Master") entered into a subscription agreement and subscribed for $6.8 million (approximately £5.0 million) in ordinary shares of the Company at the placing price as part of the fundraising.

Lion Point Master was granted a put option and pursuant to the put option, the Company is obliged to repurchase 6,672,161 Ordinary Shares of Lion Point Master's Ordinary Shares at the Placing Price (£0.76 per share ($1.02 per share)) amounting up to $6.8 million at any time during the three-year term following the Company's admission to trading on AIM. Lion Point has also granted to the Company a call option to purchase $6.8 million of common shares of Suniva, Inc. Further details are set out in paragraph 5.6 of Part 1 and paragraphs 18.1(j), (k) and (l) of Part 7 of the Company's Admission document dated 4 February 2022, which is available on the Company's website https://ixnetzero.com/.

9. Revenue

	2022	2021
Dividend income	$2,645	$378
Other income	-	183
Total Revenue	$2,645	$561

10. Net Changes in Fair Value on Financial Assets at Fair Value through Profit or Loss

	2022	2021
Net unrealised gain from investments	$1,499,970	$40,852,949
Net realised loss from cash advances for future investment	(86,165)	(133)
Total Net Changes in Fair Value on Financial Assets at Fair Value Through Profit or Loss	$1,413,805	$40,852,816

11. Finance Costs

	2022	2021
Lease interest	$27,495	$43,220

12. Directors' Emoluments

	2022	2021
Salaries	$981,479	$914,018
Bonus	1,489,000	-
Share-based compensation	1,361,432	-
Consulting fees	-	444,167
Director fees	423,968	-
Benefits	79,416	55,378
Payroll taxes	111,512	74,535
401K Contribution	25,687	26,363
Total Directors' Emoluments	$4,472,494	$1,514,461

The highest amount of compensation paid to a director in 2022 was $1,461,790.

13. Staff Employment Costs

	2022	2021
Salaries	$572,894	$282,741
Bonus	284,776	-
Share-based compensation	388,627	-
Benefits	141,254	46,788
Payroll taxes	52,458	33,532
401K Contribution	24,514	4,874
Total Staff Employment Costs	$1,464,523	$367,935

14. Number of Employees

The average monthly number of employees (including Directors) during the year was:

	Year Ended 31 December 2022	Year Ended 31 December 2021
Number of employees	11	8

15. Employee Benefits

Defined Contribution Plans

The expense for the defined contribution plan for the year ended 31 December 2022 was $6,150 and was included in general and administrative expenses. This amount was accrued as of 31 December 2022.

401K Plan

During 2022, the Company made discretionary contributions of $50,201 to the Plan, all of which was paid during the year. The discretionary contributions are recorded as an expense and are included in general and administrative expenses in the consolidated statement of comprehensive income.

16. Operating Expenses

	2022	2021
Audit Fees	$60,000	$226,906
Operating Lease Expense	$304,149	$288,424

17. Income Taxes

The results of the corporate inversion and resulting IPO transaction result in i(x) Net Zero being treated as a U.S. domestic corporation for all purposes of the U.S. tax code under Internal Revenue Code Section 7874(b) as of the date of the transaction. As a result of the transaction, there are deferred tax implications related to the Company's temporary difference in the book and tax basis of its assets, the most material of which is the difference between the tax basis and the fair value of the Company's investments. As of 31 December 2022, the U.S. federal and state corporate deferred tax impact of the above referenced transaction on the investments listed on the Company's schedule of investments at fair value is projected to result in a deferred tax liability of approximately $11,271,000 at the Company’s effective federal and state tax rates of 21% and 3.29%, respectively.

The Company recognizes a deferred tax asset for the tax benefit of a net operating loss that, in the judgement of the Company’s management, is more likely than not of being realised in a future year. The tax benefit of a net operating loss will be realised if it can be offset against taxable income in a future year. Currently, federal net operating losses carryforward indefinitely and the carryforward periods in the states where the Company files income tax returns is 20 years. A valuation allowance is established for any portion of a deferred tax asset that is not likely to be realised in a future year. The valuation allowance is evaluated and adjusted annually by management for changes in the estimated amount of deferred tax assets that are not likely to be realised in future years, based on evidence currently available.

The Company also recognizes deferred income tax liabilities for the tax effect of temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are determined based on enacted tax laws and income tax rates expected to be in effect at the time the deferred tax assets and liabilities are expected to affect taxable income.
A balance sheet approach is used to determine the deferred income tax provision or benefit to be recognised in the Company’s statements of operations. The current year provision or benefit is determined based on the difference between the prior and current year balances in the deferred tax asset and deferred tax liability accounts. The change in valuation allowance for the deferred tax asset is determined using the same approach.

The following are the deferred tax liabilities of the Company as of 31 December 2022:

	Total	Federal	State
Deferred Tax Liability	$11,271,318	$9,118,320	$2,152,998

There were no deferred tax assets as of 31 December 2022.

Income (loss) from continuing operations before income taxes is comprised as follows:

	2022	2021
Domestic	$(6,857,884)	$-
Foreign	-	-
Total	$(6,857,884)	$-

Income (loss) from discontinued operations before income taxes is comprised as follows:

	2022	2021
Domestic	$-	$-
Foreign	-	-
Total	$-	$-

The provision for income taxes consisted of the following:

	2022	2021
Current:		
Federal		
State	$-	$-
Foreign	-	-
Domestic		-
Total current income tax expense	-	-
	-	-
Federal		
State	$9,118,320	$-
Foreign	2,152,998	-
Domestic	-	-
Total deferred income tax expense	-	-
	11,271,318	-
Provision for Income Taxes	$11,271,318	-
The effective tax rate is calculated as	-164.4%	-

A reconciliation of the statutory rate of 21% in 2022 and 2021 to the effective income tax expense for each year follows:

	2022	2021
Losses before income taxes	$(6,857,884)	$-
Statutory tax rate	21%	21%
Income tax (benefit) at statutory rate	(1,440,156)	-
State tax benefit (expense), net of federal benefit	(255,946)	-
Stock compensation	107,880	-
Other	225	-
Deferred True Ups	12,859,315	-
Valuation Allowance	-	-
Total Income Tax Expense	$11,271,318	$-

The tax effects of temporary differences and carryforwards that give rise to deferred income tax assets and liabilities consisted of the following:

	2022	2021
Net Operating Loss Carryforward	$2,033,297	$-
ROU asset	-	-
Stock compensation	-	-
Other	152,087	-
Total deferred income tax assets	**2,185,384**	**-**
Investment Gain/Loss	(13,341,296)	-
ROU liability	(86,384)	-
Other	(29,022)	-
Deferred income tax liabilities	**(13,456,702)**	**-**
Def income tax assets before valuation allowance	(11,271,318)	-
Less valuation allowance	-	-
Net Deferred Tax Liability	**$(11,271,318)**	**$-**

The Company has U.S. gross net operating loss carryforwards totaling $12.684 million as of 31 December 2022. Utilization of our net operating losses may be subject to limitations upon certain ownership changes as provided by the Internal Revenue Code and similar state provisions. Sections 382 and 383 of the Internal Revenue Code of 1986 subject the future utilization of net operating losses and certain other tax attributes, such as research and experimental tax credits, to an annual limitation in the event of certain ownership changes, as defined. The Company may be subject to the net operating loss utilization provision of Section 382 of the Internal Revenue Code. The effect of an ownership change would be the imposition of an annual limitation of the use of NOL carryforwards attributable to periods before the change. The amount of the annual limitation depends upon the value of the Company immediately before the change, changes to the Company's capital during a specified period prior to the change, and the federal published interest rate. Although the Company has not completed an analysis under Section 382 of the Code, it is likely that the utilization of the NOLs will be limited. The Company has not performed an IRC 382 analysis for the net operating losses for any of its corporate subsidiaries.

The Company is subject to income taxes in the U.S. as the statute of limitations for adjustments to our historic tax obligations will vary from jurisdiction to jurisdiction. Further operating losses may be subject to adjustment after the expiration of the statute of limitations for the year such net operating losses.

There were no unrecognized tax benefits as of 31 December 2022.

Accounting for Uncertainties in Income Taxes

The Company’s management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. The Company’s management has determined that there are no uncertain tax positions and, as a result, has identified no matters that require further disclosure in the financial statements. As of 31 December 2022, the tax years that remain subject to examination by United States federal and state tax jurisdictions under the statute of limitations, are the calendar years 2019 through 2022.

18. Financial Instruments with Off-Balance Sheet Risk and Certain Concentration Risks

The Company's investment activities expose it to various types of risk, both on and off balance sheet, which are associated with the financial instruments and markets in which it invests. These financial instruments expose the Company in varying degrees to elements of liquidity, fair value estimation, credit, market, interest rate, counterparty, and currency risk. The principal risks that the Company is exposed to are as follows:

Fair value estimation risk
As of 31 December 2022, 100% of the Company's investments comprise investments in private operating companies which have been fair valued by the Company's management in accordance with the policies set out in Note 2 to the consolidated financial statements. The analysis below is provided to illustrate the sensitivity of the fair value of investments to an individual input, while all other variables remain the same. The Company's Board considers these changes in inputs to be within reasonable expected ranges. This is not intended to imply the likelihood of change or that possible changes in value would be restricted to this range.

Investment/Input	Base Case	Change in Input	Change in Fair Value of Investment ($000) (1)
Wastefuel Global, LLC			
Weight assigned to option pricing method	10%	+10%	86
		-10%	(86)

(1) Based on fair value as of 31 December 2022

Liquidity risk
The market for less liquid investments may be more volatile than the market for highly liquid securities. Investments in relatively illiquid securities may restrict the ability of the Company to dispose of its investments at a price and time that it wishes. If the Company was forced to dispose of an illiquid investment at an inopportune time, it might be forced to do so at a substantial discount to fair value, resulting in a loss to the Company.

Liquidity risk could affect the Company's ability to meet the obligations associated with its financial liabilities. The Company manages its liquidity requirements through capital raising and by investing excess cash in a money market fund which is highly liquid. The money market fund is described below under Other Risks.

Credit risk
The Company's exposure to credit risk is associated with default risk on the value of debt held and with counterparty nonperformance. The Company is exposed to credit risk on accounts receivable balances, convertible notes, cash and cash equivalents held in financial institutions and at brokerage firms.

The Company is subject to the risk of default on its accounts receivable balance, which amounted to $66,838 as of 31 December 2022. The carrying amount of these receivables is considered to be a reasonable approximation of their fair value and the balance as of 31 December 2022 is expected to be collected within one year. The Company manages the risk of default by monitoring the primary debtor's financial condition and maintains a high degree of visibility into the debtor's financial records, revenue prospects and potential capital resources.

Management considers the risk of default on these receivables to be low because the primary investee company has a strong capacity to meet its contractual obligations in the near term. Accordingly, no loss allowance has been recognised based on 12-month expected credit losses, as any such impairment would be insignificant to the Company.

As of 31 December 2022, the Company held a convertible note with a fair value of $250,000, issued by one of its investee companies. The convertible note was subject to default and counterparty nonperformance risks. The Company monitors the debtor’s business with respect to assessing potential impairment in the note’s value. Indicators of a lower expectation of recovery would be a default triggered under the terms of the note, failure to demonstrate the potential to raise capital, significant negative developments regarding the debtor’s potential revenue pipeline and failure to engage with the Company on alternative payment arrangements, amongst other considerations. Management considers the risk of default and counterparty nonperformance on the note to be low based on its monitoring of the debtor’s business. There has been no allowance recognised based on 12-month expected credit losses, as any such impairment would be insignificant to the Company.

The Company’s exposure to credit risk on cash and cash equivalents is discussed in Note 2 with respect to cash balances and below with respect to cash equivalents held in the Government Fund.

Although the Company's investments are denominated in U.S. dollars, the Company may invest in securities and hold cash balances that are denominated in currencies other than its reporting currency, the U.S. dollar. Consequently, the Company may become exposed to risks that the exchange rate of the U.S. dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Company's assets which are denominated in currencies other than the U.S. dollar. The Company may utilise options, futures, and forward currency contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Market risk
Certain investments may be disposed of at a price different from the value recorded in the accompanying financial statements since the market price of these investments generally is more volatile than that of more liquid investments.

As such, the Company may incur greater losses on the sale of some portfolio investments than under more stable market conditions. Such losses may adversely impact the Company's capital balance. Due to market instability, it may become more difficult to obtain market valuations from third party vendors and other market participants for these investments. As a result, there can be no assurance that the Company could purchase or sell these investments at the price used to calculate the Company's capital balance.

Legal, tax and regulatory changes could occur that may adversely affect the Company. The regulatory environment for investment companies is evolving, and changes in the regulation of investment companies may adversely affect the value of investments held by the Company and the ability of the Company to pursue its investment strategies.

In addition, if the Company is required to liquidate all or a portion of its portfolio quickly, it may realise significantly less than the value at which it previously recorded such investments.

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The financial instruments exposed to interest rate risk comprise cash and cash equivalents and investments at fair value.

Other risks
Cash equivalents consisted of investments in the City National Rochdale Government Money Market Fund (the "Government Fund") as of 31 December 2021, a money market fund that invests in securities issued or guaranteed by the U.S. government or certain U.S. government agencies or instrumentalities and repurchase agreements collateralised by such securities. The Government Fund is a Level 1 security for fair value hierarchy purposes. An investment in the Government Fund is not insured by the FDIC or any other government agency and is subject to the risks associated with financial instruments discussed in the preceding paragraphs of Note 18. The total amount invested in the Government Fund was $0 and $1,000,847, as of 31 December 2022 and 2021, respectively.

Financial Risk Management
Risk management is carried out by the Chief Investment Officer under policies approved by the Board of Directors and the Audit and Risk Committee. The Chief Investment Officer and senior management identify, evaluate and hedge financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, market risk, credit risk and other risks.

Lease Commitments

The Company leases office space at 1149 Third Street, Santa Monica, CA. The lease commenced in December 2018 and expires in January 2024.

2023	$374,342
2024	32,051
	$405,393

19. Leases

The Company's lease for office space at 1149 Third Street, Santa Monica, CA commenced in December 2018 and expires in January 2024. Upon initial recognition of the lease liability, such amount was measured at the present value of the contractual payments due to the lessor, using the Company's incremental borrowing rate of 5% as the discount rate.

The amount of the initial liability and the right of use asset was $1,549,998. For the years ended 2022, information pertaining to this operating lease was as follows:

Supplemental Information	2022	2021
Operating lease ROU asset as of 1 January	$653,426	$941,850
Amortisation of ROU assets for the year ended 31 December	(304,149)	(288,424)
Operating lease ROU asset as of 31 December 2022	$349,277	$653,426
Total operating lease costs included in occupancy expense	$304,149	$288,424
Remaining lease term	13 months	25 months
Discount rate	5.0%	5.0%
Maturities of operating lease liability for fiscal years ending 31 December		
2022	$-	$363,439
2023	374,342	374,342
2024	32,051	32,051
Total lease payments	406,393	769,832
Less imputed interest	(10,006)	(37,500)
Total operating lease liability as of 31 December 2022	$396,387	$732,332

Interest expense on lease liabilities for the years ended 31 December 2022 and 2021 was $27,495 and $43,220, respectively.

The Company sublet its office space in Santa Monica, California, effective August 1, 2021. In accordance with the terms of the sublease agreement, the subtenant is obligated to pay rent to the Company monthly, totaling $756,000 over the remaining life of the lease, which terminates on January 31, 2024. In addition, the subtenant is obligated to pay the Company's share of operating expenses which are payable to the lessor under the terms of the original lease.

20. Related Parties

As disclosed in the Admission document, upon Admission, Steven Oyer, the CEO and Director of i(x) Net Zero plc would have been entitled to $2,000,000 as an investor liquidity bonus under the terms of his service agreement. However, he voluntarily agreed to amend his agreement. Under the amendment proposed by Steven Oyer, he would receive a cash bonus of $1,050,000, and $700,000 of his $2,000,000 bonus would at his direction and request instead be paid to other members of the i(x) executive team, including the CIO, CFO, COO and Director, Strategic Initiatives, for a total of $1.75 million in cash bonus to be paid to the executive team. The executive team then agreed that an aggregate of $1,000,000 of the cash bonus payments (being approximately the aggregate after-tax amount of the cash bonus to the executive team) would be used to fund the acquisition by the executive team of $1,000,000 of Ordinary Shares at the Placing Price from Trevor Neilson, a former CEO and Director of i(x) investments.

The remaining $250,000 due to Steven Oyer under his original service agreement was paid to him via an option grant made on Admission to purchase any time after Admission such number of Ordinary Shares as equals $250,000 at the Placing Price. This option grant was in addition to the incentive grant awarded to Steven Oyer under the Company's Equity Incentive Plan on Admission.

On 9 February 2022 the five members of the executive team purchased 981,201 shares of i(x) Net Zero stock from Trevor Neilson, the former CEO and Director of i(x) investments for $1,000,000, which the Company paid on their behalf. The Company recorded that payment as IPO bonus expense of $1,000,000. The Company then recorded the remaining $750,000 of the aggregate cash bonus, plus a small additional amount to cover additional employee income tax liability, for a total of $765,182, to be paid in 2022. The amount of the bonus that is payable as of 31 December 2022 is $0.

A former CEO and Director of the Company, who served through December 2020, and served as a consultant to the Company through August 2021, was paid consulting fees totaling $444,167 in 2021. This former CEO and Director is also a shareholder in the Company, serves as the Chairman and CEO of an investee company and is a shareholder in another investee company. In addition, two of the Directors of the Company are investors in an investee company and invested on the same terms as the Company.

21. Subsequent Events

New Loan Facility

In April 2023, the Company announced that its wholly owned subsidiary, i(x) investments LLC has entered into a new secured $7.5 million 2-year term loan facility with European Depositary Bank S.A. (“EDB") (“Loan”). The Loan, once drawn, bears interest at 10.5% coupon (subject to periodic change in line with EDB’s USD Base rate) and which is payable quarterly. The Loan can be utilised for the purposes of the financing of investments and general working capital purposes. The Loan is guaranteed by the Company.

i(x) Investments LLC has agreed to pay an arrangement fee equal to 2% of the amount of the facility and a commitment fee of 1.75% per annum on any undrawn funds, payable quarterly in arrears.

Drawdown of the Loan is conditional upon there being no event of default and other customary provisions including delivery of documents. The Loan is repayable together with default interest in the event of default which, inter alia, includes a change of control and a reduction of aggregate NAV of the Company below $50 million.

The Loan is secured by a pledge granted by the Company and its nominee of the shares held by it including those in i(x) Investments LLC and all other proceeds and property and assets owned by it. In addition, as part of the Facility Agreement, i(x) Investments LLC will pledge $4.0 million as a security at a deposit account with EDB. The Company will be able to invest this security deposit in certain money markets funds and other financial instruments and generate a return on deposited funds (currently expected to be approximately 4-5% per annum) thereby mitigating the interest payable. In addition, i(x) Investments LLC has undertaken to maintain a minimum cash balance in an operating account with amount varying depending on the remaining time to facility maturity but being zero if drawdowns are below $4 million.

In connection with the facility, i(x) Investments LLC has also agreed to give customary undertakings, warranties and indemnities to the Lender, the Agent and Security Agent including as to tax and undertakings not to undertake certain corporate transactions without consent.

Options

In April 2023, the Company issued a total of 6,324,545 options to subscribe for new Ordinary Shares in the Company ("Options") under the 2022 i(x) Net Zero Plc Equity Incentive Plan (the "EIP"). The Options all have an exercise price of 20p, being a 142.4 per cent premium to the previous day's closing share price on AIM of 8.25p. The Options vest over a period of three years, with a third vesting on each of the three successive anniversaries of the date of grant.

On 4 February 2022, in conjunction with its IPO, the Company issued options over Ordinary Shares representing approximately 6.3 per cent. of the Company's issued share capital under the EIP ("IPO Options"). In conjunction with the above issuance of Options, all remaining IPO Options that have not yet already lapsed, have been surrendered. In total, 2,166,157 share options have been surrendered, of which 1,375,589 were held by Par Lindstrom and 790,568 were held by Dmitri Tsvetkov.

Following the new grant of the Options, and the surrender of IPO Options, the Company has a total of 6,324,545 options to subscribe for new Ordinary Shares.

CEO Bonuses

In December 2022, the Company agreed to pay to Pär Lindström an incentive bonus of $200,000 (£160,772) in respect of the year ended 31 December 2022, an amount which equates to approximately 50% of his annual compensation for the year. In order to preserve the Company's cash resources and to demonstrate his commitment to the Company, Mr Lindström has agreed to apply this sum to a subscription of new ordinary shares at the previous day's closing price of 8.25p per share. This will result in the issue of 1,948,748 new ordinary shares to Mr Lindström ("2022 Bonus Shares"). The 2022 Bonus Shares represent 2.5% of the issued share capital prior to the issue of these shares.

Furthermore, as part of his promotion to CEO in January 2023, the Company agreed to pay Mr Lindström a promotion bonus based on increased responsibilities as CEO of $500,000 (£401,929) being approximately 120% of his 2023 annual compensation. In order to preserve the Company's cash resources and to demonstrate his commitment to the Company, Mr Lindström has also agreed to apply this sum to a subscription of new ordinary shares at previous day's closing price of 8.25p per share. This resulted in the issue of 4,871,870 new ordinary shares to Mr Lindström ("CEO Bonus Shares"). The CEO Bonus Shares represent 6.2% of the issued share capital prior to the issue of shares referred to in this announcement.

By way of further alignment to shareholders and the creation of shareholder value, in respect of the 2022 Bonus Shares and CEO Bonus Shares, the shares subscribed for by Mr Lindström pursuant to each of these bonus schemes will be subject to a risk of forfeiture and may not be sold or otherwise transferred until such forfeiture risk has lapsed. Specifically, Mr. Lindstrom may not sell, transfer, or otherwise transact in these shares until such time as the risk of forfeiture with respect to the bonus shares has lapsed. This forfeiture risk will expire if and when the Company's Net Asset value reaches and exceeds $120 million within the 24-month period following their issue ("NAV Hurdle"). If the NAV Hurdle is not met in that time period, the bonus shares will be forfeited back to the Company.

The 2022 Bonus Shares and the CEO Bonus Shares were admitted to trading on AIM London Stock Exchange on 26 April 2023.

Total Voting Rights

Following issuance of 2022 Bonus Shares and CEO Bonus Shares in April 2023, the Company has 85,877,429 Ordinary Shares in issue, each carrying the right to one vote. No Ordinary Shares are held by the Company in treasury. The total number of voting rights in the Company is therefore 85,877,429.

First Republic Bank

Management of the Company became aware of multiple banks being transferred into government receivership and the appointment of the Federal Deposit Insurance Corporation (the "FDIC") as receiver in March 2023. On 13 March 2023, the Company, after consulting with the Board, transferred all funds on deposit at First Republic Bank to their Trust account which is located at Key Bank. On 28 April 2023, the Company transferred the majority of these funds to fund their security deposit and operating account with European Depositary Bank S.A. On 1 May 2023, JPMorgan Chase & Co. acquired the substantial majority of assets, and assumed certain liabilities, of First Republic Bank from the FDIC. Subsequent to 1 May 2023, the Company transferred certain funds back to First Republic Bank for deposit in an operating account.

There were no other subsequent events identified by the Company's management which would require adjustment to, or disclosure in, the financial statements.

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Corporate directory

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Definitions & glossary

ADIC - Abu Dhabi Investment Council

Admission document – i(x) Net Zero Plc's AIM Admission document dated 4 February 2022, which is available on the Company's website https://ixnetzero. com/.

AGM - Annual General Meeting

AIM - Alternative Investment Market of the London Stock Exchange

Board - Board of Directors of i(x) Net Zero Plc

Carbon Engineering - Carbon Engineering Ltd.

CEO - Chief Executive Officer

CFO - Chief Financial Officer

CIO - Chief Investment Officer

Company or Group or i(x) - i(x) Net Zero Plc

CLEAR Path™ - platform which converges advanced machine learning/AI and blockchain technologies to form new empirical data-driven registry capabilities, ensuring that data for environmental attributes and differentiated commodities are transparent, trusted and traceable

Context Labs - Context Labs B.V.

CO2 - Carbon dioxide

DAC - Direct Air Capture

DaaSTM - Decarbonisation as a Service™

EAC - Enphys Acquisition Corp.

EAS - Enphys Acquisition Sponsor, LLC

EDB - European Depositary Bank S.A.

EIP - Equity Incentive Plan

EMC - Enphys Management Company, LLC

EPS - Earnings per share

FY - Financial Year

Group or i(x) - the Company and its subsidiaries

GSG - Global Steering Group

ESG – Environmental, Social and Governance

GRESB - Global Real Estate Sustainability Benchmark

IASB - International Accounting Standards Board

IFRIC - International Financial Reporting Interpretations Committee

IFRS - International Financial Reporting Standards as issued by the International Accounting Standards Board

Immutably, ™ - Context Labs' foundational technology, enables organisations to better harness data and transform it into trusted insights that drive their business

IPO - Initial Public Offering

IRA - Inflation Reduction Act

i(x) investments - i(x) investments LLC

LEED - Leadership in Energy and Environmental Design

Lion Point - Lion Point Capital, LP

Lion Point Master - Lion Point Master, LP

LLC - Limited Liability Company

LSE - London Stock Exchange

MultiGreen - MultiGreen Properties, LLC

NED - Non-Executive Director

NZE - Net Zero Energy

NAV- Net Assets Value

NYSE - New York Stock Exchange

Plc - Public Liability Company

PRI - Principles for Responsible Investment

QCA - Quoted Companies Alliance

SAFE - Simple Agreement For Future Equity

SID - Senior Independent Director

SPAC - Special Purpose Acquisition Company

The Code - Quoted Companies Alliance's code of corporate governance

SLI - Sustainable Living Innovations

UK Takeover Code

UK/United Kingdom - United Kingdom of Great Britain and Northern Ireland

US$/USD or $ - US Dollars, the lawful currency of the US

UN - United Nations

UN SDGs - the United Nations Sustainable Development Goals

US - United States

WasteFuel - WasteFuel Global, LLC

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i(x) NET ZERO