CONSERVATION X LABS, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

CONSERVATION X LABS, INC.
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YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors
Conservation X Labs, Inc.
Washington, D.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Conservation X Labs (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Conservation X Labs, as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Conservation X Labs and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 8 to the financial statements, the beginning of the year net assets have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Conservation X Labs's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Conservation X Labs, Inc.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Conservation X Labs's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Conservation X Labs's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

North Bethesda, MD
March 25, 2026

CONSERVATION X LABS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 2,486,435
Inventory	98,979
Grant Receivable	1,386,517
Prepaid Expenses	12,763
Total Current Assets	3,984,694
PROPERTY AND EQUIPMENT	
Furniture and Equipment	253,742
Less: Accumulated Depreciation	90,498
Total Property and Equipment	163,244
OTHER ASSETS	
Deposits	16,987
Total Other Assets	16,987
Total Assets	$ 4,164,925

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 236,231
Total Current Liabilities	236,231
NET ASSETS	
Without Donor Restrictions	2,542,177
With Donor Restrictions	1,386,517
Total Net Assets	3,928,694
Total Liabilities and Net Assets	$ 4,164,925

See accompanying Notes to Financial Statements.

CONSERVATION X LABS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions:			
Foundation	$ 7,049,783	$ 1,386,517	$ 8,436,300
Government Grants	324,314	-	324,314
In Kind Contributions	179,026	-	179,026
Individual	91,016	-	91,016
Direct Public Grants	63,484	-	63,484
Sales of Product, Less Costs of Goods Sold of $40,013	104,103	-	104,103
Miscellaneous	142,044	-	142,044
Interest	150	-	150
Loss on Disposal of Assets	(129,523)	-	(129,523)
Net Assets Released from Restrictions	250,000	(250,000)	-
Total Revenue	8,074,397	1,136,517	9,210,914
EXPENSES			
Program Services:			
Nucleic Acid Barcode Identification Tool	1,549,670	-	1,549,670
Wild Me	1,238,770	-	1,238,770
Grand Challenges	979,729		979,729
The Sentinel	969,788	-	969,788
Central Asia	338,370	-	338,370
Extinction Solutions Index	126,798	-	126,798
Foundry	74,855	-	74,855
Afghan Defenders	22,771	-	22,771
Total Program Services	5,300,751	-	5,300,751
Supporting Services:			
Management and General	1,480,390	-	1,480,390
Fundraising	474,658	-	474,658
Partnerships	11,814	-	11,814
Total Supporting Services	1,966,862	-	1,966,862
Total Expenses	7,267,613	-	7,267,613
CHANGE IN NET ASSETS	806,784	1,136,517	1,943,301
Net Assets - Beginning of Year (As Restated)	1,735,393	250,000	1,985,393
NET ASSETS - END OF YEAR	$ 2,542,177	$ 1,386,517	$ 3,928,694

See accompanying Notes to Financial Statements.

CONSERVATION X LABS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services									Supporting Services				
	Nucleic Acid Barcode Identification Tool	Wild Me	Grand Challenges	The Sentinel	Central Asia	Extinction Solutions Index	Foundry	Afghan Defenders	Total Program Services	Management and General	Fundraising	Partnerships	Total Supporting Services	Total Expenses
Personnel	$ 1,100,464	$ 952,430	$ 764,443	$ 816,526	$ 200,747	$ 65,289	$ 70,669	$ 75	$ 3,970,643	$ 950,965	$ 389,118	$ 280	$ 1,340,363	$ 5,311,006
Lab Costs	251,171	242,849	953	94,209	-	-	-	-	589,182	117	-	-	117	589,299
Professional Services	60,677	5,194	12,566	18,075	13,000	-	-	-	109,512	168,367	48,872	-	217,239	326,751
Travel	14,713	18,324	43,638	21,159	7,821	3,188	2,686	595	112,124	61,655	25,314	6,677	93,646	205,770
Rent	86,674	-	-	-	-	-	-	-	86,674	103,440	-	-	103,440	190,114
Grants and Sponsorship Expense	-	-	-	-	100,357	46,018	-	-	146,375	-	-	-	-	146,375
Prize Money/Grant	-	-	100,194	-	-	-	-	16,475	116,669	-	-	-	-	116,669
Program Development	-	-	18,287	4,407	-	-	1,500	203	24,397	84,211	2,750	-	86,961	111,358
Office Expense	5,556	1,450	8,347	7,225	1,994	1,105	-	3,872	29,549	50,596	5,640	34	56,270	85,819
Conferences and Meetings	525	2,503	23,698	-	-	7,088	-	350	34,164	13,916	1,845	4,168	19,929	54,093
Cost of Goods Sold	-	-	-	40,013	-	-	-	-	40,013	-	-	-	-	40,013
Student Stipend	18,175	-	6,000	6,000	-	396	-	-	30,571	4,500	-	-	4,500	35,071
Equipment Purchase, Rental	2,212	15,484	-	-	14,356	-	-	-	32,052	-	-	-	-	32,052
Depreciation	5,816	-	1,131	-	-	-	-	-	6,947	23,562	-	-	23,562	30,509
Administrative	1,029	536	165	100	-	3,714	-	903	6,447	13,470	110	-	13,580	20,027
Utilities	605	-	-	1,995	-	-	-	-	2,600	4,893	-	-	4,893	7,493
Business Meals	2,053	-	307	92	95	-	-	48	2,595	698	1,009	655	2,362	4,957
Miscellaneous	-	-	-	-	-	-	-	250	250	-	-	-	-	250
	1,549,670	1,238,770	979,729	1,009,801	338,370	126,798	74,855	22,771	5,340,764	1,480,390	474,658	11,814	1,966,862	7,307,626
Cost of Goods Sold Included in Revenue on the Statement of Activities	-	-	-	(40,013)	-	-	-	-	(40,013)	-	-	-	-	(40,013)
Total Expenses	$ 1,549,670	$ 1,238,770	$ 979,729	$ 969,788	$ 338,370	$ 126,798	$ 74,855	$ 22,771	$ 5,300,751	$ 1,480,390	$ 474,658	$ 11,814	$ 1,966,862	$ 7,267,613

See accompanying Notes to Financial Statements.

CONSERVATION X LABS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 1,943,301
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	30,509
Noncash Lease Expense	4,495
Inventory Write Off	98,991
(Increase) Decrease in Assets:	
Grant Receivable	(1,136,517)
Prepaid Expenses	13,815
Inventory	(65,669)
Deposits	12,000
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	140,685
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,041,610
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	(21,707)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,019,903
Cash and Cash Equivalents - Beginning of Year	1,466,532
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,486,435

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Conservation X Labs, Inc. (the Organization) is a nonprofit charitable organization founded in 2015 to prevent the sixth mass extinction by applying technology, entrepreneurship, and open innovation to source, develop, and scale critical solutions to the underlying drivers of extinction. The Organization funds its programs primarily through grants and contracts from foundations, individuals, and government agencies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represent the expendable net assets that are available to support the Organization. Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time and those that are subject to donor-imposed stipulations that the Organization maintain them permanently.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash in checking, savings, and money market accounts to be cash and cash equivalents.

Property and Equipment

Property and equipment are stated at cost. It is the Organization's policy to capitalize purchases of furniture and equipment and computer software that cost $ 500 or more. Furniture and equipment are depreciated over their estimated useful lives of 3 to 15 years using the straight-line method.

Revenue Recognition

Revenue is generated from the following:

Unconditional Contributions – The Organization received unconditional contributions from foundations and individuals. These contributions have no conditions or performance obligations, and therefore, revenue is recognized upon notice of the donation, usually upon receipt. Outstanding pledges receivable balance was $1,636,517 at December 31, 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Conditional Contributions – The Organization received conditional contributions from foundations, individuals, and government agencies. These contributions were conditional since certain milestones and reports were required by the contributors. Revenue is recognized as work progresses and these milestones are met. During the year ended December 31, 2024, the Organization was awarded $96,924 of new grants. These grants are conditional since the agreements include a right of return for funds not reasonably incurred pursuant to the agreement and a barrier to incur only qualifying expenses that are based on specific requirements. Revenue is recognized as work progressed and conditions are met. During the year ended December 31, 2024, work progressed, conditions were met, and $892,711 was recognized as revenue. As of December 31, 2024, there were no funds received from the donor in advance of the conditions being met. As of December 31, 2024, $17,868 remains available and will be recognized as revenue in a future period once conditions are met.

Sales of Products – These sales are exchange transactions since commensurate value is exchanged. Revenue is recognized at the time of the sale.

Other Income – These are small in nature and recognized when earned.

All streams of revenue are driven by the Organization's mission to prevent the sixth mass extinction. Although a newer organization, Conservation X Labs, Inc. has shown a history of fulfilling this mission, attracting new donors, and is unaware of anything that may negatively impact its future funding.

Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. The lease liability will be equal to the present value of lease payments and the ROU asset will be based on the lease liability, subject to adjustment such as for initial direct costs. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable, however, as most leases do not provide an implicit rate, the Organization uses the incremental borrowing rate based on information available at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

Furthermore, the Organization has elected the practical expedient to account for the lease and nonlease components as a single lease component for the leased property asset class. The Organization recognizes lease payments for short term leases on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from the payment of income taxes on its exempt activities under the provisions of Section 501(c)(3) of the Internal Revenue Code. Under these provisions, no tax is imposed on any income related to the Organization's tax-exempt purpose. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2024. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's federal return of organizations exempt from income tax is subject to examination by the Internal Revenue Service, generally for a period of three years after the return is filed.

Functional Allocation of Expenses

The costs of providing various program and administrative services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses that are related to a specific program are charged to the appropriate program. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of time and effort.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Actual results could differ from those estimates.

Subsequent Events

In preparing its financial statements, the Organization has evaluated subsequent events through March 25, 2026, which is the date the financial statements were available to be issued.

NOTE 3 CONCENTRATIONS

Concentration of Credit Risk

At various times during the fiscal year, the Organization's cash in bank balances exceeded the Federally insured limits. At December 31, 2024, the Organization's uninsured cash balances totaled $2,165,937.

Concentration of Revenue

Two contributors accounted for approximately 64% of total revenue for the year ended December 31, 2024.

NOTE 4 RETIREMENT PLANS

The Organization maintains a profit sharing plan covering all employees who have reached their eighteenth birthday. For the year ended December 31, 2024, the Organization matched 200% of employee's contributions up to 2% of each employee's eligible compensation. The plan also allows for voluntary employee contributions, under Internal Revenue Code section 401(k). Employees may elect to defer a percentage of their compensation up to the Internal Revenue Service deferral limits. There is no employer matching contribution for these further deferrals. Total retirement expense for the year ended December 31, 2024, was $145,261.

NOTE 5 LEASES

Other than short-term leases, the Company leases an office space which expired on September 30, 2024. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. The short-term lease costs do not reflect ongoing short-term lease commitments. The Organization has a month-to-month lease for an office space located in Seattle, Washington, commencing on April 1, 2018. Lease expense on this lease for the year ended December 31, 2024 was $177,888.

NOTE 6 DONATED GOODS AND SERVICES

The Organization received donated IT services. The approximate value of donated services included in the financial statements for the years ending December 31, 2024 is as follows:

Donated Services	$ 179,026

The donated services were related to IT costs and donated based on current needs and were used exclusively for charitable purposes. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions and were utilized in the year reported. All contributed services are valued and are reported at the fair value, based on the current market values of similar services.

NOTE 7 LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets available to meet general expenditures over the next year as of December 31, 2024.

Financial Assets:	
Cash and Cash Equivalents	$ 2,486,435
Grant Receivable	1,386,517
Total Financial Assets	3,872,952
Less: Net Assets With Donor Restrictions	1,386,517
Total	$ 2,486,435

The Organization manages its liquid position by maintaining adequate net assets without donor restrictions. In addition, contributions are received throughout the year to cover that year's expenses. The Organization maintains its liquid assets in checking, savings, and money market accounts.

NOTE 8 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2024, the Organization discovered that previously issued financial statements included certain errors in applying U.S. GAAP. As result of correction of these errors, as of December 31, 2023, the Organization increased its total net assets by $250,000 for the cumulative effect of the correction of the errors.

The effect on the Organization's beginning of the year net assets with donor restrictions is summarized as follows:

	As Previosuly Recorded	Restatement	As Restated
Beginning Net Assets With Donor Restrictions	$ -	$ 250,000	$ 250,000

Global

INDEPENDENT
NETWORK MEMBER