Infragreen

Annual Report

30 June 2024

Contents

DIRECTORS' REPORT

Your Directors present their report on Infragreen Group Pty Ltd (referred to as “the Company”) and its controlled entities (together referred to as “Infragreen” or the “Consolidated Entity”) for the period from incorporation to 30 June 2024.

The Company was incorporated 24 May 2023 hence these financial statements cover the period from incorporation to 30 June 2024 and accordingly there are no comparatives.

DIRECTORS

The following persons were directors of Infragreen Group Pty Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Name	Period of Directorship
Declan Sherman	Appointed 24 May 2023
Scott Ryall	Appointed 23 October 2023
Lindsay Ward	Appointed 1 April 2025
Courtney Black	Appointed 1 April 2025
Martin McIver	Appointed 20 March 2025, resigned 1 April 2025

PRINCIPAL ACTIVITIES

Infragreen is a diverse infrastructure company focused on strategically investing in sustainable infrastructure businesses to drive economic growth and deliver essential services for a sustainable future.

REVIEW OF OPERATIONS

During the financial period Infragreen achieved the following milestones:

- Acquired a 22% interest in Pure Environmental – a business that provides regulated waste recycling and processes hazardous waste through advanced resource recovery;
- Acquired a 33% interest in Energybuild – a business that provides residential housing with clean power generation, power storage, smart meters and utility connections; and
- Acquired a 60% interest in the Minemet Recycling Group – a vertically integrated recycling company offering metals collection, processing and exportation from each of Australia and New Zealand for both ferrous and non-ferrous metals;

FINANCIAL RESULTS

The loss for the Consolidated Entity after tax was $10,141,697.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial period were as follows:

- Raised $77,848,457 through the issue of convertible notes to investors;
- Acquired a 22% interest in Pure Environmental – a business that provides regulated waste recycling and processes hazardous waste through advanced resource recovery;
- Acquired a 33% interest in Energybuild – a business that provides residential housing with clean power generation, power storage, smart meters and utility connections; and
- Acquired a 60% interest in the Minemet Recycling Group – a vertically integrated recycling company offering metals collection, processing and exportation from each of Australia and New Zealand for both ferrous and non-ferrous metals;

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial period.

LIKELY DEVELOPMENTS AND FUTURE OPERATIONS

The Consolidated Entity will seek to invest in other sustainable infrastructure businesses and work with its current investment holdings to drive growth and efficiency.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity investment's are subject to environmental regulations under Australian and New Zealand law, and there were no breaches during the period. The Consolidated Entity's investments operate in a highly regulated industry where there are compliance measures in place to ensure safety in operations and the maintenance of environmental and quality standards.

INDEMNIFICATION OF OFFICERS OR AUDITOR

The Company has indemnified the directors and executives of the Company for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

The Company has not indemnified its auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

DIVIDENDS

No dividends were paid or declared during the financial period.

ROUNDING

The Consolidated Entity is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

EVENTS AFTER REPORTING DATE

Subsequent to period end, the following events occurred:

- Infragreen Group Pty Ltd acquired an additional 2,171,856 shares (2.27%) in Pure Environmental Pty Ltd for $2,541,131. This transaction did not result in Infragreen gaining control of Pure Environmental Pty Ltd.
- Infragreen Group Pty Ltd invested in Pure Environmental Pty Ltd convertible notes for $7,375,145;
- On 21 October 2024, paid the $7,500,000 contingent consideration relating to the 60% acquisition of Minemet Recycling Group Pty Ltd;
- Infragreen Group Pty Ltd raised an additional $23,982,000 through the issue of convertible notes on the same terms as outlined in Note 11.
- On 29 November 2024, Infragreen Group Pty Ltd acquired a 49% interest in Merredin Energy Holdings Pty Ltd for $30,330,937, made up of a $26,000,000 upfront payment, a working capital adjustment payment of $330,937 and deferred contingent consideration of up to $4,000,000. The investment in Merredin Energy Holdings Pty Ltd will be accounted for as a joint venture; and
- Repaid the Altor debt facility of $5,000,000 and drew down $30,000,000 debt under a new facility.
- In March 2025, Infragreen exercised an option to acquire a further 21.9% interest in Energybuild Holdings Pty Ltd from existing shareholders. The transaction was settled on 9 April 2025, increasing Infragreen's overall interest to 54.78%.

There have been no other events since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration on page 6 forms part of the Directors' Report.

Signed in accordance with a resolution of the board of directors of Infragreen Group Pty Ltd.

Director
14 April 2025

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

Auditor's Independence Declaration

To the Directors of Infragreen Group Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Infragreen Group Pty Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner – Audit & Assurance

Brisbane, 14 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period 24 May 2023 to 30 June 2024

	Note	2024 $
Share of equity accounted profit	9	1,679,018
Finance income		29,918
Employee benefits expenses	3	(947,217)
Property expenses		(3,734)
Corporate and compliance expenses		(111,621)
Acquisition expenses		(203,581)
Administrative and general expenses		(187,437)
Finance costs	3	(10,338,781)
Depreciation and amortisation	3	(58,262)
Loss before share of equity accounted profit and tax		**(10,141,697)**
Income tax	4	-
Loss after income tax		**(10,141,697)**
Other comprehensive income		-
Total comprehensive income		**(10,141,697)**

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 $
CURRENT ASSETS		
Cash and cash equivalents	5	10,401,954
Other current assets		2,507
TOTAL CURRENT ASSETS		10,404,461
NON-CURRENT ASSETS		
Plant and equipment	7	208,818
Right-of-use assets	8	508,040
Investments in associates and joint ventures	9	84,683,105
TOTAL NON-CURRENT ASSETS		85,399,963
TOTAL ASSETS		**95,804,424**
CURRENT LIABILITIES		
Trade and other payables	10	5,209,721
Borrowings	11	5,000,000
Provisions	12	41,823
Other liabilities	9 (c)	7,500,000
Lease liabilities	8	91,231
TOTAL CURRENT LIABILITIES		17,842,775
NON-CURRENT LIABILITIES		
Borrowings	11	86,830,595
Provisions	12	840,940
Lease liabilities	8	431,801
TOTAL NON-CURRENT LIABILITIES		88,103,336
TOTAL LIABILITIES		**105,946,111**
NET LIABILITIES		**(10,141,687)**
EQUITY		
Contributed capital	13	10
Accumulated losses		(10,141,697)
TOTAL EQUITY		**(10,141,687)**

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity
For the period 24 May 2023 to 30 June 2024

	Contributed Capital $	Accumulated Losses $	Total $
Balance at 24 May 2023 – date of incorporation	-	-	-
Transactions with owners in their capacity as owners			
Issue of share capital	10	-	10
Total	**10**	**-**	**10**
Comprehensive income			
Loss after income tax	-	(10,141,697)	(10,141,697)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(10,141,697)	(10,141,697)
Balance at 30 June 2024	**10**	**(10,141,697)**	**(10,141,687)**

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows
For the period 24 May 2023 to 30 June 2024

	Note	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	9	2,566,878
Payments to suppliers and employees (inclusive of GST)		(947,070)
Interest received		29,918
Income tax paid		-
Finance costs		(303,032)
Net cash from operating activities	5	1,346,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant & equipment		(68,785)
Payments for investments		(44,672,508)
Net cash used in investing activities		(44,741,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities	13	10
Proceeds from convertible notes		49,378,000
Proceeds from convertible notes applications		4,460,000
Lease repayments	8	(41,457)
Net cash provided by financing activities		53,796,553
Net increase in cash and cash equivalents held		10,401,954
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	**5**	**10,401,954**

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Introduction

This financial report covers Infragreen Group Pty Ltd from the date of incorporation period 24 May 2023 to 30 June 2024. Infragreen Group Pty Ltd is a private company, incorporated and domiciled in Australia.

Its registered office and principal place of business is located at Level 1/144 Arthur St, Fortitude Valley QLD 4006.

The accounting policies have been consistently applied, unless otherwise stated.

<u>Operations and principal activities</u>
Infragreen is a diverse infrastructure company focused on strategically investing in sustainable infrastructure businesses to drive economic growth and deliver essential services for a sustainable future.

<u>Currency and rounding</u>
The financial report is presented in Australian dollars which is the functional currency of the Consolidated Entity.

The Consolidated Entity is a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument all financial information presented in Australian Dollars has been rounded to the nearest dollar.

<u>Authorisation of financial report</u>
The financial report was authorised for issue on 14 April 2025.

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Consolidated Entity is a for-profit entity for the purpose of preparing the financial statements.

<u>Compliance with IFRS</u>
The financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

<u>Historical cost convention</u>
The financial statements have been prepared under the historical convention by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

<u>Critical accounting estimates and judgements</u>
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Information about each of these estimates and judgements is included in other notes together with information about the basis of calculation.

The areas involving significant estimates or judgements are:

- judgements made in relation to significant influence over equity accounted investments – Note 9
- recognition of deferred tax asset for carried-forward tax losses – Note 4
- estimates made in relation to the value of call options held over Energybuild Holding Pty Ltd shares – Note 9
- judgements made in relation to recognition of a provision for the convertible notes raising fees (transaction costs) – Note 12
- judgements made to whether the entity is an Investment Entity – refer below:

AASB 10 Consolidated Financial Statements requires the parent company of a group to determine whether it meets the definition of an investment entity. An investment entity does not consolidate its subsidiaries, instead it measures an investment in a subsidiary at fair value through profit or loss. Management has assessed the criteria in evaluating whether Infragreen is an investment entity and have concluded that whilst some of the elements of an investment entity are present, all three elements are not present and therefore the investment entity definition is not met.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

Accounting policies

(a) Financial Instruments

Recognition and initial measurement
Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value or amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(b) Impairment of Non-Financial Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the applicable Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As presented in the financial statements, the entity incurred a loss after tax of $10,141,697 and had net cash inflows from operating activities of $1,346,694 for the period ended 30 June 2024. As at that date the entity had net current liabilities of $7,438,314 and net liabilities of $10,141,687.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

Included in non-current liabilities are amounts of $86,830,595 which relate to convertible notes (and associated accrued interest) issued by the Company. Under the terms of the convertible notes, the Company has the ability to extinguish this liability through the conversion of the notes to fully paid ordinary shares.

Included in current liabilities are amounts of $4,460,000 which relate to applications monies for convertible notes that were issued in July 2024. In addition to the $4,460,000, a further $19,522,000 notes were issued subsequent to period end. The Company has the ability to extinguish these additional $23,982,000 of notes through the conversion of the notes to fully paid ordinary shares in accordance with the terms summarised in Note 11.

The Directors believe that the going concern basis of preparation is appropriate based on:

- The Consolidated Entity receiving dividends from its investments;
- The Consolidated Entity's ability to convert the convertible notes to share capital in accordance with the terms summarised in Note 11; and
- This Consolidated Entity's ability to issue further convertible notes and/or share capital in the future.

The Directors believe there will be sufficient cash available for the Consolidated Entity to continue operating based on the Consolidated Entity's cash flow forecast.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

New Accounting Standards

Several amendments and interpretations applied for the first time during the period, but these changes did not have an impact on the Consolidated Entity's financial statements and hence, have not been disclosed.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity has assessed the impact of these new standards and interpretations and does not expect that there would be a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

NOTE 2 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified operating segments based on internal reports that are reviewed and used by the management team in assessing performance and determining the allocation of resources.

Management currently identifies the Consolidated Entity as having only one reportable segment: strategically investing in sustainable infrastructure businesses. There have been no changes in the operating segments during the year. All assets are located in Australia.

NOTE 3 EXPENSES

	2024 $
Employee benefits	
Wages and director fees	849,191
Superannuation	57,268
Other	40,758
Total employee benefits	**947,217**
Finance costs	
Interest on borrowings	381,072
Convertible notes - interest	1,850,833
Convertible notes - principal uplift component	7,972,245
Convertible note raising costs	110,000
Interest on leases	24,631
Total finance costs	**10,338,781**
Depreciation and amortisation	
Depreciation on plant and equipment	1,813
Amortisation on right of use assets	56,449
Total depreciation and amortisation	**58,262**

NOTE 4 INCOME TAX

Income tax expense

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

A reconciliation of income tax expense/(benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the period ended 30 June 2024 is as follows:

NOTE 4 INCOME TAX (continued)

	2024 $
Loss before income tax	(10,141,697)
Share of equity accounted profit	1,679,018
Loss before income tax, excluding equity accounted losses	(11,820,715)
Prima facie tax at 30%	(3,546,215)
Tax effect of not deductible/taxable amounts	
Not deductible convertible notes finance costs	2,946,923
Other items	124,852
	(474,440)
Deferred tax assets not brought to account	474,440
Total income tax	-
Recognised deferred tax assets	
Carried forward tax losses	-
Recognised deferred tax liabilities	
Assessable temporary differences	-

	2024 $
Unrecognised temporary differences and tax losses	
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	830,147
Unused capital losses for which no deferred tax asset has been recognised	-
	830,147

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise these benefits.

NOTE 5 CASH FLOW INFORMATION

Cash and Cash Equivalents

	2024 $
Cash at bank	**10,401,954**

For statement of cash flow presentation purposes cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

NOTE 5 CASH FLOW INFORMATION (continued)

Non-cash Investing and Financing Activities

	2024 $
Contingent consideration - Minemet investment	7,500,000
Convertible notes issued to acquire Pure Environmental investment	28,470,457
Energybuild investment funded via Altor loan	4,928,000
Non-cash lease additions	564,489
Plant and equipment additions included in trade payables at period end	141,847

Reconciliation of cash and non-cash movements in financing activities

	Borrowings $	Lease Liabilities $
Beginning of the period	-	-
Energybuild investment funded via Altor loan (non-cash)	4,928,000	-
Altor loan - capitalised finance charges (non-cash)	72,000	-
Cash proceeds from the issue of convertible notes	49,378,000	-
Convertible notes issued to acquire Pure Environmental investment (non-cash)	28,470,457	-
Accrued interest on convertible notes (non-cash)	9,823,078	-
Non-cash convertible notes acquisition costs	(840,940)	-
Non-cash lease additions	-	564,489
Lease principal repayments (cash)	-	(41,457)
End of the period	**91,830,595**	**523,032**

Reconciliation of cash flows from operations with loss after tax

	2024 $
Loss after income tax	(10,141,697)
Dividends received from associates and joint ventures	2,566,878
Non-cash items in profit/(loss) after income tax	
Depreciation and amortisation	58,262
Non-cash interest expense	10,035,749
Equity accounted profit	(1,679,018)
Movements in operating assets and liabilities	
Trade and other receivables	-
Other assets	(2,507)
Trade and other payables	467,204
Provisions	41,823
Net cash provided by operating activities	**1,346,694**

NOTE 6 DIVIDENDS

No dividends were paid during the financial period ended 30 June 2024 and no dividend is recommended for the current period.

NOTE 7 PLANT AND EQUIPMENT

	2024 $
Office equipment at cost	7,735
Accumulated depreciation	(747)
	6,988
Leasehold improvements at cost	202,896
Accumulated depreciation	(1,066)
	201,830
Total plant and equipment	**208,818**

Movements during the period

	Office Equipment $	Leasehold Improvements $	Total $
Balance at 24 May 2023	-	-	-
Additions	7,735	202,896	210,631
Depreciation	(747)	(1,066)	(1,813)
Balance at 30 June 2024	**6,988**	**201,830**	**208,818**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of asset is:

Class of Fixed Asset	Useful Life
Office equipment	3 - 5 years
Leasehold improvements	Life of lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

NOTE 8 RIGHT OF USE ASSETS AND LEASES

The Consolidated Entity leases offices premises over a 5 year period. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Consolidated Entity. Assets and liabilities arising from a lease are initially measured on a present value basis.

NOTE 8 RIGHT OF USE ASSETS AND LEASES (continued)

Lease Liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Consolidated Entity under residual value guarantees;
- the exercise price of a purchase option if the Consolidated Entity is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Consolidated Entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases that relate to building premises, the entity's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Consolidated Entity uses its expected third-party financing rates as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, making adjustments specific to the lease (e.g., term and security).

The Consolidated Entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use Assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Consolidated Entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Low Value Assets

Payments associated with leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Low value assets comprise small items of office equipment.

Extension Options

Extension options may be included in building premises leases across the Consolidated Entity. These are used to maximise operational flexibility in terms of managing the assets used in the Consolidated Entity operations. The extension and termination options held are exercisable only by the Consolidated Entity and not by the respective lessor.

In determining the lease term, the Consolidated Entity considers all facts and circumstances that create an economic incentive to exercise an extension option. When exercising lease extensions of building premises, the Consolidated Entity considers the following factors:

- any termination and make-good penalties;
- value of leasehold improvements;
- cost of disruption to the business to relocate; and
- availability and cost other suitable properties.

NOTE 8 RIGHT OF USE ASSETS AND LEASES (continued)

Extension options are only included in the lease term if the lease is reasonably certain to be extended.

As at 30 June 2024, there were no unrecognised lease extension options applicable.

The lease term is reassessed if an option is exercised (or not exercised) or the Consolidated Entity becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

	2024 $
Right of use assets	
Leased premises	**508,040**

Right of use assets movements during the period

	Leased Premises $
Balance at 24 May 2023	-
Additions	564,489
Amortisation	(56,449)
Balance at 30 June 2024	**508,040**

	2024 $
Lease liabilities	
Current lease liability	91,231
Non-current lease liability	431,801
	523,032

Amounts recognised in the Statement of Comprehensive Income

Amortisation	56,449
Interest expense	24,631
	81,080

Amounts recognised in the Statement of Cash Flows

Lease principal repayments	41,457
Interest payments	24,631
	66,088

NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2024 $
Energybuild Holdings Pty Ltd	15,645,388
Pure Environmental Pty Ltd	28,785,088
Minemet Recycling Group Pty Ltd	40,252,629
	84,683,105

An equity accounted associate is an entity over which the Consolidated Entity has significant influence or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Consolidated Entity's share of net assets of the associate or joint venture since the acquisition date. The comprehensive income reflects the Consolidated Entity's share of the results of operations of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Consolidated Entity. When necessary, adjustments are made to bring the accounting policies in line with those of the Consolidated Entity.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

(a) Pure Environmental Pty Ltd

On 9 November 2023, the Consolidated Entity acquired a 22.03% interest in Pure Environmental Pty Ltd – a business that provides regulated waste recycling through advanced resource recovery. Pure Environmental Pty Ltd's principal place of business is located at Unit 10, 333 Queensport Road, Murarrie QLD 4172.

Consideration for the initial investment was $28,470,457 through the issue of 28,470,457 Infragreen convertible notes.

On 30 June 2024, Infragreen acquired a further 0.43% interest in Pure Environmental Pty Ltd for $482,508 cash, bringing its total interest to 22.47% and an investment value of $28,952,965.

Pure Environmental Pty Ltd requires a board resolution to distribute its profits. Dividends of $750,000 were paid during the period of which Infragreen's share was $166,878.

NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Energybuild Holdings Pty Ltd

On 23 December 2023, the Consolidated Entity acquired a 32.87% interest in Energybuild Holdings Pty Ltd, a business that provides residential housing with clean power generation, power storage, smart meters and utility connections. Energybuild Holdings Pty Ltd's principal place of business is located at Level 11, 82 Eagle Street, Brisbane QLD.

The total consideration paid was $16,500,000, being $4,928,000 of borrowings from Altor Capital Management and $11,572,000 cash.

As part of the transaction, Infragreen also acquired an option to acquire a further 21.9% interest (27,500 shares) from existing shareholders for the following amounts:

- 13,800 divided by the total Energybuild Holdings Pty Ltd shares, multiplied by 7 times the CY24 EBITDA, less Net Debt.
- 13,700 divided by the total Energybuild Holdings Pty Ltd shares, multiplied by 7 times the FY25 EBITDA, less Net Debt.

The Consolidated Entity has determined that the value of the option at 30 June 2024 is immaterial and consequently has not recognised a financial asset with respect to the call option. In determining the value of the option, the Consolidated Entity has considered market comparable transaction multiples and expected industry volatility rates. The acquisition multiple as set out in the call option agreement was deemed to be reflective of market value. As at balance date, there have been no changes to Energybuild's circumstances or outlook that would indicate a higher multiple would be applicable, and therefore the no additional value has been attributed to the option.

Subsequent to year end, a combination of weaker than initially anticipated trading performance during the option measurement periods, CY24 and forecast FY25, and an improved outlook for FY26 and beyond resulted in a material uplift in option value in subsequent reporting periods.

Energybuild Holdings Pty Ltd requires a board resolution to distribute its profits. No dividends were paid or declared for the financial period.

(c) Minemet Recycling

On 26 October 2023, Infragreen Group Pty Ltd acquired 60% of the issued capital of Minemet Recycling Group Pty Ltd. Minemet Recycling Group Pty Ltd is focused on steel and non-ferrous metal recycling in Australia and New Zealand. Minemet Recycling Group Pty Ltd's principal place of business is located at Suite 1212, 1 Queens Road, Melbourne VIC 3004.

The agreed purchase consideration was $40,118,000, comprising upfront cash of $32,618,000 and contingent consideration of $7,500,000, subject to FY2024 EBITDA targets being met. Subsequent to year end, the contingent consideration was paid in full on 21 October 2024.

The Consolidated Entity has determined it has not obtained control of Minemet Recycling Group Pty Ltd due to:

- Restrictions in the Minemet Shareholder Agreement which required unanimous consent on key business matters;
- Equal voting rights at Board meetings with the minority shareholder; and
- The minority shareholders key involvement in the leading the business through his specialised knowledge and networks in the industry which are critical to the success of the business. In Infragreen's judgement, the minority shareholder's importance to, and practical control over, the day-to-day operational and strategic matters of Minemet give rise to significant operational barriers to Infragreen asserting a controlling position.

Based on the above key judgements, the Consolidated Entity has joint control of Minemet Recycling Group Pty Ltd with the minority shareholder and therefore its investment in Minemet Recycling Group Pty Ltd is accounted for as a joint venture.

Minemet Recycling Group Pty Ltd requires a board resolution to distribute its profits. Dividends of $4,000,000 were paid during the period of which Infragreen's share was $2,400,000.

Share of profit/(loss)	(999)	(854,612)	2,534,629	1,679,018
Dividends received	(166,878)	-	(2,400,000)	(2,566,878)
Balance at 30 June 2024	**28,785,088**	**15,645,388**	**40,252,629**	**84,683,105**

NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Movements during the period

	Pure Environmental $	Energybuild $	Minemet Recycling $	Total $
Balance at 24 May 2023	-	-	-	-
Additions	28,952,965	16,500,000	40,118,000	85,570,965

Equity accounted investments financial information

The following table illustrates the summarised financial information of the Consolidated Entity's investments:

	Pure Environmental $	Energybuild $	Minemet Recycling $
Current assets	21,740,000	13,012,309	9,605,095
Non-current assets	142,943,000	25,056,892	39,706,828
	164,683,000	38,069,201	49,311,923
Current liabilities	42,348,000	22,825,139	8,800,347
Non-current liabilities	13,642,000	12,369,320	12,463,363
	55,990,000	35,194,459	21,263,710
Infragreen share of equity	24,423,318	944,928	16,828,928
Goodwill	4,361,770	14,700,460	23,423,701
	28,785,088	**15,645,388**	**40,252,629**

Post-acquisition results	9 November 2023 to 30 June 2024	23 December 2023 to 30 June 2024	26 October 2023 to 30 June 2024
Revenues	45,414,790	9,919,402	39,193,723
Depreciation and amortisation	(4,009,442)	(2,333,797)	(3,027,772)
Impairment non-current assets	(2,457,000)	(88,948)	-
Finance costs	(1,133,551)	(655,882)	(495,795)
Profit/(loss) before tax	1,431,676	(2,599,975)	5,352,539
Income tax	(1,436,124)	-	(1,128,158)
Profit/(loss) after tax	**(4,448)**	**(2,599,975)**	**4,224,381**
Infragreen's share of profit/(loss) after tax	**(999)**	**(854,612)**	**2,534,629**

Additional Joint Venture Disclosures	Minemet Recycling $
Cash and cash equivalents	2,575,040
Current financial liabilities	5,058,617
Non-current financial liabilities	8,220,014

NOTE 10 TRADE AND OTHER PAYABLES

	2024 $
Trade payables	402,941
Other payables and accrued expenses	346,780
Convertible notes application monies	4,460,000
	5,209,721

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the Consolidated Entity and comprise items such as employee taxes, employee on costs and other recurring items.

Convertible notes application monies relate to amounts received in June 2024 for convertible notes issued in July 2024.

NOTE 11 BORROWINGS

Current	
Loan - Altor Capital Management	**5,000,000**
Non-Current	
Convertible Notes and accrued interest	**86,830,595**

Loans (excluding financial guarantees) are measured at amortised cost. Amortised cost is the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability.

During the period there were no defaults or breaches on any of the borrowings.

Key Terms	Altor Capital Management
Total available loan facility	$15,000,000
Interest rate	12.50% per annum
Repayments	Repayment of initial $5,000,000 tranche due 12 months after the date of the advance and remaining amounts due 36 months after the date of the initial advance.
Facility term	36 months
Security	General Security Agreement over Infragreen Group Pty Ltd. Specific Security Deed over D Sherman's shares in Infragreen Group Pty Ltd
Covenants	1. Minimum cash position of the Borrower is $500,000; and 2. Net Debt to Trailing EBITDA does not exceed 3.0 times based upon the results of Infragreen and its investments (on a 100% holding basis) with EBITDA calculated on a pre-IFRS 16 basis and excluding the finance costs related to Infragreen convertible notes.

NOTE 11 BORROWINGS (continued)

Key Terms	Convertible Notes
Total notes issued	$77,848,457
Interest rate	10% per annum, commencing 28 October 2024. The effective interest rate, which takes into account, the deferred accrual of interest, the impact of the principal uplift and an anticipated IPO date of 10 June 2025 has been calculated at 18.2%.
Repayments	At maturity date if a conversion date has not occurred.
Note term	24 months
Security	Nil
Covenants	Nil
Equity conversion price	80% of note face value
Asset / Share Sale Payout Principal Uplift	In the event of an Asset or Share Sale, Infragreen may elect to payout the Noteholder an amount equal to 125% of all amounts owing.
Conversion events	(a) an IPO; (b) as Asset Sale [1]; (c) a Share Sale [2]; or (d) Issuer Conversion Election [3] 1 Sale of all or substantially all the assets of the parent entity; 2 Sale of all shares of the parent entity; 3 Election by the Issuer to convert the notes to shares in the parent entity, which cannot be made before the Issuer reasonably determines that an IPO, Share Sale or Asset Sale is unlikely to be achieved before the Maturity Date.

NOTE 12 PROVISIONS

	2024 $
Current	
Employee benefits	**41,823**
Non-Current	
Provision for Convertible Notes raising fees	**840,940**

Provisions for annual leave are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and they are measured at the amounts expected to be paid when the liabilities are settled.

Provisions for Convertible Notes raising fees (transaction costs) relate to expected costs to be incurred for raising funds through the issue of the Convertible Notes. The provision is required to be recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions for Convertible Notes raising fees are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTE 13 CONTRIBUTED CAPITAL

	2024 $
Ordinary shares	**10**

	2024 $	2024 #
Ordinary Shares (fully paid)		
Opening balance	-	-
Shares issued	10	10
Total contributed capital	**10**	**10**

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares do not have a par value.

NOTE 14 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable, payable, financial derivative assets and financial derivative liabilities.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board is responsible for managing the Consolidated Entity's identification and control of financial risks and for evaluating treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 30 June 2024.

Credit risk is reviewed regularly by the Board. It arises from deposits with financial institutions. The Consolidated Entity does not have any material credit risk exposure to any single counterparty, except for its holdings of cash which is held with the Commonwealth Bank - a large financial institution with a strong credit rating.

Maximum exposure to credit risk

	2024 $
Cash and cash equivalents	10,401,954

NOTE 14 FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained.

Remaining contractual maturities

The tables below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at period end. The amounts disclosed represent undiscounted cash flows. The tables include both interest and principal cash flows and therefore the totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	**1 year or less $**	**1 to 5 years $**	**Over 5 years $**	**Total $**
Trade and other payables	-	5,209,721	-	-	5,209,721
Borrowings	*18%*	5,000,000	107,041,628	-	112,041,628
Contingent consideration	-	7,500,000	-	-	7,500,000
Lease liabilities	*9%*	134,657	506,058	-	640,715
		17,844,378	**107,547,686**	**-**	**125,392,064**

The weighted average interest rates for borrowings comprises:

- The Altor loan with a drawn balance at 30 June 2024 of $5,000,000 with an interest rate of 12.5%; and
- Convertible notes and associated accrued interest with a balance at 30 June 2024 of $86,830,595. The Convertible notes have an effective interest rate of 18.24% which takes into account which takes into account the deferred accrual of interest, the impact of the principal uplift and an anticipated IPO date of 10 June 2025 (refer Note 11).

(c) Market Risk

Market risk arises from the use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

Interest rate risk is managed by constant monitoring of interest rates.

Interest rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the interest rates at reporting date had been 100 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

Convertible notes, borrowings and finance leases have fixed interest rates. All other cash assets have floating interest rates. At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	2024 $
Impact on profit and equity	
+1.00% (100 basis points)	104,020
-1.00% (100 basis points)	(104,020)

NOTE 14 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital Risk Management

Management controls the capital of the Consolidated Entity in order to provide capital growth to shareholders and ensure the Consolidated Entity can fund its operations and continue as a going concern. The Consolidated Entity's capital includes ordinary share capital. Further detail on share capital can be found in Note 13. There are no externally imposed capital requirements. Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues and convertible note issues.

(e) Fair Values

The fair values of financial assets and liabilities approximate their carrying value.

NOTE 15 RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

	2024 $
Short-term benefits	263,641
Post-employment benefits	25,334
Long-term benefits	19,753
Termination benefits	-
Share-based payments	-
Total key management compensation	**308,728**

Transactions with related parties

During the period the following transactions occurred:

Party	Nature of relationship	Transaction	2024 $
Silver Square Investments Pty Ltd ACN 615 166 697 as trustee for the Silver Square Investment Trust 1	Director related entity	Issue of convertible notes in exchange for Pure Environmental Pty Ltd shares	$25,709,199
		Interest accrued on convertible notes	$3,244,040
		Rental of office premises	$66,089
Energybuild Holdings	Equity accounted associate	Short term loan provided to Energybuild Holdings Pty Ltd which was converted to shares in Energybuild Holdings Pty Ltd	$5,150,000

Amounts outstanding at period end were:

Party	Nature of relationship	Transaction	2024 $
Silver Square Investments Pty Ltd ACN 615 166 697 as trustee for the Silver Square Investment Trust 1	Director related entity	Convertible notes	$25,709,199
		Interest accrued on convertible notes	$3,244,040
		Payable for rental of office premises	$66,089

NOTE 16 COMMITMENTS

Contractual Commitments

The Consolidated Entity did not have any contractual commitments as at 30 June 2024.

NOTE 17 CONTINGENT LIABILITIES

The Consolidated Entity did not have any contingent liabilities as at 30 June 2024.

NOTE 18 EVENTS AFTER BALANCE DATE

Subsequent to period end, the following events occurred:

- Infragreen Group Pty Ltd acquired an additional 2,171,856 shares (2.27%) in Pure Environmental Pty Ltd for $2,541,131. This transaction did not result in Infragreen gaining control of Pure Environmental Pty Ltd.
- Infragreen Group Pty Ltd invested in Pure Environmental Pty Ltd convertible notes for $7,375,145;
- On 21 October 2024, paid the $7,500,000 contingent consideration relating to the 60% acquisition of Minemet Recycling Group Pty Ltd;
- Infragreen Group Pty Ltd raised an additional $23,982,000 through the issue of convertible notes on the same terms as outlined in Note 11;
- On 29 November 2024, Infragreen Group Pty Ltd acquired a 49% interest in Merredin Energy Holdings Pty Ltd for $30,330,937, made up of a $26,000,000 upfront payment, a working capital adjustment payment of $330,937 and deferred contingent consideration of up to $4,000,000. The investment in Merredin Energy Holdings Pty Ltd will be accounted for as a joint venture; and
- Repaid the Altor debt facility of $5,000,000 and drew down $30,000,000 debt under a new facility.
- In March 2025, Infragreen exercised an option to acquire a further 21.9% interest in Energybuild Holdings Pty Ltd from existing shareholders. The transaction was settled on 9 April 2025, increasing Infragreen's overall interest to 54.78%.

There have been no other events since 30 June 2024 that impact upon the financial report.

NOTE 19 AUDITOR'S REMUNERATION

	2024
	$
Audit services - Grant Thornton Audit Pty Ltd	
Audit of the financial statements – Infragreen Group Pty Ltd	82,400
Audit of the financial statements – Minemet Recycling Group Pty Ltd	182,240
Audit of the financial statements – Energybuild Holdings Pty Ltd	81,370
	346,010
Other services - Grant Thornton Australia Limited	
Tax services – Minemet Recycling Group Pty Ltd	**46,500**

NOTE 20 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is Infragreen Group Pty Ltd.

The financial information for the Parent Entity has been prepared on the same basis as the Consolidated Financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Infragreen Group Pty Ltd. Dividends received from associates are recognised in the Parent Entity's profit or loss when its right to receive the dividend is established.

Parent Entity Financial Information

Current assets	39,357,425
Non-current assets	57,334,858
Total assets	96,692,283
Current liabilities	18,009,652
Non-current liabilities	88,103,336
Total liabilities	106,112,988
Net assets	**(9,420,705)**
Issued capital	10
Accumulated losses	(9,420,715)
Total equity	**(9,420,705)**
Loss after income tax	(9,420,715)
Other comprehensive income	-
Total comprehensive income	**(9,420,715)**

Commitments, Contingencies and Guarantees of the Parent Entity

The Parent Entity has no commitments. The Parent Entity has no contingent assets or guarantees at balance date.

Controlled Entities of the Parent Entity	Percentage Owned 2024 %	Country of Incorporation
A.C.N. 671 959 201 PTY LTD	100%	Australia

Principles of Consolidation

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

DIRECTORS' DECLARATION

The Directors of the Consolidated Entity declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
    b. give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the period ended on that date.
2. The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

J. S Lerner

Director
14 April 2025

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

Independent Auditor's Report

To the Members of Infragreen Group Pty Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Infragreen Group Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial statements, which indicates that the Group incurred a net loss of $10,141,697 during the year ended 30 June 2024, and as of that date, the Group's current liabilities exceeded its current assets by $7,438,314. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner – Audit & Assurance

Brisbane, 14 April 2025