



Interim Financial Report

31 December 2024

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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 1 July 2024 to 31 December 2024.

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 Mclver	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:

- Increased its holding in Pure Environmental Pty Ltd to 24.58%;
- Invested \$7,375,115 in a convertible note offering from Pure Environmental Pty Ltd; and
- Acquired a 49.99% interest in Merredin Energy Holdings Pty Ltd – a business that operates an 82 MW diesel fuelled open cycle gas turbine power station in Merredin, Western Australia.

FINANCIAL RESULTS

For the half-year ended 31 December 2024, the loss for the Consolidated Entity after tax was \$3,435,569 (December 2023: loss of \$2,013,704).

EVENTS AFTER REPORTING DATE

Subsequent to period end, the following events occurred:

- 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 31 December 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 5 forms part of the Directors' Report.

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



Director
23 April 2025

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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 review of Infragreen Group Pty Ltd for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 23 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2024

	Note	December 2024 \$	December 2023 \$
Share of equity accounted profit	5	2,233,320	600,642
Other revenue		180,000	-
Finance income		193,975	29,918
Fair value gain on financial assets	4	7,994,622	-
Employee benefits expenses	3	(573,250)	(103,780)
Property expenses		(18,131)	-
Corporate and compliance expenses		(204,187)	(25,145)
Acquisition expenses		(150,050)	(156,362)
Administrative and general expenses		(220,010)	(28,546)
Finance costs	3	(11,236,064)	(2,330,431)
Depreciation and amortisation	3	(90,867)	-
Loss before tax		(1,890,642)	(2,013,704)
Income tax		(1,544,927)	-
Loss after income tax		(3,435,569)	(2,013,704)
Other comprehensive income		-	-
Total comprehensive income		(3,435,569)	(2,013,704)

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

STATEMENT OF FINANCIAL POSITION



Consolidated Statement of Financial Position As at 31 December 2024

	Note	December 2024 \$	June 2024 \$
CURRENT ASSETS			
Cash and cash equivalents		10,578,849	10,401,954
Financial assets at fair value through profit or loss	4	7,928,505	-
Other current assets		1,090	2,507
TOTAL CURRENT ASSETS		18,508,444	10,404,461
NON-CURRENT ASSETS			
Plant and equipment		284,390	208,818
Right-of-use assets		451,591	508,040
Financial assets at fair value through profit or loss	4	7,441,232	-
Investments in associates and joint ventures	5	118,733,006	84,683,105
TOTAL NON-CURRENT ASSETS		126,910,219	85,399,963
TOTAL ASSETS		145,418,663	95,804,424
CURRENT LIABILITIES			
Trade and other payables	6	683,532	5,209,721
Borrowings	7	125,581,228	5,000,000
Provisions	9	1,104,769	41,823
Other liabilities	8	4,000,000	7,500,000
Lease liabilities		97,939	91,231
TOTAL CURRENT LIABILITIES		131,467,468	17,842,775
NON-CURRENT LIABILITIES			
Borrowings	7	25,601,790	86,830,595
Provisions	9	-	840,940
Deferred tax liabilities		1,544,927	-
Lease liabilities		381,734	431,801
TOTAL NON-CURRENT LIABILITIES		27,528,451	88,103,336
TOTAL LIABILITIES		158,995,919	105,946,111
NET LIABILITIES		(13,577,256)	(10,141,687)
EQUITY			
Contributed capital		10	10
Accumulated losses		(13,577,266)	(10,141,697)
TOTAL EQUITY		(13,577,256)	(10,141,687)

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

STATEMENT OF CHANGES IN EQUITY



Consolidated Statement of Changes in Equity For the half-year ended 31 December 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	-	(2,013,704)	(2,013,704)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(2,013,704)	(2,013,704)
Balance at 31 December 2023	10	(2,013,704)	(2,013,694)
Balance 1 July 2024	10	(10,141,697)	(10,141,687)
Transactions with owners in their capacity as owners	-	-	-
Comprehensive income			
Loss after income tax	-	(3,435,569)	(3,435,569)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(3,435,569)	(3,435,569)
Balance at 31 December 2024	10	(13,577,266)	(13,577,256)

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 half-year ended 31 December 2024

	Note	December 2024 \$	December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received	5	1,055,487	-
Receipts from revenues		180,000	-
Payments to suppliers and employees		(1,293,874)	(258,730)
Interest received		193,975	29,918
Finance costs		(769,252)	-
Net cash used in operating activities		(633,664)	(228,812)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(251,836)	-
Payments for deferred consideration		(7,500,000)	-
Payments for financial assets		(7,375,115)	-
Payments for equity accounted investments		(28,541,131)	(44,190,000)
Net cash used in investing activities		(43,668,082)	(44,190,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	7	30,000,000	-
Repayment of borrowings	7	(5,000,000)	-
Proceeds from convertible notes		19,522,000	46,078,000
Lease repayments		(43,359)	-
Net cash provided by financing activities		44,478,641	46,078,000
Net increase in cash and cash equivalents held		176,895	1,659,188
Cash and cash equivalents at the beginning of the period		10,401,954	-
Cash and cash equivalents at the end of the period		10,578,849	1,659,188

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

(a) Reporting Entity

Infragreen Group Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2024 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

(b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report. The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2024.

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect the recognition or measurement of the results or financial position of the Consolidated Entity.

(c) Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2024.

(d) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity has assessed the impact of these new standards that are not yet effective and determined that they are not expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

(e) 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 \$3,435,569 and had net cash outflows from operating activities of \$633,664 for the period ended 31 December 2024. As at that date the entity had net current liabilities of \$112,959,024 and net liabilities of \$13,577,256.

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 liabilities are amounts of \$120,877,265 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.

Also included in liabilities is a loan from JVL Investment Group with an outstanding balance of \$30,000,000 due for repayment the earlier of 29 November 2025 or when Infragreen lists on the ASX at which time \$20,000,000 is repayable with the remaining balance payable 3 months after that.

Infragreen is currently in the process of applying for admission to the ASX through an initial public offering, and anticipates that all convertible notes amounts will be converted to ordinary paid shares and the JVL Investment Group loan will be fully repaid from capital raised.

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

- The Consolidated Entity's converting the convertible note to ordinary shares and raising sufficient capital to pay down the JVL Investment Group loan;
- The Consolidated Entity's existing cash reserves;
- The Consolidated Entity receiving dividends and interest from its investments; and
- This Consolidated Entity's ability to issue further funds through share capital or debt financing in the future.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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 interim 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 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 half-year. All assets are located in Australia.

NOTE 3 EXPENSES

	December 2024 \$	December 2023 \$
<i>Employee benefits</i>		
Wages and director fees	466,651	84,282
Superannuation	53,705	9,271
Other	52,894	10,227
Total employee benefits	573,250	103,780
<i>Finance Costs</i>		
Interest on borrowings	889,603	67,123
Convertible notes - interest	1,952,438	521,014
Convertible notes - principal uplift component	8,371,292	1,742,294
Interest on leases	22,731	-
Total finance costs	11,236,064	2,330,431
<i>Depreciation and Amortisation</i>		
Depreciation on plant and equipment	34,418	-
Amortisation on right of use assets	56,449	-
Total depreciation and amortisation	90,867	-

NOTE 4 FINANCIAL ASSETS

	December 2024 \$	June 2024 \$
<i>Current</i>		
Call option – Energybuild Holdings Pty Ltd	7,928,505	-
<i>Non-current</i>		
Convertible Notes – Pure Environmental Pty Ltd	7,441,232	-

Movements during the period

	Call Option \$	Convertible Notes \$	Total \$
Balance at 1 July 2024	-	-	-
Additions	-	7,375,115	7,375,115
Fair value movement through profit and loss	7,928,505	66,117	7,994,622
Balance at 31 December 2024	7,928,505	7,441,232	15,369,737

NOTE 4 FINANCIAL ASSETS (continued)**Call option – Energybuild Holdings Pty Ltd**

In December 2023, Infragreen acquired an option to purchase a further 21.9% interest (27,500 shares) in Energybuild Holdings Pty Ltd 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 (adjusted for certain normalisations), less Net Debt.
- 13,700 divided by the total Energybuild Holdings Pty Ltd shares, multiplied by 7 times the FY25 EBITDA (adjusted for certain normalisations), less Net Debt.

On 10 March 2025, Infragreen elected to exercise this option.

The call option is accounted for as a financial asset required to be measured at fair value through profit or loss.

The valuation of the call option was determined by establishing the value of Energybuild Holdings Pty Ltd shares through a discounted cash flow model. The calculated premium value per share above the expected call option exercise amount has been recognised as a fair value gain through profit or loss.

The discounted cash flow calculations use cash flow projections based on financial budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The following table sets out the key assumptions applied:

Assumption	
Short-term growth	Based upon detailed budgets prepared by Energybuild Holdings Pty Ltd for FY25 and FY26.
Mid-term growth rate	5% for FY27, 4% for FY28 and 3% for FY29, based upon management's expectation of tapering growth as the business matures.
Long-term growth rate	3% to reflect average economic growth in Australia over the long-term.
Capital expenditure	\$100,000 in FY25 growing to \$750,000 FY29 to reflect management's expectation of general capital investment required to grow the business.
Discount rate (post-tax)	13.3% reflecting the risk adjusted weighted average cost of capital of Energybuild Holdings Pty Ltd.

Based upon the discounted cash analysis, the value per share of Energybuild Holdings Pty Ltd at 31 December 2024 has been calculated at \$401.65.

The exercise price for the first tranche of options (13,800), based upon the CY24 results was \$65.37 per share.

The estimated exercise price for the second tranche of options (13,700), based upon the forecast FY25 results is \$161.66 per share.

The following table shows the calculated option fair value at 31 December 2024:

	Tranche 1	Tranche 2	Total
Number of shares under option	13,800	13,700	27,500
Exercise per share	\$65.37	\$161.66	
Fair value per share	\$401.65	\$401.65	
Fair value gain per share	\$336.28	\$239.99	
Fair value gain recognised	\$4,640,634	\$3,287,871	\$7,928,505

NOTE 4 FINANCIAL ASSETS (continued)
Convertible Notes – Pure Environmental Pty Ltd

On 27 September 2024, Infragreen subscribed for 7,375,115 convertible notes (Notes) in Pure Environmental Pty Ltd ("Pure Environmental") at a subscription price of \$1.00 per Note.

Key terms and conditions of the note are as follows:

Key Terms	Pure Environmental Convertible Notes
Note Face Value	\$1.00 per Note
Notes acquired	7,375,115 Notes
Maturity Date	The Notes have maturity date 3 years from the Issue Date (but may be extended by Pure Environmental for an additional 12 months), at which time the Notes are to be repaid if a conversion has not occurred
Interest Rate	Interest accrues daily at 10% per annum. Infragreen has elected to receive payment of interest on a monthly basis
Security	The Notes are unsecured
Conversion Events	Conversion of the Notes can occur under the following circumstances: a) Performance hurdle is met – EBITDA of \$35M for any financial year; b) At the Noteholder's election, immediately prior to a liquidity event; c) Anytime after 6 months prior to maturity.
Conversion Shares	The number of conversion shares issued is calculated as: <i>"Conversion amount / Conversion Price per Share"</i> Where the conversion amount reflects the outstanding principal amount of the Note and the conversion price per share means the lowest of: a) \$1.17; b) The amount per share at which Pure Environmental has raised capital in the 12 month period prior to the conversion; and c) Valuation per Share. Valuation per Share is calculated as the "Valuation of the Issuer" / number of shares on issue. The valuation of the Issuer is based on 10x EBITDA less Net Debt, with EBITDA based on the last Full Financial Year of the Issuer prior to the date on which the Valuation of the Issuer is to occur.
Early Redemption	At any time, the Issuer may provide notice to the Noteholders: a) stating that all, or part of, the approved purpose has failed; and b) notifying that all or a specific portion of the Notes are to be the subject of redemption. The purpose of the funding provided by Infragreen to Pure Environmental, was predominantly for the acquisition of a liquid waste business from Corps Environmental Pty Ltd and the associated land from which that business is operated. The funding could also be used for any purpose as determined by the board of the Issuer from time to time.

NOTE 4 FINANCIAL ASSETS (continued)

The Notes are a derivative financial instrument that blends the features of a typical corporate bond, which pays interest on its principal amount until maturity, with an option to convert into equity in the issuing company. This conversion option allows the holder to convert the Note into shares of the company, usually at their discretion. If the Note isn't converted, it is typically redeemed at its face value when it matures.

The Notes have been valued using the Black-Scholes Pricing model on the basis the conversion option has no market based conditional terms. In valuing the conversion option, following inputs have been adopted:

Underlying Asset Price (Share Price)

A share price of \$1.17 has been adopted with reference to the last price a share in Pure Environmental was transacted at between unrelated parties. This transaction occurred in September 2024. Incoming shareholders were aware of the Notes at the time of transacting, accordingly, no adjustment related to dilution has been applied to the share price.

Risk Free Rate

This has been based on the Australian Government 3-year bond yields sourced from the RBA as at the relevant assessment date. A 3-year yield has been selected with reference to the Note's time to maturity.

Dividend Yield

Pure Environmental is currently paying annualized dividends of around \$1.5m (\$0.016 per share on issue). Therefore, a dividend yield of 1.33% has been assumed in modelling the value of the conversion option.

Expected Volatility

An expected volatility of 35% has been adopted in valuing the Notes. As Pure Environmental is an unlisted company the valuation has had regard to the historical volatility of companies broadly comparable to Pure Environmental.

Debt Component – Discount Rate

To calculate the fair value of the debt component, the value of the conversion option has been deducted from the value of the Notes. The implied yield on the Notes is then calculated by solving for the discount rate that is required for the present value of the cashflows from the Notes to be equal to the fair value of debt component as at Issue Date.

	Issue Date	31 December 2024
Conversion Option		
Share Price	\$1.17	\$1.17
Exercise price ¹	\$1.17	\$1.17
Term to maturity (years)	3.00	2.72
Dividend yield	1.33%	1.33%
Risk-free rate	3.52%	3.82%
Share price volatility	35%	35%
Option value	0.296	0.296
Conversion amount	\$7,375,115	\$7,375,115
Conversion factor ²	0.855	0.855
Conversion shares	6,303,517	6,303,517
Fair value of conversion option	\$1,867,857	\$1,805,612
Debt Component		
Principal	\$7,375,115	\$7,375,115
Interest rate	10.0%	10.0%
Term to maturity (years)	3.33	2.72
Pre-tax cost of debt	7.0%	7.0%
Discount rate	23.8%	23.8%
Spread (cost of debt to discount rate)	16.8%	16.8%
Implied rate of return % (post-tax)	19.6%	19.6%
Fair value of debt component	5,707,258	5,635,621
Fair value of convertible notes	\$7,375,115	\$7,441,232

1 The Exercise price adopted in the Black-Scholes model is \$1.17, on the basis it will cost the Noteholder \$1.17 for every conversion share they will receive.

2 Conversion factor represents \$1.00 / \$1.17

NOTE 4 FINANCIAL ASSETS (continued)
Fair Value Hierarchy

The following tables detail the Consolidated Entity's assets measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Call option – Energybuild Holdings Pty Ltd	-	-	7,928,505	7,928,505
Convertible Notes – Pure Environmental Pty Ltd	-	7,441,232	-	7,441,232
	-	7,441,232	7,928,505	15,369,737

Movements in level 3 assets during the current and previous financial year are set out below:

	December 2024 \$	June 2024 \$
Call option – Energybuild Holdings Pty Ltd		
Balance at the beginning of the period	-	-
Gain recognised in profit or loss of financial asset	7,928,505	-
	7,928,505	-

The level 3 liabilities unobservable inputs for the Energybuild Call Option are as follows:

Unobservable Inputs	Value	Sensitivity
Discount rate (post-tax) applied to forecast future cashflows	13.3%	The estimated fair value would increase / (decrease) if the discount rate was lower / (higher).
Tranche 2 exercise price	\$161.66	The estimated fair value would increase / (decrease) if the Tranche 2 exercise rate was lower / (higher).
Undiscounted 5 year forecast future cashflows	\$30.67M	The estimated fair value would increase / (decrease) if the forecast cashflows were higher / (lower).

Sensitivity Analysis

Reasonably possible changes in the unobservable inputs shown above, holding other assumptions constant, would have affected the fair value of the Energybuild call options at balance date by the amounts shown in the following table:

	Increase \$	Decrease \$
Discount rate: +/- 2%	2,350,716	(1,649,151)
Tranche 2 exercise price: +/- 10%	(197,761)	245,185
Undiscounted 5 year forecast future cashflows: +/- 10%	461,955	(461,955)

NOTE 5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	December 2024 \$	June 2024 \$
Minemet Recycling Group Pty Ltd	40,995,679	40,252,629
Pure Environmental Pty Ltd	32,589,423	28,785,088
Energybuild Holdings Pty Ltd	15,025,509	15,645,388
Merredin Energy Holdings Pty Ltd	30,122,395	-
	118,733,006	84,683,105

(a) Pure Environmental Pty Ltd

During the prior year, the Consolidated Entity acquired a 22.47% interest in Pure Environmental Pty Ltd – a business that provides regulated waste recycling through advanced resource recovery. During the period, Infragreen acquired a further 2.11% interest in Pure Environmental Pty Ltd for \$2,541,131 cash, bringing the total interest in Pure Environmental Pty Ltd to 24.58%.

Dividends of \$750,000 were paid during the period of which Infragreen's share was \$185,451.

(b) Energybuild Holdings Pty Ltd

The Consolidated Entity owns 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. Subsequent to period end, the Consolidated Entity exercised its call option on Energybuild Holdings Pty Ltd shares (refer Note 4) increasing its interest to 55%.

(c) Minemet Recycling Group Pty Ltd

During the prior year, 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.

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. The contingent consideration was paid in full on 21 October 2024.

Dividends of \$1,000,000 were paid during the period of which Infragreen's share was \$600,000.

(d) Merredin Energy Holdings Pty Ltd

During the period, the Consolidated Entity acquired a 49.99% interest in Merredin Energy Holdings Pty Ltd, a business that owns and operates a diesel fuelled open cycle gas turbine peaking plant in Western Australia. Consideration for the transaction was \$26,330,937 with a deferred payment of \$4,000,000 also payable to the vendor upon Merredin Energy Holdings Pty Ltd achieving the following profit targets:

First Earn Out Amount

FY2025 EBITDA	Earn Out Amount
\$7.6m	Nil
\$7.8m	\$1.0m
\$8.0m	\$2.0m
\$8.2m	\$3.0m
\$8.4m	\$4.0m

NOTE 5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)Second Earn Out Amount

If the First Earn Out Amount is agreed or determined to be equal to or greater than \$2,000,000 the Second Earn Out Amount is Nil and no amount is payable in respect of the Second Earn Out Amount.

FY2026 EBITDA	Earn Out Amount
\$8.8m	Nil
\$8.9m	\$0.5m
\$9.0m	\$1.0m
\$9.1m	\$1.5m
\$9.2m	\$2.0m

Dividends of \$540,000 were paid during the period of which Infragreen's share was \$269,946.

Movements during the period

	Pure Environmental \$	Energybuild \$	Minemet Recycling \$	Merredin Energy \$	Total \$
Balance at 1 July 2024	28,785,088	15,645,388	40,252,629	-	84,683,105
Additions	2,541,131	-	-	30,330,937	32,872,068
Share of profit/(loss)	1,448,745	(619,879)	1,343,050	61,404	2,233,320
Dividends received	(185,541)	-	(600,000)	(269,946)	(1,055,487)
Balance at 31 December 2024	32,589,423	15,025,509	40,995,679	30,122,395	118,733,006

Equity accounted investments financial information

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

	Pure Environmental \$	Energybuild \$	Minemet Recycling \$	Merredin Energy \$
Current assets	28,249,000	11,986,708	15,869,391	3,476,000
Non-current assets	173,049,000	24,823,181	34,203,795	44,450,000
	201,298,000	36,809,889	50,073,186	47,926,000
Current liabilities	31,013,000	24,556,730	10,519,162	4,764,000
Non-current liabilities	55,624,000	11,264,353	20,094,883	24,826,000
	86,637,000	35,821,083	30,614,045	29,590,000
Infragreen share of equity	28,183,674	325,006	11,675,485	9,166,166
Goodwill	4,405,749	14,700,503	29,320,194	20,956,229
	32,589,423	15,025,509	40,995,679	30,122,395

NOTE 5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

	Pure Environmental \$	Energybuild \$	Minemet Recycling \$	Merredin Energy \$
Post-acquisition results	6 months ended 31 Dec 2024	6 months ended 31 Dec 2024	6 months ended 31 Dec 2024	26 Nov 2024 to 31 Dec 2024
Revenues	52,633,000	13,448,393	38,346,704	1,165,910
Depreciation and amortisation	(2,652,000)	(2,547,166)	(2,671,752)	(233,492)
Finance costs	(1,947,000)	(636,184)	(727,665)	(372,636)
Profit/(loss) before tax	8,563,000	(1,885,936)	3,064,370	163,777
Income tax	(2,669,000)	-	(825,953)	(40,944)
Profit/(loss) after tax	5,894,000	(1,885,936)	2,238,417	122,833
Infragreen's share of profit/(loss) after tax	1,448,745	(619,879)	1,343,050	61,404

Additional Joint Venture Disclosures	Minemet Recycling \$	Merredin Energy \$
Cash and cash equivalents	2,234,467	768,000
Current financial liabilities	7,232,661	4,579,000
Non-current financial liabilities	19,789,242	23,224,000

NOTE 6 TRADE AND OTHER PAYABLES

	December 2024 \$	June 2024 \$
Trade payables	74,726	402,941
Other payables and accrued expenses	608,806	346,780
Convertible notes application monies	-	4,460,000
	683,532	5,209,721

NOTE 7 BORROWINGS
Current

Loan - Altor Capital Management	-	5,000,000
Loan – JVL Investment Group	30,305,753	-
Convertible Notes and accrued interest	95,275,475	-
	125,581,228	5,000,000

Non-Current

Convertible Notes and accrued interest	25,601,790	86,830,595
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During the period the Consolidate Entity paid down the Altor Capital Management loan and entered into a new facility with JVL Investment Group.

NOTE 7 BORROWINGS

Key Terms	JVL Investment Group Loan
Total available loan facility	\$30,000,000
Interest rate	12.00% per annum
Facility term and repayments	<p>Earlier of:</p> <ul style="list-style-type: none"> 12 months; or When Infragreen has listed on the ASX, repay the lesser of monies owing at that time or \$20,000,000. The balance of any residual monies are to be repaid 3 months following ASX listing.
Security	<p>General Security Agreement over Infragreen Group Pty Ltd.</p> <p>Third Party Security provided Silver Square Investments Pty Ltd ACN 615 166 697 as trustee for the DAS Family Trust ABN 57 634 295 324.</p>
Covenants	Nil

Key Terms	Convertible Notes		
	Tranche 1	Tranche 2	Tranche 3
Total notes issued	\$77,848,457	\$13,532,000	\$10,450,000
Issue date	28 October 2023	10 July 2024	30 November 2024
Maturity date	28 October 2025	10 July 2026	30 November 2026
Interest rate	<p>10% per annum, commencing 12 months after issue.</p> <p>The effective interest rate, which takes into account, the deferred accrual of interest, the impact of the principal uplift and the anticipated IPO date has been calculated at:</p> <ul style="list-style-type: none"> Tranche 1: 18.24% Tranche 2: 28.29% Tranche 3: 44.78% 		
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	<p>(a) an IPO;</p> <p>(b) as Asset Sale ¹;</p> <p>(c) a Share Sale ²; or</p> <p>(d) Issuer Conversion Election ³</p> <p>¹ Sale of all or substantially all the assets of the parent entity;</p> <p>² Sale of all shares of the parent entity;</p> <p>³ Applicable to tranche 1 and tranche 2 only - 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.</p>		

NOTE 8 OTHER LIABILITIES

	December 2024 \$	June 2024 \$
Deferred consideration: Minemet Recycling Group Pty Ltd	-	7,500,000
Deferred consideration: Merredin Energy Holdings Pty Ltd	4,000,000	-
	4,000,000	7,500,000

Contingent consideration of \$7,500,000 was payable as part of Infragreen's investment in Minemet Recycling Group Pty Ltd, subject to FY2024 EBITDA targets being met. These targets were met, and the contingent consideration was paid in full on 21 October 2024.

During the period, the Consolidated Entity acquired a 49.99% interest in Merredin Energy Holdings Pty Ltd. Consideration for the transaction included a deferred payment of up to \$4,000,000 upon Merredin Energy Holdings Pty Ltd achieving certain profit targets. Refer to Note 5 for further details. Based on trading results to date, Infragreen estimates that the full earn out of \$4,000,000 will be payable.

NOTE 9 PROVISIONS
Current

Employee benefits	4,769	41,823
Provision for Convertible Notes raising fees	1,100,000	-
	1,104,769	41,823

Non-Current

Provision for Convertible Notes raising fees	-	840,940
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NOTE 10 RELATED PARTY TRANSACTIONS
Transactions with related parties

During the period the following transactions occurred:

Party	Nature of relationship	Transaction	December 2024 \$
Silver Square Investments Pty Ltd ACN 615 166 697 as trustee for the Silver Square Investment Trust 1	Director related entity	Interest accrued on convertible notes	\$2,788,894
		Rental of office premises	\$66,089

Amounts outstanding at period end were:

Party	Nature of relationship	Transaction	December 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	\$6,032,934

NOTE 11 COMMITMENTS
Contractual Commitments

The Consolidated Entity did not have any contractual commitments as at 31 December 2024.

NOTE 12 CONTINGENT LIABILITIES

The Consolidated Entity did not have any contingent liabilities as at 31 December 2024.

NOTE 13 EVENTS AFTER BALANCE DATE

Subsequent to period end, the following events occurred:

- 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 31 December 2024 that impact upon the financial report.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

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:



Director
23 April 2025

Independent Auditor's Review Report

To the Members of Infragreen Group Pty Ltd

Report on the interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Infragreen Group Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and 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 half-years ended on 31 December 2024 and 31 December 2023, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of Infragreen Group Pty Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-years ended on 31 December 2024 and 31 December 2023; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(e) in the financial report, which indicates that the Group incurred a net loss of \$3,435,569 and had net cash outflows from operating activities of \$633,664 during the half-year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$112,959,024 and its total liabilities exceeded its total assets by \$13,577,256. As stated in Note 1(e), these events or conditions, along with other matters as set forth in Note 1(e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

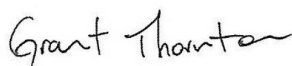
Directors' responsibility for the half-year financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-years ended on 31 December 2024 and 31 December 2023, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 23 April 2025