



Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

NOTICE OF NO REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of EverGen Infrastructure Corp. for the three and nine months ended September 30, 2024 have been prepared by and are the responsibility of the Company's management.

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at	Notes	September 30, 2024	December 31, 2023
Current assets			
Cash and cash equivalents		596	585
Accounts receivable		2,503	1,717
Assets held for sale	3	4,152	650
Other assets		529	1,444
		7,780	4,396
Property, plant and equipment	4	44,554	48,306
Intangible assets	5	22,293	23,886
Goodwill		15,938	15,938
Equity-accounted investment	6	1,078	1,008
Total assets		91,643	93,534
Current liabilities			
Accounts payable and accrued liabilities		4,704	6,195
Loans payable	7	1,560	744
Loans payable – related party		-	204
Lease liabilities	8	1,032	809
Deferred revenue		-	2
		7,296	7,954
Loans payable	7	16,338	13,938
Loans payable – related party	17	1,000	1,512
Lease liabilities	8	7,178	6,952
Contingent consideration	9	-	1,500
Deferred tax		3,565	4,099
Total liabilities		35,377	35,955
Shareholders' equity			
Share capital	10	62,112	61,763
Contributed surplus	10	6,267	5,926
Accumulated deficit		(14,791)	(12,367)
Non-controlling interest		2,678	2,257
Total shareholders' equity		56,266	57,579
Total liabilities and shareholders' equity		91,643	93,534

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

On behalf of the board of directors:

Signed: "Mischa Zajtmann"

Mischa Zajtmann, Director

Signed: "Mary Hemmingsen"

Mary Hemmingsen, Director

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(Thousands of Canadian Dollars and shares, except per share amounts)

	Notes	Three months ended		Nine months ended	
		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Revenue	11	3,598	2,287	11,063	6,128
Direct operating costs	4,5,12	(3,219)	(2,668)	(9,914)	(7,211)
General and administrative expenses	10,13	(853)	(1,338)	(3,234)	(3,564)
Finance costs	7,8,14	(663)	(244)	(1,960)	(694)
Equity-accounted loss	6	(110)	(45)	(430)	(81)
Contingent consideration gain	9	826	-	1,500	90
Loss on write-down of assets	3	-	-	(352)	-
Loss on sale of assets	4	-	-	(155)	-
Other (expense) income - net	15	(175)	396	275	1,002
Net income (loss) before income tax (expense) recovery		(596)	(1,612)	(3,207)	(4,330)
Income tax (expense) recovery					
Current		-	(18)	-	(18)
Deferred		124	539	534	1,370
Net income (loss) and comprehensive income (loss)		(472)	(1,091)	(2,673)	(2,978)
Non-controlling interest in net income (loss) and comprehensive income (loss)		(139)	(47)	(249)	(208)
Net income (loss) and comprehensive income (loss) attributable to shareholders		(333)	(1,044)	(2,424)	(2,770)
Net income (loss) per share attributable to shareholders - basic and diluted		(\$0.02)	(\$0.08)	(\$0.17)	(\$0.20)
Weighted average number of common shares outstanding – basic and diluted		13,995	13,851	13,945	13,839

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(Thousands of Canadian Dollars and shares)

	Notes	Share capital #	Share capital \$	Share warrants #	Share warrants \$	Contributed surplus \$	Accumulated deficit \$	Non-controlling interest \$	Total \$
Balance, December 31, 2023		13,897	61,763	-	-	5,926	(12,367)	2,257	57,579
Net income (loss) for the period		-	-	-	-	-	(2,424)	(249)	(2,673)
Share-based payment expense	10,13	-	-	-	-	617	-	-	617
Conversion of loans payable - related parties to equity	17	-	-	-	-	-	-	670	670
Common shares issued upon vesting of RSUs and other	10	105	349	-	-	(276)	-	-	73
Balance, September 30, 2024		14,002	62,112	-	-	6,267	(14,791)	2,678	56,266
Balance, December 31, 2022		13,809	61,393	1,772	1,069	4,410	(7,956)	2,466	61,382
Net income (loss) for the period		-	-	-	-	-	(2,770)	(208)	(2,978)
Share-based payment expense	10,13	-	-	-	-	561	-	-	561
Capitalized share-based expense	10	-	-	-	-	147	-	-	147
Contributions from non-controlling interest in subsidiaries		-	-	-	-	-	-	100	100
Expiration of share warrants	10	-	-	(1,772)	(1,069)	1,069	-	-	-
Common shares issued upon vesting of RSUs and other	10	76	335	-	-	(334)	11	12	24
Balance, September 30, 2023		13,885	61,728	-	-	5,853	(10,715)	2,370	59,236

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Notes	Nine months ended	
		September 30, 2024	September 30, 2023
Operating activities			
Net loss		(2,673)	(2,978)
Items not affecting cash:			
Depreciation and amortization	4,5,12	3,657	2,621
Loss on write-down of assets	3	352	-
Loss on sale of assets		155	-
Share-based payment expense	10,13	617	561
Finance costs	7,8,14	1,960	694
Equity-accounted loss	6	430	81
Contingent consideration gain	9	(1,500)	(90)
Deferred income tax recovery		(534)	(1,370)
Changes in non-cash working capital	18	491	(467)
Net cash flow from (used in) operating activities		2,955	(948)
Investing activities			
Expenditures on property, plant and equipment	4	(3,405)	(13,396)
Finance costs capitalized on assets under construction		-	(338)
Insurance proceeds for property, plant and equipment		-	1,525
Contingent consideration payments		-	(1,016)
Loan repayment from equity-accounted investment	6	500	-
Investment in equity-accounted investment	6	(500)	-
Loan advanced to equity-accounted investment	6	-	(500)
Net cash flow used in investing activities		(3,405)	(13,725)
Financing activities			
Advances of loans payable	7	3,245	9,475
Advances of loans payable – related parties	7	-	710
Repayment of loans payable	7	(125)	(234)
Financing costs related to loans payable		-	(334)
Interest paid on loans payable	7	(1,197)	(268)
Interest paid on loans payable – related parties	17	(46)	-
Payment of lease liabilities	8	(880)	(597)
Interest paid on lease liabilities	8	(493)	(376)
Capital provided by non-controlling interest in subsidiaries		-	100
Changes in restricted cash		-	(963)
Other		(43)	(50)
Net cash flow from financing activities		461	7,463
Net change in cash		11	(7,210)
Cash and cash equivalents at beginning of period		585	8,852
Cash and cash equivalents at end of period		596	1,642

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Supplemental cash flow information note 18

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. NATURE OF BUSINESS

As at September 30, 2024, EverGen Infrastructure Corp. (“EverGen” or the “Company”) operates three organic waste management facilities and two renewable natural gas production facilities.

EverGen was incorporated under the British Columbia Business Corporations Act on May 13, 2020, and trades on the TSX Venture Exchange under the symbol “EVGN” and the Over-The-Counter exchange (“OTCQX”) under the symbol “EVGIF”.

The Company’s principal place of business is located at 390 – 1050 Homer Street, Vancouver, British Columbia and its registered office is located at 1200 Waterfront Centre, 200 Burrard Street Vancouver, British Columbia.

2. BASIS OF PREPARATION

a) Statement of compliance and accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. These interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements and therefore should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023. The interim condensed consolidated financial statements have been prepared under the assumption that the Company operates on a going concern basis and have been presented in Canadian dollars, which is also the Company’s functional currency.

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the Company’s annual consolidated financial statements as at and for the year ended December 31, 2023.

These interim condensed consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors of the Company on November 20, 2024.

b) New standards, interpretations and amendments adopted by the Company

As at September 30, 2024, there are no new standards not yet adopted that are expected to have a material impact on the Company’s financial statements.

c) Use of estimates, judgements and assumptions

The significant estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the Company’s consolidated financial statements as at and for the year ended December 31, 2023. Actual results may differ from these estimates.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

3. PROPERTY, PLANT AND EQUIPMENT CLASSIFIED AS HELD FOR SALE

As at September 30, 2024 certain items of property, plant and equipment were classified as held for sale as a result of their expected sale within one year from September 30, 2024.

	RNG production	Organic waste and composting	Total
At December 31, 2023	-	650	650
Additions:			
Land ⁽¹⁾	3,000	-	3,000
Right-of-use asset	-	502	502
At September 30, 2024	3,000	1,152	4,152

⁽¹⁾ Relates to the land owned at Fraser Valley Biogas, which the Company expects to sell. The land was written down to its estimated fair value, based on the expected selling price, and the resulting loss on write-down of assets of \$238 was recorded during the nine months ended September 30, 2024.

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings and leasehold improvements	Equipment, vehicles and other	Right-of- use assets	Assets under construction	Total
At December 31, 2023	3,238	8,253	25,552	9,244	5,520	51,807
Additions	-	-	1,456	904	487	2,847
Transfer to assets held for sale (note 3)	(3,238)	-	-	(693)	-	(3,931)
Transfer to right-of-use asset	-	-	-	508	(508)	-
Transfer to assets in use	-	1,390	-	-	(1,390)	-
Disposal	-	-	(553)	-	-	(553)
Other	-	-	(29)	(120)	(114)	(263)
At September 30, 2024	-	9,643	26,426	9,843	3,995	49,907
Accumulated depreciation						
At December 31, 2023	-	982	1,202	1,317	-	3,501
Depreciation	-	353	1,207	504	-	2,064
Transfer to assets held for sale (note 3)	-	-	-	(77)	-	(77)
Disposal	-	-	(135)	-	-	(135)
At September 30, 2024	-	1,335	2,274	1,744	-	5,353
Carrying value						
At December 31, 2023	3,238	7,271	24,350	7,927	5,520	48,306
At September 30, 2024	-	8,308	24,152	8,099	3,995	44,554

As at September 30, 2024, the Company was committed to \$3.5 million of future capital expenditure mainly related to equipment ordered at Pacific Coast Renewables Corp.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

5. INTANGIBLE ASSETS

Cost	Brands	Customer contracts and stakeholder relationships	Total
At December 31, 2023 and September 30, 2024	1,180	28,530	29,710
Accumulated amortization			
At December 31, 2023	177	5,647	5,824
Amortization	45	1,548	1,593
At September 30, 2024	222	7,195	7,417
Carrying value			
At December 31, 2023	1,003	22,883	23,886
At September 30, 2024	958	21,335	22,293

6. EQUITY ACCOUNTED INVESTMENTS

In May 2022, the Company acquired a 50% interest in an entity that holds a portfolio of three RNG development projects ("Project Radius") in Canada, which provides the Company with the right to participate in funding its proportionate share of capital to construct RNG infrastructure. The following table presents the changes in the balance of the Company's equity-accounted investment in Project Radius:

Carrying value	Total
At December 31, 2023	1,008
Capital contribution	500
Equity-accounted loss	(430)
At September 30, 2024	1,078

On January 1, 2023, the Company entered into a loan agreement to provide \$500 to Project Radius, which was fully drawn as at September 30, 2024. The loan accrues interest on the unpaid principal amount at a rate of 14.25% per annum. During the three months ended September 2024, the outstanding principal balance and accrued interest owing to the Company were repaid and the Company made a capital contribution to Project Radius of \$500.

7. LOANS PAYABLE

	Total
At December 31, 2023	15,000
Advances	3,245
Interest expense (note 14)	1,245
Loan payments	(1,322)
Total	18,168
Less: deferred financing costs & other	(270)
Total borrowings	17,898
Less current portion	(1,560)
Long-term portion	16,338

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

In January 2023, the Company entered into an agreement providing for a syndicated senior term loan of up to \$31,000. The term loan is being used to support the upgrade and construction of the Company's RNG facilities and provided for \$15 million for refinancing of existing debt and construction at Fraser Valley Biogas Ltd. and provides for \$16 million at Pacific Coast Renewables Corp. ("PCR). As of September 30, 2024, \$16 million of the term loan, related to the RNG construction at PCR, remains undrawn, until such time as the RNG project has commenced and certain conditions are met. The term loan is repayable over a term of five years, with a 10-year amortization period and interest only payments for the first 12 months. The term loan bears interest at a rate of the Canadian Variable Rate + 4.0% per annum. The term loan is secured by the assets of the Company and certain of its subsidiaries.

The senior term loan facility agreement is subject to certain conditions and covenants, including, but not limited to, maintaining a minimum consolidated working capital ratio and fixed charge coverage ratio as defined in the agreement, and a maximum debt to capitalization ratio. These covenants are tested quarterly on a trailing twelve-month basis.

In January 2024, the Company, through Grow the Energy Circle Ltd. ("GrowTEC"), entered into an agreement providing for a term loan of up to \$3,500. The term loan is repayable over a term of five years, with a 10-year amortization period and interest only payments for the first 12 months. The term loan bears interest at a rate of the Canada Prime Rate + 1.0% per annum. The term loan is secured by certain assets of GrowTEC. As at September 30, 2024, GrowTEC had drawn \$3,245 under this term loan.

The term loan facility agreement is subject to certain conditions and covenants, including, but not limited to, a minimum debt service coverage ratio as defined in the agreement. The covenants are tested annually on a trailing twelve-month basis.

8. LEASE LIABILITIES

	Total
At December 31, 2023	7,761
Additions	1,321
Other	26
Interest expense (note 14)	493
Lease payments	(1,391)
As at September 30, 2024	8,210
Less current portion	(1,032)
Long-term portion	7,178

The Company's lease liabilities are calculated using discount rates ranging from 4.9% to 9.9%.

9. CONTINGENT CONSIDERATION

	Total
As at December 31, 2023	1,500
Gain on fair value adjustment of liability	(1,500)
As at September 30, 2024	-

The contingent consideration is related to the acquisition of the GrowTEC subsidiary in 2022. The contingent consideration was payable upon the achievement of certain operational milestones. During the three and nine months ended September 30, 2024, the Company recognized a \$826 and \$1,500 contingent consideration gain, respectively (three and nine months ended September 30, 2023: nil and a \$90 contingent consideration gain, respectively) in re-measuring the liability taking into account the probability and expected timing of the settlement of the liability. As at September 30, 2024 the contingent consideration related to the acquisition of GrowTEC was remeasured at \$nil as the Company does not

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

expect to achieve the certain operational milestones associated with the second phase of development of the RNG facility.

10. SHAREHOLDERS' EQUITY

a) Share-based incentive programs and payment plans

Options

The following table presents the changes in the balance of the outstanding stock options:

	Number of Options (thousands) #	Weighted average exercise price \$
Outstanding at December 31, 2023	335	4.08
Granted	282	2.36
Outstanding at September 30, 2024	617	3.29
Exercisable at September 30, 2024	159	5.25

In January 2024, the Company granted 187,860 stock options to certain members of the Board of Directors of the Company at an exercise price of \$2.44 each. These options vest equally over a three-year period and are exercisable for a period of seven years from the grant date to purchase one common share for each stock option held.

In June 2024, the Company granted 94,141 stock options to certain officers of the Company at an exercise price of \$2.21 each. These options vest equally over a three-year period and are exercisable for a period of seven years from the grant date to purchase one common share for each stock option held.

The estimated fair value of the stock options was calculated at the date of grant using the Black-Scholes model and the following assumptions:

	June 2024 Stock Options	Jan 2024 Stock Options
Share price on grant date	1.91	2.35
Exercise price	2.21	2.44
Fair value per stock option	1.03	1.33
Expected volatility (percentage)	53	53
Risk-free rate (percentage)	3.28	3.21
Expected forfeiture rate (percent)	10	10
Expected life (years)	7	7
Expected dividend yield	-	-

Estimated forfeiture rates are adjusted to the actual forfeiture rate at time of forfeiture. Expected volatility is based on the historical volatility of the Company. Expected life is based on general option-holder behavior and the risk-free interest rate is based on Government of Canada bonds of a similar duration.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

PSUs, RSUs and DSUs

The following table presents the changes in the balance of the outstanding PSUs, RSUs and DSUs:

(thousands)	Number of PSUs #	Number of RSUs #	Number of DSUs #
Outstanding at December 31, 2023	430	214	28
Granted	-	179	39
Forfeited	-	(3)	-
Vested	-	(105)	-
Outstanding at September 30, 2024	430	285	67

Deferred share units

During the nine months ended September 30, 2024, the Company granted 38,930 DSU awards to certain members of the Board of Directors of the Company, which had a grant date fair value of \$2.35.

Restricted share units

During the nine months ended September 30, 2024, the Company granted 131,931 RSU awards to certain officers and employees of the Company, which vest equally over a three-year period and had a weighted average grant date fair value of \$1.92 per RSU.

As at September 30, 2024, the Company had 284,946 RSUs outstanding, which vest over a remaining weighted average period of 0.9 years, with a weighted average grant date fair value of \$2.38 per RSU.

Share-based payment expense

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Options	59	126	260	162
PSUs	-	-	-	289
RSUs	72	136	265	257
DSUs	-	-	92	-
Subtotal	131	262	617	708
Less: Capitalized share-based payment expense	-	67	-	147
Total ⁽¹⁾	131	195	617	561

⁽¹⁾ Included in general and administrative expenses (see note 13).

11. REVENUE

The Company generates revenue primarily from fees charged to customers upon receipt of organic waste at the Company's organic waste facilities, sale of RNG, sale of electricity, sale of carbon credits, the sale of organic compost and soil and the provision of management services. With the exception for management services, the Company's revenue for the three and nine months ended September 30, 2024 and 2023 all relate to goods and services transferred at a point in time. The following tables contain the Company's revenue for the three and nine months ended September 30, 2024 and 2023, by source and by segment:

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

For the three months ended September 30, 2024	RNG production	Organic waste and composting	Total
Tipping fees	63	1,687	1,750
RNG	1,078	-	1,078
Organic compost and soil sales	-	132	132
Electricity sales	51	-	51
Carbon credits	258	-	258
Management services and other	328	1	329
Total	1,778	1,820	3,598

For the three months ended September 30, 2023	RNG production	Organic waste and composting	Total
Tipping fees	60	1,311	1,371
RNG	571	-	571
Organic compost and soil sales	-	210	210
RNG	571	-	571
Electricity sales	135	-	135
Total	766	1,521	2,287

For the nine months ended September 30, 2024	RNG production	Organic waste and composting	Total
Tipping fees	245	5,097	5,342
RNG	3,325	-	3,325
Organic compost and soil sales	-	480	480
Electricity sales	198	-	198
Carbon credits	685	41	726
Management services and other	979	13	992
Total	5,432	5,631	11,063

For the nine months ended September 30, 2023	RNG production	Organic waste and composting	Total
Tipping fees	199	4,008	4,207
RNG	908	-	908
Organic compost and soil sales	-	548	548
Electricity sales	465	-	465
Total	1,572	4,556	6,128

All of the Company's revenues are generated in Canada.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

12. DIRECT OPERATING COSTS

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Salaries and wages	563	442	1,714	1,238
Depreciation and amortization	1,160	928	3,657	2,621
Repairs and maintenance	328	215	917	731
Fuel and freight expense	182	388	701	927
Utilities	285	224	941	395
Equipment rental	87	151	248	308
Other ⁽¹⁾	614	320	1,736	991
Total	3,219	2,668	9,914	7,211

⁽¹⁾ Other includes, but is not limited to, insurance, supplies and disposal costs.

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Salaries and wages	377	668	1,359	1,198
Share-based payment expense (note 10)	131	195	617	561
Professional and consulting fees	135	119	466	650
Other ⁽¹⁾	210	356	792	1,155
Total	853	1,338	3,234	3,564

⁽¹⁾ Other includes, but is not limited to, business development fees, insurance and business fees & licenses.

14. FINANCE COSTS

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Interest expense on loans payable (note 7)	411	349	1,245	606
Interest expense on loans payable – related parties (note 17)	25	7	75	14
Interest expense on lease liabilities (note 8)	162	140	493	376
Other	65	44	147	36
Subtotal	663	540	1,960	1,032
Less: capitalized interest	-	(296)	-	(338)
Total	663	244	1,960	694

15. OTHER (EXPENSE) INCOME – NET

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Insurance proceeds	-	51	209	446
Other	(175)	345	66	556
Total	(175)	396	275	1,002

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, contingent consideration, lease liabilities, loans payable and loans payable – related parties.

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature.

The fair value of lease liabilities approximates their carrying value due to the specific non-tradeable nature of these instruments and given the discount rates used to recognize the liabilities and the market rates of interest.

The fair value of contingent consideration recognized in a business combination is initially measured at fair value on the date of acquisition using widely accepted valuation techniques (level 3) and is re-measured at fair value at each reporting period, with changes in fair value recognized in the consolidated statement of income (loss).

The fair value of loans payable approximates their carrying value due to the loans bearing interest at variable rates.

There were no transfers between the levels of the fair value hierarchy during the three and nine months ended September 30, 2024. Additionally, there were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the three and nine months ended September 30, 2024.

Financial risk management and capital management

There have been no significant developments in the Company's financial risk factors and capital management as included in the Company's consolidated financial statements as at and for the year ended December 31, 2023.

The following contractual maturities of financial obligations exist as at September 30, 2024:

	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Thereafter	Total
Accounts payable and accrued liabilities	4,704	-	-	-	-	-	4,704
Loan payments ⁽¹⁾	3,084	3,126	2,988	11,569	2,381	-	23,148
Loan payments – related party ⁽¹⁾	-	1,100	-	-	-	-	1,100
Lease payments ⁽¹⁾	1,650	1,477	1,373	1,126	708	5,772	12,106
Total	9,438	5,703	4,361	12,695	3,089	5,772	41,058

⁽¹⁾ Includes principal and interest.

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

17. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

The total value of compensation expenses and other fees for the board of directors and members of executive management of EverGen were as follows:

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Salaries and benefits	183	530	549	826
Share-based payment expense	103	141	481	484
Total	286	671	1,030	1,310

Lease liabilities

In July 2022, a subsidiary of the Company entered into a lease agreement with related parties to lease the land on which the GrowTEC facility is located for a term of ten years, with the option to extend for an additional two five-year periods, at the option of the Company. The lease payments for the initial term are \$270 for the first year of the lease and \$120 per year for the remaining nine years. During the three and nine months ended September 30, 2024, the Company incurred lease expenses of \$30 and \$90, respectively, relating to this lease (three and nine months ended September 30, 2023 - \$30 and \$165, respectively).

Loans payable

	Total
At December 31, 2023	1,716
Conversion to equity	(670)
Interest expense (note 14)	75
Loan payments	(122)
Total principal	1,000
Less current portion	-
Long-term portion	1,000

Effective April 1, 2023, the Company entered into a loan agreement with the non-controlling interest holders of a subsidiary of the Company to provide proceeds of \$710 to the Company to fund the non-controlling interest holders proportionate share of capital expenditure. The loan was repayable over a five-year term and bears interest at a rate of 4.0%. Effective January 1, 2024, the outstanding balance of this loan of \$670 was converted into equity of the subsidiary and the loan agreement was terminated.

Effective December 1, 2023, the Company entered into a loan agreement with the parties related to the acquisition of GrowTEC to provide proceeds of \$1,000 to the Company primarily to fund the repayment of amounts owing as contingent consideration related to the acquisition of the Company's 67% interest in GrowTEC in July 2022. The full outstanding balance of the loan is repayable on January 1, 2026, and bears interest at a rate of 10.0%, which the Company has the option to pay interest in cash, payment-in-kind, or a combination thereof. During the three and nine months ended September 30, 2024, the Company incurred interest expense of \$25 and \$75, respectively, relating to this loan (three and nine months ended September 30, 2023 - \$nil).

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

18. SUPPLEMENTARY CASH FLOW INFORMATION

The following table reconciles the net changes in non-cash working capital from the statement of financial position to the statements of cash flows:

	Nine months ended	
	Sep 30, 2024	Sep 30, 2023
Net changes in non-cash working capital:		
Accounts receivable	(786)	310
Prepaid expenses and other assets	415	114
Accounts payable and accrued liabilities	870	(751)
Deferred revenue	(6)	(140)
	491	(467)

19. SEGEMENTED INFORMATION

Operating segments are determined in a manner consistent with internal reporting provided to the chief operating decision maker for the purposes of allocating resources and assessing performance of the operating segments. For the three and nine months ended September 30, 2024 and 2023, the Company had two operating segments. The Company's segments are based on the type of operations and include RNG production and Organic waste and composting as follows:

	RNG production	Organic waste and composting	Corporate and other	Total
For the three months ended September 30, 2024				
Revenue	1,778	1,820	-	3,598
Direct operating costs	(1,470)	(1,730)	(19)	(3,219)
General and administrative expenses ⁽¹⁾	(264)	(509)	(80)	(853)
Finance costs	(388)	(229)	(46)	(663)
Equity-accounted loss	(110)	-	-	(110)
Contingent consideration gain	-	-	826	826
Other (expense) income - net	12	(193)	6	(175)
Net income (loss) before income tax (expense) recovery	(442)	(841)	687	(596)
For the three months ended September 30, 2023				
Revenue	766	1,521	-	2,287
Direct operating costs	(935)	(1,715)	(18)	(2,668)
General and administrative expenses ⁽¹⁾	(369)	(897)	(72)	(1,338)
Finance costs	(85)	(188)	29	(244)
Equity-accounted income	(45)	-	-	(45)
Other (expense) income - net	(107)	326	177	396
Net income (loss) before income tax (expense) recovery	(775)	(953)	116	(1,612)

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

All amounts in Canadian \$000s, unless otherwise indicated

	RNG	Organic	Corporate	Total
For the nine months ended September 30, 2024	production	waste and composting	and other	
Revenue	5,432	5,631	-	11,063
Direct operating costs	(4,514)	(5,343)	(57)	(9,914)
General and administrative expenses ⁽¹⁾	(880)	(1,620)	(734)	(3,234)
Finance costs	(1,098)	(676)	(186)	(1,960)
Equity-accounted loss	(430)	-	-	(430)
Contingent consideration gain	-	-	1,500	1,500
Loss on write-down of assets	(238)	(114)	-	(352)
Loss on sale of assets	-	(155)	-	(155)
Other (expense) income - net	148	79	48	275
Net income (loss) before income tax (expense) recovery	(1,580)	(2,198)	571	(3,207)
For the nine months ended September 30, 2023				
Revenue	1,572	4,556	-	6,128
Direct operating costs	(2,531)	(4,625)	(55)	(7,211)
General and administrative expenses ⁽¹⁾	(1,296)	(2,699)	431	(3,564)
Finance costs	(180)	(543)	29	(694)
Equity-accounted loss	(81)	-	-	(81)
Contingent consideration gain	-	-	90	90
Other (expense) income - net	231	535	236	1,002
Net income (loss) before income tax (expense) recovery	(2,285)	(2,776)	731	(4,330)
<i>(1) Allocated to each segment based on estimated use of corporate resources</i>				
As at September 30, 2024				
Total assets	43,340	47,630	673	91,643
As at December 31, 2023				
Total assets	41,729	48,563	3,242	93,534