



Management's Discussion and Analysis

For the three and six months ended June 30, 2025

Dated August 21, 2025

BASIS OF PRESENTATION

EverGen Infrastructure Corp. ("EverGen", "the Company", "we", "our", "us" or "its") has prepared this Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2025, as at August 21, 2025, in accordance with National Instrument 51-102F1, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All references to "\$" are references to Canadian dollars and are presented in thousands of dollars, unless otherwise indicated. This MD&A and the unaudited interim consolidated financial statements of EverGen have been approved by the Board of Directors as of August 21, 2025.

Additional information relating to the Company, is available on SEDAR+ at www.sedarplus.ca. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "EVGN" and the OTCQB Market ("OTCQB") under the symbol "EVGIF".

READER ADVISORIES

This MD&A contains certain "forward-looking statements" within the meaning of Canadian securities legislation and introduces financial measures, which are not defined under IFRS Accounting Standards, aimed at helping the reader in making comparisons to metrics similarly disclosed by industry peers. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosure under "Non-GAAP Measures" and "Forward-Looking Information" included at the end of this MD&A.

FINANCIAL AND OPERATIONAL HIGHLIGHTS SUMMARY

	Three months ended				Six months ended			
	Jun 30, 2025	Jun 30, 2024	\$ Change	% Change	Jun 30, 2025	Jun 30, 2024	\$ Change	% Change
FINANCIAL								
Revenue	2,781	4,238	(1,457)	(34)	4,690	7,465	(2,775)	(37)
Net income (loss)	(1,947)	(875)	(1,072)	123	(3,149)	(2,201)	(948)	43
Net income (loss) per share (\$), basic and diluted	(0.10)	(0.05)	(0.05)	100	(0.18)	(0.15)	(0.03)	23
EBITDA ⁽¹⁾	(822)	966	(1,788)	(185)	(855)	1,183	(2,038)	(172)
Adjusted EBITDA ⁽¹⁾	339	1,122	(783)	(70)	789	1,776	(987)	(56)
Total assets	78,577	93,828	(15,251)	(16)	78,577	93,828	(15,251)	(16)
Total long-term liabilities	25,657	29,321	(3,664)	(12)	25,657	29,321	(3,664)	(12)
Cash and cash equivalents	4,515	402	4,113	1,023	4,515	402	4,113	1,023
Working capital surplus	1,449	994	455	46	1,449	994	455	46
COMMON SHARES (thousands)								
Outstanding, end of period	22,426	13,979	8,447	60	22,426	13,979	8,447	60
Weighted average – basic and diluted	17,762	13,947	3,815	27	15,891	13,926	1,965	14
OPERATING								
RNG (gigajoules)	49,297	42,219	7,078	17	92,311	77,659	14,652	19
Incoming organic feedstock (tonnes)	17,220	30,647	(13,427)	(44)	30,029	48,633	(18,604)	(38)
Organic compost and soil sales (yards)	5,303	11,742	(6,439)	(55)	5,945	13,921	(7,977)	(57)
Electricity (MWh)	853	911	(58)	(6)	1,616	1,762	(146)	(8)

⁽¹⁾ Non-GAAP measure as defined in the Non-GAAP measures section of this MD&A.

Revenue: For the three and six months ended June 30, 2025, revenues decreased by \$1,457, or 34% and \$2,775, or 37%, respectively, compared to the same periods last year, primarily due to lower tipping revenues due to lower volumes received at the organic waste and composting facilities including interim operations concluding at Prairie Sky Organics Ltd. ("PSO"), the absence of carbon credit during Q1 and Q2 2025 and the absence of management fees earned from Project Radius in Q1 and Q2 2025, partially offset by increased Renewable Natural Gas ("RNG") production and associated revenues from the Fraser Valley Biogas Ltd. ("FVB") RNG expansion project and at Grow the Energy Circle Ltd. ("GrowTEC") as well as an increase in rates for volumes received at the organic waste and composting facilities.

Net loss: For the three months ended June 30, 2025, net loss increased by \$1,072 or 123%. This increase was primarily due to a decrease in revenues and increased general and administrative expenses mainly due to increased non-cash share-based payment expenses, partially offset by lower direct operating costs, depreciation and amortization expense and finance costs.

For the six months ended June 30, 2025, net loss increased by \$948 or 43%. This increase was primarily due to a decrease in revenues, increased general and administrative expenses mainly due to increased non-cash share-based payment expenses and a decrease in insurance proceeds received, partially offset by lower direct operating costs, depreciation and amortization expense and finance costs. Total direct operating costs for the six months ended June 30, 2025, were further reduced by grant receivables recorded against certain costs.

Adjusted EBITDA: EverGen's Adjusted EBITDA of \$339 and \$789 decreased by \$783 and \$987, for the three and six months ended June 30, 2025, respectively, compared to the same period last year, primarily due to lower tipping revenues due to lower volumes received at the organic waste and composting facilities, and a decrease in insurance proceeds received during the six months ended June 30, 2025, partially offset by lower direct operating costs.

RNG Volumes: RNG production increased during the three and six months ended June 30, 2025, compared to the same periods last year, following the stabilization of the FVB RNG expansion project. The Company set a new quarterly production record in Q2-2025. In early-2025, the FVB facility set new monthly RNG production records of over 12,000 gigajoules in March and April 2025 and is now approaching the nameplate capacity of the facility of 160,000 gigajoules of RNG per year.

RNG expansion and development projects: EverGen continues to progress on its core RNG expansion and development projects and regional expansion across Canada. In particular, EverGen's PCR RNG Expansion project passed a key regulatory milestone receiving support from Abbotsford City Council in July 2025,

Financing: In February 2025, EverGen through FVB, executed a letter of intent on a \$13,000 debt facility and a \$250 operating line of credit, with the proceeds used to refinance the Company's existing debt facility. EverGen expects to formally enter into this agreement and complete the refinancing in Q3 2025.

In March 2025, EverGen entered into a purchase and sale agreement with a related party in connection with the disposition of land owned on which FVB operates (the "Property"). In connection with the purchase of the Property, the Company entered into a long-term lease with the purchaser of the Property for the portion of the Property on which the FVB operates.

In April 2025, EverGen entered into a share purchase and reorganization agreement (the "Agreement"), with Ask America, LLC (the "Purchaser"), an arm's length limited liability company existing under the laws of New Jersey. Pursuant to the terms of the Agreement, the Purchaser agreed to act as the lead investor of \$5,000 in a private placement of common shares of the Company for total gross proceeds of up to \$7,000 (the "Private Placement"). In May 2025, pursuant to the terms of the Agreement, the Company closed the first tranche of the Private Placement and issued an aggregate of 8,333,333 Common Shares at a price of \$0.60 per Common Share to the Purchaser for gross aggregate proceeds of \$5,000. The Company expects to use the proceeds of the Private Placement for working capital and general corporate purposes. The Common Shares issued pursuant to the Private Placement are subject to a four month hold period pursuant to applicable securities laws. EverGen anticipates that the additional private placement of

up to \$2,000 will be closed alongside the above-mentioned refinancing in Q3 2025, for aggregate proceeds to the Company of up to \$7,000.

Pursuant to the terms of the Agreement, the majority of the executive officers and directors of the Company resigned and were replaced with a new management team ("Change of Management"). The closing of the Private Placement resulted in the Purchaser becoming a new "Control Person" of the Company (as defined in the policies of the TSX Venture Exchange (the "TSXV")) and was approved by a majority of shareholders of the Company by way of written consent, in accordance with TSXV policies. Immediately prior to closing of the Private Placement, 1,211,026 options, warrants and other equity settled incentive securities held by current and former members of the Company's management and Board were surrendered for cancellation for nominal consideration.

With expected improved debt financing terms at FVB and a strengthened balance sheet through the Private Placement, the Company is well positioned to unlock shareholder value by optimizing its existing core asset base, pursuing near-term expansion opportunities of core assets, and continuing to develop its RNG platform through strategic growth. In the near-term, management remains focused on cost optimization and driving operational excellence across its assets.

Leadership: In June 2025, EverGen announced that it had appointed Maria O'Sullivan as Interim Chief Financial Officer, replacing Sean Hennessy, who resigned effective the same date.

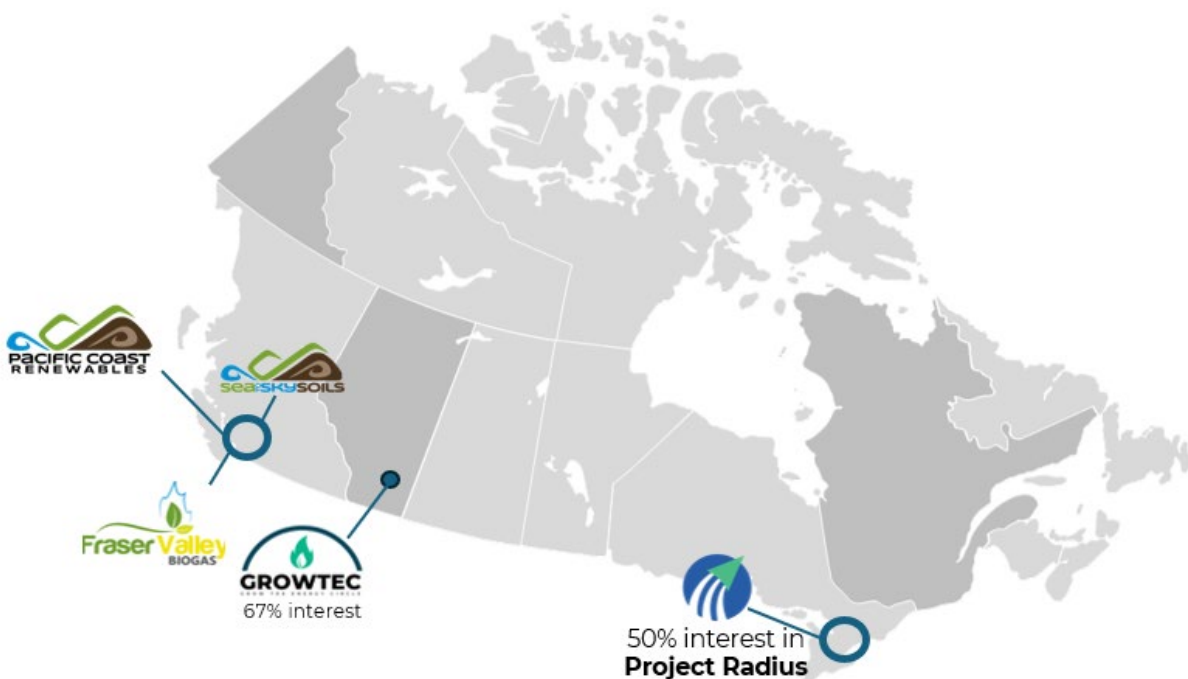
COMPANY OVERVIEW

EverGen, headquartered in Vancouver, British Columbia, is a sustainable infrastructure platform established to acquire, develop, build, own, operate, and consolidate a portfolio of RNG, waste to energy, and related infrastructure projects in Canada and other regions of North America.

EverGen commenced operations upon incorporation under the laws of British Columbia, Canada, on May 13, 2020.



EverGen currently owns and operates four facilities through its subsidiaries: PCR, SSS, FVB and GrowTEC, and holds a 50% interest in Project Radius, an entity that holds a portfolio of three RNG projects under development in Canada.



FVB is British Columbia's first RNG facility, which combines anaerobic digestion and biogas upgrading to produce RNG, primarily by converting agricultural waste from local dairy farms. The facility is currently operating under a new 20-year offtake agreement with FortisBC. In December 2023, the RNG expansion

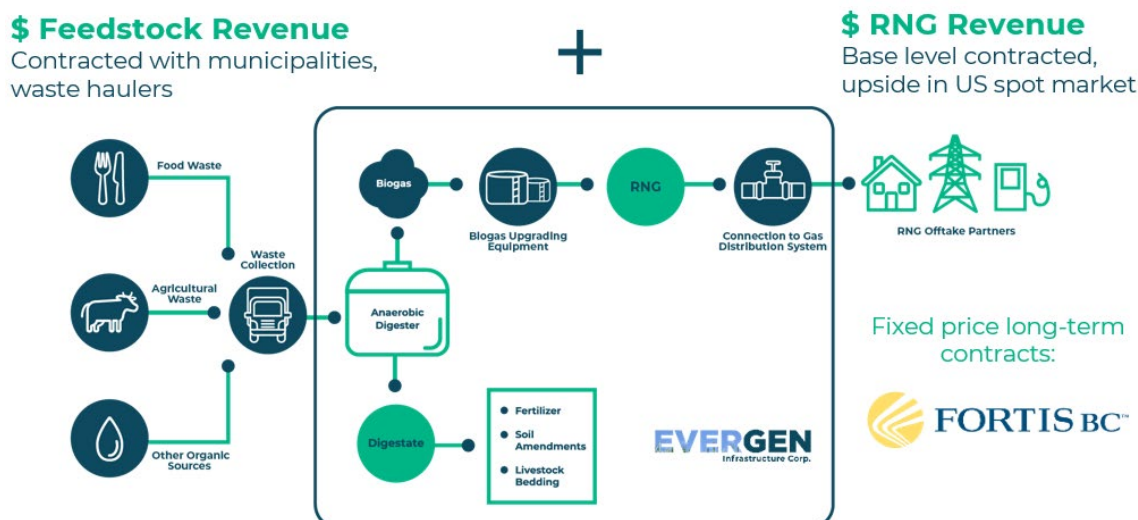
project at FVB was completed, which added additional RNG production capacity to the facility and is expected to exceed ~160,000 gigajoules of production per year, more than doubling RNG production from ~80,000 gigajoules per year. Following the completion of the project, the FVB facility has been producing daily volumes of up to 640 gigajoules and set a new monthly production record of over 12,000 gigajoules in March and April 2025.

PCR and SSS, based in British Columbia, are currently operating as organic waste conversion facilities, which process inbound organics, yard waste and biosolids for a contracted tipping fee and produce high-quality organic compost and soils for farmers, gardeners and developers. PCR is undergoing a planned core RNG expansion project, which will add anaerobic digestion capabilities to produce biogas and will then be upgraded to RNG to feed into FortisBC's gas network. Construction of the upgrade will begin upon receipt of building and regulatory approvals, which applications were submitted during 2023. During the second quarter of 2023, EverGen was awarded funding of \$10.5 million from Natural Resources Canada to support the development of the core RNG expansion project at PCR and the contribution agreement was executed in February 2024. The majority of the revenue currently earned by the organic waste conversion facilities is sourced under long-term contracts with local municipalities and in November 2023 EverGen announced the renewed organic waste processing contract with the City of Abbotsford. In early 2025, the Company received amounts under this Natural Resources Canada funding agreement.

GrowTEC is an operating RNG facility located in Lethbridge, Alberta. Following the acquisition of a 67% interest in the facility in Q3 2022, EverGen oversaw the installation of an RNG upgrader, and related equipment, required to upgrade biogas to produce RNG. The first phase of development was constructed and commissioned during the first quarter of 2023 and is expected to produce ~70,000 gigajoules of RNG annually. Following utility grid connection upon the completion of gas quality sampling, the facility began injecting RNG during the second quarter of 2023 and has been producing daily volumes of up to 220 gigajoules. With the first phase of development complete, EverGen is now completing engineering and design work for the next phase of the project, which is expected to expand RNG capacity to approximately ~120,000 gigajoules of RNG per year through the addition of preprocessing and depackaging equipment. In October 2024, EverGen was awarded \$2 million of funding from the Government of Canada to support the development of the second phase of the expansion project. In early 2025, the Company received amounts under this Government of Canada funding agreement.

In May 2022, EverGen acquired a 50% interest in Project Radius, a late-development stage portfolio of three high-quality, on-farm RNG projects, each capable of producing approximately 550,000 gigajoules of RNG per year and the first project is expected to commence construction in mid-2025. EverGen is currently working with its partner on developing Project Radius to advance the projects to the notice-to-proceed phase of development.

COMMERCIAL STRATEGY



EverGen was formed to acquire and develop existing underutilized RNG infrastructure, convert existing organic waste facilities into RNG infrastructure and build and operate new RNG infrastructure. From its existing platform, EverGen plans to further grow and develop RNG projects in its growth pipeline and provide RNG under long-term offtake contracts to FortisBC and other investment grade customers.

EverGen's purpose is to contribute to the circular economy, promoting socially conscious business models for waste recycling while providing sustainable returns for the planet by using its platform of investments and operational excellence to drive rapid RNG adoption and grid conversion in addition to:

- Completing the development and construction of EverGen's existing portfolio of core RNG expansion projects;
- Optimizing, diversifying and expanding existing organic waste processing capabilities;
- Continuing the growth of EverGen's project portfolio via strategic acquisitions and consolidation opportunities; and
- Developing strategic partnerships and advancing the RNG project pipeline.

OUTLOOK

The development of our core RNG expansion and development projects, as described above, demonstrates EverGen's ability to execute on projects and drive the consolidation and the growth of the RNG industry as we continue to expand our geographical base. EverGen plans continued growth through the pursuit of RNG consolidation opportunities across North America and the further development of projects within its pipeline. This is driven by underlying investments in sustainable operations that contribute to carbon-negative energy production, and positively impact climate change initiatives.

EverGen's growth, and increased financial performance, relies on the execution of its strategy to acquire, develop, build, own, operate and consolidate a portfolio of RNG, waste to energy and related sustainable infrastructure projects, including:

- Continuing development and construction of EverGen's existing portfolio of core RNG expansion projects;
- Optimizing and expanding existing organic waste processing facilities and RNG feedstock;
- Securing and optimizing long-term contracts for RNG offtake and feedstock to provide stable long-term low-risk cash flows;
- Securing municipal feedstock agreements through developed partnerships and vertically integrated operations;
- Diversifying feedstock suppliers to de-risk inbound revenue streams;

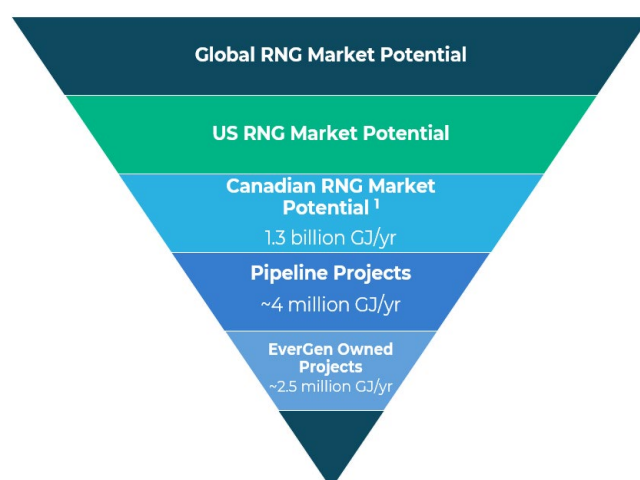
- Integrating talent, systems and processes across our projects to create efficiencies and best-in-class operations; and
- Continuing the growth of the project portfolio via the development of our project pipeline through strategic acquisitions and consolidation opportunities.

During 2025, EverGen expects to continue to develop its core RNG expansion and development projects through maximizing the production output at FVB and reaching final investment decisions at PCR, the second phase of GrowTEC, and Project Radius, as well as continuing to develop and grow our project portfolio.

We believe that EverGen is uniquely positioned to capitalize on expansion prospects in the RNG market and that the RNG industry is set to grow rapidly over the next several decades based on increased availability of feedstock through population growth and landfill diversion measures, and increased customer demand for lower carbon energy alternatives. We see growing societal expectations of carbon neutral and circular economy solutions and government support for these initiatives.

Executing strategic and accretive acquisitions

EverGen's ability to identify and develop projects in our project pipeline, and then execute and integrate these projects as accretive acquisitions into EverGen's platform is a key driver of our growth. Our growth is focused on realizing consolidation opportunities and achieving synergies in cost and margins through the operation and expansion of facilities under a unified business platform. The identification and development of projects, followed by the execution of acquisitions and consolidation opportunities, as well as their integration into a common operating platform with shared services and efficiency optimizations, is a key factor to our success. The successful execution and integration of acquisitions creates further opportunities within the market to EverGen, provides us with additional growth opportunities and drives further procurement and cost synergies across our operations.



¹ Source: Biogas World

Driving cost efficiencies

Our high-value services and high-quality products through strategically located facilities provide a foundation to continue to identify and develop projects in our pipeline, consolidate growth and realize operational and capital efficiencies. To do so, we have been investing in a scalable platform and capabilities. This investment is the basis to realize future operational and capital efficiencies and further enhance our competitive position on top of our existing strong competitive position currently supported by asset management discipline, investment in sustainable infrastructure and collaborative stakeholder relationships. EverGen's continued success depends upon our ability to leverage our scalable network and platform to build relationships with municipal, commercial and utility customers, realize operational and capital efficiencies, and extract procurement and cost synergies.

Building collaborations

EverGen's collaborative approach accelerates growth and extends our execution capabilities across our value chain and supply chain. Key relationships with local developers, First Nations and other stakeholders provide access to projects and leverages our capabilities in sourcing new organic waste streams and

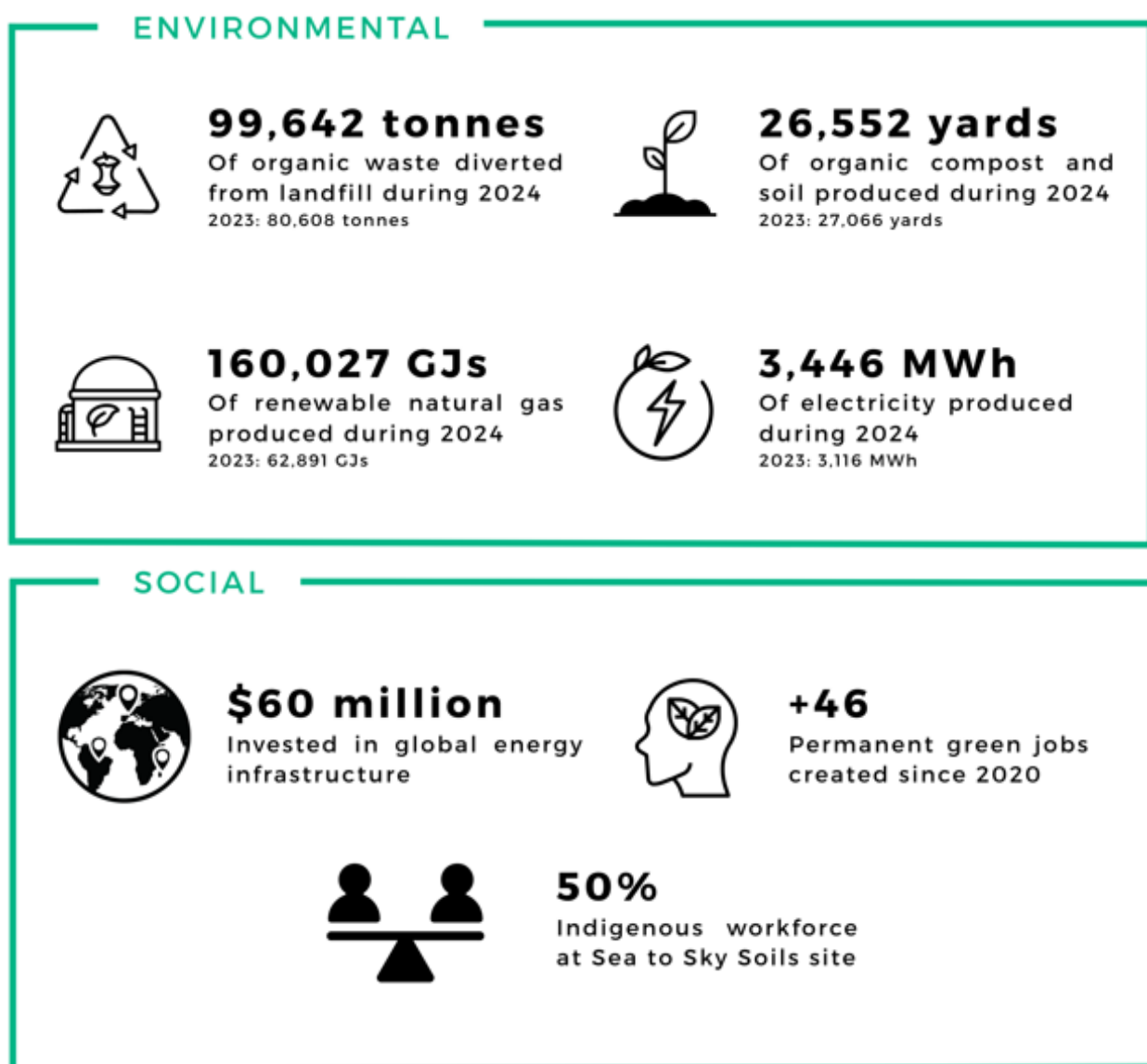
extending our business model to fulfill societal and customer expectations of waste recycling and waste to energy production combined with reduced greenhouse gas emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

EverGen was established for the purpose of contributing to a circular economy in waste recycling and waste to energy production through sourcing, operating and developing sustainable infrastructure and fulfilling our ESG values.

EverGen is proactively engaged with local businesses, such as restaurants and food and beverage producers and distributors, to advance socially conscious commerce and create mutually beneficial and socially responsible alternatives to traditional waste disposal to achieve a reduced carbon footprint. These potential new relationships represent a significant area of growth and diversification from EverGen's existing customer base and provides the opportunity for market expansion while fulfilling society's expectations of directing organic waste for recycling and the production of renewable energy.

EverGen delivers on its ESG values as follows:



RESULTS OF OPERATIONS

Revenue

Revenue is generated primarily through contracted RNG sales, tipping fees charged to municipalities and other customers for the disposal of organic waste at EverGen's facilities, from the sale of high-quality organic compost and soils, from electricity sales, from carbon credit sales and from the provision of management services.

RNG and electricity sales are all attributable to EverGen's RNG production operating segment. The majority of tipping fees are included in EverGen's organic waste and composting operating segment, with only a nominal amount included in the RNG production operating segment. Organic compost sales and soil sales are all attributable to EverGen's organic waste and composting operating segment. The majority of carbon credit sales are included in EverGen's RNG production operating segment. The Company's revenue is exposed to fluctuations because of the inherent seasonality of organic waste processing and the sale of organic compost and soil, which is typically lower during winter months.

Revenue by source:

	Three months ended			Six months ended		
	Jun 30, 2025	Jun 30, 2024	% Change	Jun 30, 2025	Jun 30, 2024	% Change
RNG sales	1,361	1,182	15	2,552	2,247	14
Tipping fees	1,173	2,332	(50)	1,824	3,592	(49)
Organic compost and soil sales	205	318	(36)	221	348	(36)
Electricity sales	37	54	(31)	83	147	(44)
Carbon credit sales	-	19	(100)	-	468	(100)
Other	5	333	(98)	10	663	(98)
Total	2,781	4,238	(34)	4,690	7,465	(37)

Production volumes:

	Three months ended			Six months ended		
	Jun 30, 2025	Jun 30, 2024	% Change	Jun 30, 2025	Jun 30, 2024	% Change
RNG (gigajoules)	49,297	42,219	17	92,311	77,659	19
Incoming organic feedstock (tonnes)	17,220	30,647	(44)	30,029	48,633	(38)
Organic compost and soil sales (yards)	5,303	11,742	(55)	5,945	13,921	(57)
Electricity (MWh)	853	911	(6)	1,616	1,762	(8)

Revenues from RNG production increased by \$179, or 15% and \$305 or 14% for the three and six months ended June 30, 2025, respectively, compared to the same periods last year, primarily due to increased production at FVB associated with improved operations and throughput at the facility following the completion of the FVB RNG expansion project in December 2023.

Revenues from tipping fees decreased by \$1,159, or 50% and \$1,768, or 49%, for the three and six months ended June 30, 2025, respectively, compared to the same periods last year, due to decreased volumes of incoming feedstock. During the first quarter of 2025, incoming volumes were reduced at the organic waste and composting facilities primarily to manage inventory levels. During the three months ended June 30, 2025, the Company continued with the same focus and increased screening activities to take advantage of favorable weather conditions, further reducing incoming volumes. Volumes also decreased following the conclusion of the PSO interim site in January 2025. These decreases were partially offset by an increase in rates.

Revenues from carbon credit sales decreased by \$468 for the six months ended June 30, 2025, due to the absence of any carbon credit sales during the six months ended June 30, 2025.

Other revenue decreased by \$328, or 98% and \$654 or 98%, for the three and six months ended June 30, 2025, compared to the same periods last year, primarily due to the absence of management fees charged to Project Radius for the development of the project.

Revenue by segment:

	Three months ended			Six months ended		
	Jun 30, 2025	Jun 30, 2024	% Change	Jun 30, 2025	Jun 30, 2024	% Change
RNG production	1,482	1,632	(9)	2,791	3,654	(24)
Organic waste and composting	1,299	2,606	(50)	1,899	3,811	(50)
Total	2,781	4,238	(34)	4,690	7,465	(37)

Direct operating costs

Direct operating costs are costs incurred to earn revenue and comprise all attributable expenses, including but not limited to labour, fuel and freight charges, disposal costs, repairs and maintenance, equipment rental, insurance, utilities, and depreciation and amortization expenses. EverGen's direct operating costs are exposed to fluctuations due to the impact of seasonal weather and the related fluctuations in volumes processed.

	Three months ended			Six months ended		
	Jun 30, 2025	Jun 30, 2024	% Change	Jun 30, 2025	Jun 30, 2024	% Change
Direct operating costs	2,952	3,586	(18)	4,848	6,695	(28)

Direct operating costs decreased by \$634, or 18% and \$1,847, or 28%, for the three and six months ended June 30, 2025, respectively, compared to the same periods last year, primarily due to reduced production at certain organics and composting sites while the Company managed inventory levels and increased screening activities and the conclusion of the PSO interim site (as described above), and lower depreciation and amortization costs due to asset disposals in 2024 and non-cash impairment in Q4-2024. These decreases were partially offset by increases in residual and unscreened compost disposal at PCR and a less than proportionate increase in costs to the increase in revenues at our RNG facilities. Total direct operating costs for the six months ended June 30, 2025, were further reduced by grant receivables recorded against certain costs.

General and administrative expenses

General and administrative expenses consist primarily of head office personnel costs, share-based compensation, professional and consulting fees and other general and administrative expenses.

	Three months ended			Six months ended		
	Jun 30, 2025	Jun 30, 2024	% Change	Jun 30, 2025	Jun 30, 2024	% Change
General and administrative expenses	1,762	1,188	48	2,882	2,381	21

General and administrative expenses increased by \$574, or 48% and \$501, or 21% for the three and six months ended June 30, 2025, respectively, compared to the same periods last year, primarily due to increased non-cash share-based payment expense. In connection with the Private Placement, certain equity instruments held by management and directors were surrendered and cancelled. Under accounting standards, the Company was required to accelerate recognition of the remaining unamortized expense associated with these awards, resulting in a non-cash expense in the period. This increase was partially offset by lower corporate salaries and wages costs.

Finance costs

EverGen's finance costs primarily relate to interest expense recognized on loans payable and the associated interest expense on lease liabilities, which were used to finance the growth in the Company's asset base.

	Three months ended			Six months ended		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Interest expense on loans payable	253	439	(41)	397	834	(52)
Interest expense on loans payable - related parties	25	25	-	50	50	-
Interest expense on lease liabilities	208	170	22	365	331	10
Other	35	39	(10)	56	82	(32)
Total	521	673	(23)	868	1,297	(33)

Finance costs decreased by \$152, or 23% and \$429 or 33% for the three and six months ended June 30, 2025, respectively, compared to the same period last year, primarily due to decreased interest rates and decreased balance on loans payable.

Other income – net

	Three months ended			Six months ended		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Insurance proceeds	-	-	-	-	209	(100)
Other	(32)	206	(116)	27	241	(89)
Total	(32)	206	(116)	27	450	(94)

Other income - net decreased during the six months ended June 30, 2025, compared to the same period last year, primarily due to a decrease in the recognition of insurance proceeds.

Income taxes

Income taxes consist of current and deferred income taxes.

	Three months ended			Six months ended		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Current tax expense (recovery)	-	-	-	-	-	-
Deferred tax expense (recovery)	(539)	(40)	1,248	(780)	(410)	90
Total	(539)	(40)	1,248	(780)	(410)	90

The increase in the income tax recovery for the three and six months ended June 30, 2025, compared to the same periods last year, is primarily due to an increase in taxable net loss.

EBITDA and Adjusted EBITDA ⁽¹⁾

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cash flow. EBITDA is measured as net loss before interest, tax, depreciation and amortization ("EBITDA"). Adjusted EBITDA is measured as EBITDA adjusted for share-based payment expense, certain non-cash items and unusual or non-recurring items. EBITDA and adjusted EBITDA are non-GAAP measures as defined in the non-GAAP measures section of this MD&A.

	Three months ended			Six months ended		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Net income (loss)	(1,947)	(875)	123	(3,149)	(2,201)	43
Tax recovery	(539)	(40)	1,248	(780)	(410)	90
Depreciation and amortization	1,143	1,208	(5)	2,206	2,497	(12)
Finance costs	521	673	(23)	868	1,297	(33)
EBITDA ⁽¹⁾	(822)	966	(185)	(855)	1,183	(172)
Share-based payment expense	685	155	342	830	486	71
Non-recurring general and administrative expenses and other	414	135	206	654	225	(100)
Contingent consideration loss (gain)	-	(674)	(100)	-	(674)	190
Loss on write-down of assets	-	238	(100)	48	352	(86)
Loss on sale of assets	-	155	(100)	-	155	(100)
Non-recurring general and administrative expenses and other related to equity-accounted investment	-	63	(100)	-	63	-
Consolidated adjusted EBITDA ⁽¹⁾	277	1,038	(73)	677	1,790	(62)
Adjusted EBITDA attributable to non-controlling interest	62	84	(26)	112	(14)	(900)
Adjusted EBITDA ⁽¹⁾	339	1,122	(70)	789	1,776	(56)

⁽¹⁾ Non-GAAP measure as defined in the Non-GAAP measures section of this MD&A.

EverGen's EBITDA of (\$822) decreased for the three months ended June 30, 2025, compared to the same period last year, primarily due to a decrease in revenues as described above and increased non-cash share-based payment expense, as described above, partially offset by lower direct operating costs as described above.

EverGen's EBITDA of (\$855) decreased for the six months ended June 30, 2025, compared to the same period last year, primarily due to a decrease in revenues as described above, increased non-cash share-based payment expense, as described above and a decrease in insurance proceeds, partially offset by lower direct operating costs as described above.

EverGen's Adjusted EBITDA of \$339 decreased by \$783, for the three months ended June 30, 2025, compared to the same period last year, primarily due to a decrease in revenues as described above, partially offset by lower direct operating costs as described above and an increase in non-recurring general and administrative expenses mainly related to the Private Placement.

EverGen's Adjusted EBITDA of \$789 decreased by \$987, for the six months ended June 30, 2025, compared to the same period last year, primarily due to a decrease in revenues as described above and a decrease in insurance proceeds, partially offset by lower direct operating costs as described above and an increase in non-recurring general and administrative expenses including legal fees associated with the disposition of land owned on which FVB operates and expenses related to the Private Placement.

SUPPLEMENTAL QUARTERLY INFORMATION

	2025			2024			2023	
	Jun 30 Q2	Mar 31 Q1	Dec 31 Q4	Sep 30 Q3	June 30 Q2	Mar 31 Q1	Dec 31 Q4	Sep 30 Q3
FINANCIAL								
Revenue	2,781	1,909	3,163	3,598	4,238	3,227	2,314	2,287
Net (loss) income	(1,947)	(1,202)	(14,415)	(472)	(875)	(1,326)	(1,765)	(1,091)
Net (loss) income per share (\$), basic and diluted	(0.10)	(0.08)	(1.02)	(0.02)	(0.05)	(0.10)	(0.12)	(0.08)
EBITDA ⁽¹⁾	(822)	(33)	(14,244)	1,227	966	217	(705)	(440)
Adjusted EBITDA ⁽¹⁾	339	450	98	983	1,122	654	(9)	382
Total assets	78,577	77,560	77,700	91,643	93,828	94,241	93,534	92,280
Total long-term liabilities	25,657	26,878	26,118	28,082	29,321	30,255	28,001	27,640
Working capital surplus (deficit) ⁽¹⁾	1,449	(1,913)	(950)	484	994	(1,064)	(3,558)	325
COMMON SHARES (thousands)								
Outstanding, end of period	22,426	14,059	14,021	14,002	13,979	13,845	13,897	13,885
Weighted average – basic & diluted	17,762	14,041	14,019	13,995	13,947	13,820	13,890	13,851
OPERATING								
RNG sales (gigajoules)	49,297	43,014	41,694	40,674	42,219	8,866	22,926	24,657
Incoming organic feedstock (tonnes)	17,220	12,809	25,454	25,555	30,647	17,902	22,768	18,983
Organic compost and soil sales (yards)	5,303	642	2,860	9,771	11,742	894	4,763	10,425
Electricity (MWh)	853	763	627	1,057	911	810	669	717

⁽¹⁾ Non-GAAP measure as defined in the Non-GAAP measures section of this MD&A.

The Company's revenue is exposed to fluctuations as a result of the inherent seasonality of organic waste processing and the sale of organic compost and soil. As a result, the Company typically sees higher revenues, net income, EBITDA and Adjusted EBITDA during Q2 and Q3 of a given year, when compared to Q1 and Q4, due to higher incoming organic feedstock and organic compost and soil sales during these periods. During Q2 2025 the Company did not see the typical higher revenues, net income, EBITDA and Adjusted EBITDA, as incoming tipping revenue volumes were reduced (as described above).

During Q2 through Q4 of 2023, FVB RNG production volumes were impacted from planned downtime, with the facility being offline as part of the core RNG expansion project, and unplanned downtime due to equipment availability and installation. RNG production increased following the completion of the FVB RNG expansion project in December 2023 and first injection of RNG at GrowTEC in late Q2 2023.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2025	December 31, 2024	% Change
Cash and cash equivalents	4,515	414	1,023
Working capital surplus (deficit) ⁽¹⁾	1,449	(950)	(253)

⁽¹⁾ Non-GAAP measure as defined in the Non-GAAP measures section of this MD&A.

We consider our capital to consist of shareholders' equity and debt (including lease liabilities) less cash and cash equivalents. The Company's objective when managing capital is to maintain adequate levels of funding to support the growth and development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. The Company actively monitors its capital and operational spending activities to ensure that it can meet its future anticipated obligations incurred from normal ongoing operations, which may require the Company to adjust its capital structure. To maintain or adjust its capital structure, the Company may issue additional common shares, repay existing debt, seek additional debt financing or refinancing or adjust its spending or capital expenditures. There is no assurance that any of these will be on acceptable terms to EverGen.

EverGen assesses its ability to meet its on-going obligations using the non-GAAP measures of EBITDA and adjusted EBITDA. These metrics are key measures of liquidity and the management of capital resources.

EverGen's working capital has improved to a surplus as at June 30, 2025, compared to a deficit as at December 31, 2024. This is primarily due to the share purchase and reorganization agreement the Company entered into in May 2025, where the purchaser agreed to act as the lead investor in a private placement of common shares of the Company and proceeds of \$5,000 were received by the Company, partially offset by a decrease in accounts payable and accrued liabilities due to the timing of payments primarily relating to outstanding accounts payable and accrued liabilities which built up within the Company's RNG and organic and composting operating segments. EverGen anticipates that an additional private placement of up to \$2,000 will be closed alongside the below mentioned refinancing in Q3 2025 (in addition to the aforementioned \$5,000 private placement completed in May 2025), for aggregate proceeds to the Company of up to \$7,000, which together with operating cash flows, the Company anticipates being sufficient to fund operations and planned expenditures.

In February 2025, EverGen through FVB, executed a letter of intent on a \$13,000 debt facility and a \$250 operating line of credit, with the proceeds used to refinance the Company's existing debt facility. EverGen expects to formally enter into this agreement and complete the refinancing in Q3 2025.

As at June 30, 2025, EverGen was committed to \$3,300 million of future capital expenditure, primarily related to the RNG expansion project at PCR. These commitments are expected to be funded by existing liquidity, expected future operating cash flows, and grant proceeds.

As at June 30, 2025, EverGen was not in compliance with certain of its covenant requirements under its term loan and obtained a waiver from the lenders, as at that date, for limited suspension of the covenant compliance requirements under the facilities.

Share capital

The Company had the following outstanding common shares and equity instruments as at June 30, 2025, and December 31, 2024:

(thousands)	June 30, 2025	December 31, 2024	% Change
Common shares	22,426	14,021	60
Options	1,527	617	147
Performance share units	-	430	(100)
Restricted share units	408	259	58
Deferred share units	150	67	124
Total outstanding securities	24,511	15,394	59

A description of EverGen's equity instruments can be found in note 13 to the consolidated financial statements for the year ended December 31, 2024.

As of the date of this MD&A, the following equity instruments were outstanding:

(thousands)	
Common shares	22,428
Options	1,527
Restricted share units	388
Deferred share units	150
Total outstanding securities	24,493

Summary of Cash Flows

	Six months ended June 30, 2025	June 30, 2024	% Change
Net operating cash flow	(2,415)	1,381	(275)
Net investing cash flow	1,809	(2,928)	(162)
Net financing cash flow	4,707	1,364	245
Total	4,101	(183)	(2,341)

The Company's net operating cash flows decreased for the six months ended June 30, 2025, compared to the same period last year, primarily due to decreased revenues, as described above and timing of changes in non-cash working capital.

Cash from investing activities for the six months ended June 30, 2025, primarily related to government grant funding received, partially offset by property, plant and equipment expenditures associated with the Company's core RNG expansion projects at PCR and GrowTEC. Cash used in investing activities for the six months ended June 30, 2025, was primarily related to property plant and equipment expenditures associated with the Company's core RNG expansion projects at PCR, GrowTEC and FVB.

Cash provided by financing activities for the six months ended June 30, 2025, increased compared to the same period last year primarily due to net proceeds received from private placement and proceeds received from the disposal of land at FVB, compared to the drawdown of the GrowTEC Loan during the six months ended June 30, 2024 and the increase in restricted cash during the six months ended June 30, 2025, associated with certain proceeds received from the disposal of land at FVB being reserved for future debt payments.

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

The Company's material accounting policies are included in Note 3 to the Company's annual financial statements for the year ended December 31, 2024. The Company did not adopt any new material accounting policies in the current period and there are no new or amended accounting standards or interpretations issued during the three and six months ended June 30, 2025, that are expected to have a material impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant in the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company's uses of estimates, judgements and assumptions are included in Note 2 to the Company's financial statements for the year ended December 31, 2024. There have been no significant changes to the Company's critical accounting estimates, judgments and assumptions during the three and six months ended June 30, 2025.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. Disclosure controls and procedures should be designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified under the Canadian securities law.

We have designed disclosure controls and procedures, as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), to provide reasonable assurance that material information is identified and communicated to management, including the Chief Executive Officer and Chief Financial Officer, in a timely manner to allow decisions regarding required disclosures.

We have also designed internal controls over financial reporting ("ICFR"), as defined in NI 52-109, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

A control system, including EverGen's disclosure controls and procedures and ICFR, no matter how well designed, has inherent limitations and can only provide reasonable, not absolute, assurance that the objectives of the control system will be met, and it should not be expected that the disclosure controls and procedures and ICFR will prevent all misstatements and instances of fraud, if any.

During the three and six months ended June 30, 2025 there were no changes in disclosure controls and procedures or ICFR that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

EverGen is not required to certify the design and evaluation of the issuer's disclosure controls and procedures and ICFR and has not completed such an evaluation and inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

Key management compensation

The value of compensation and other fees paid to board of directors and members of executive management of EverGen is included in the table that follows.

	Three months ended			Six months ended		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Salaries and benefits	198	183	8	381	366	4
Share-based payment expense (recovery)	669	118	467	765	379	102
Directors' fees	18	-	100	71	-	100
Total	885	301	194	1,217	745	63

Other related party transactions

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 six months ended June 30, 2025, the Company incurred lease expenses of \$30 and \$60, respectively, relating to this lease (three and six months ended June 30, 2024 - \$30 and \$60, respectively).

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 six months ended June 30, 2025 the Company incurred interest expense of \$25 and \$50, respectively, relating to this loan (three and six months ended June 30, 2024 - \$25 and \$50, respectively).

In March 2025, the Company entered into a purchase and sale agreement with a related party in connection with the disposition of land owned on which FVB operates (the "Property"). In connection with the sale of the Property, the Company entered into a long-term lease with the purchaser of the Property for the portion of the Property on which the FVB facility operates. During the three and six months ended June 30, 2025, the Company incurred lease expenses of \$36, relating to this lease (three and six months ended June 30, 2024 - \$nil).

On May 21, 2025, the Company completed a non-brokered private placement of 8,333,333 common shares for gross proceeds of \$5,000, pursuant to which the purchaser became a new Control Person of the Company, as defined in the policies of the TSXV. The transaction resulted in the purchaser becoming a related party of the Company. In connection with the private placement, 1,211,026 equity-settled incentive securities (options, PSUs, DSUs, and RSUs) held by current and former members of management and the Board of Directors were surrendered for cancellation for nominal consideration.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

As at June 30, 2025, the Company's financial instruments consist of cash and cash equivalents, restricted cash accounts receivable, accounts payable and accrued liabilities, contingent consideration, lease liabilities, loans payable, loans payable – related parties and the financial liability – sale and leaseback. There have been no significant developments, including the associated risks, in the Company's financial instruments as included in the Company's annual consolidated financial statements as at and for the year ended December 31, 2024.

There were no significant changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the three and six months June 30, 2025.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. EverGen's business and financial performance, which includes our results of operations and cash flows, are impacted by a number of risks. For further details on risks and uncertainties affecting EverGen, please refer the Company's annual MD&A dated April 30, 2025 which is available on SEDAR+ at www.sedarplus.ca. Additional risks and uncertainties, including those that we do not currently know of or that we deem immaterial, could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition.

EverGen's management is committed to proactively monitoring, and where possible, mitigating risk. Issues affecting, or with the potential to affect, the Company's assets, operations and/or reputation, are generally of a strategic nature or are emerging issues that can be identified early and then managed, but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis. EverGen takes a proactive approach to the identification and management of issues that may affect the Company's assets, operations and/or reputation and has established consistent and clear policies, procedures, guidelines and responsibilities for issue identification, management and mitigation.

NON-GAAP MEASUREMENTS

EverGen uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by IFRS Accounting Standards. The following terms: "EBITDA", "adjusted EBITDA", and "working capital deficit" are not recognized measures under IFRS Accounting Standards and may not be comparable to that reported by other companies. EverGen believes that, in addition to measures prepared in accordance with IFRS Accounting Standards, these non-GAAP measurements provide useful information to evaluate the Company's performance and ability to generate cash, profit and meet financial commitments. EverGen calculates these adjustments consistently from period to period.

These non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

EBITDA and Adjusted EBITDA

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cash flow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization. Adjusted EBITDA is measured as EBITDA adjusted for share-based payment expense, unusual or non-recurring items, contingent consideration gains and losses, and non-controlling interests in adjusted EBITDA. A reconciliation of the non-GAAP measures, EBITDA and adjusted EBITDA, to the applicable IFRS Accounting Standards measure can be found under the Results of Operations section of this MD&A.

Working capital deficit

Working capital for EverGen is calculated as current assets less current liabilities. The following table provides a reconciliation of working capital, a non-GAAP measure to the applicable IFRS Accounting Standards measurements for the Company:

(thousands)	June 30, 2025	December 31, 2024	% Change
Current assets	9,564	8,631	11
Current liabilities	(8,115)	(9,581)	(15)
Working capital surplus (deficit)	1,449	(950)	(253)

FORWARD LOOKING STATEMENTS

Readers are cautioned that this MD&A contains certain forward-looking statements and/or forward-looking information (collectively, "forward looking statements") within the meaning of applicable securities laws that involve risks, uncertainties and assumptions and relate to the Company's current expectations as of the date of this MD&A and views of future events. All statements other than statements of present or historical fact are forward-looking statements.

Forward-looking statements can often, but not always, be identified by the use of words such as "forecast", "target", "goal", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "project", "predict", or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. In particular, this MD&A contains forward-looking statements including, but not limited to:

- The timing of the completion of the Company's core RNG expansion projects, as well as the expected capital costs, RNG production, inbound organic feedstock capacity and increase in net income and EBITDA;
- EverGen's plans to grow and develop RNG facilities and construct a platform of sustainable infrastructure and reduce carbon emissions;
- Optimization, diversification and expansion of organic waste processing facilities and RNG feedstock;
- Continued growth through strategic acquisitions and consolidation opportunities;
- Developing strategic partnerships and advancing RNG project pipelines;
- EverGen's expectation to continue to pursue opportunities within its core markets and across North America;
- The ability to secure and optimize long-term contracts for RNG offtake and feedstock inputs;
- Continued growth of the feedstock opportunity from municipal and commercial sources and our ability to build relationships with municipal, commercial and utility customers;
- The ability to create efficiencies through the integration of talent, systems and processes across acquired capital;
- The growth of the RNG industry;
- The growth and success of EverGen focused on realizing consolidation opportunities and achieving synergies in cost and margin;
- The ability for EverGen to complete certain financing initiatives;
- That funds received under loan facilities will be sufficient to fund the core RNG expansion projects; and
- That EverGen generates sufficient amounts of cash and cash equivalents from operating activities to maintain the current level of operations.

Such statements reflect the current views of EverGen with respect to future events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause EverGen's actual results, performance or achievements to be materially different from any expected future results, performance or achievement that may be expressed or implied by such forward looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits EverGen will derive therefrom. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of EverGen. These include, but are not limited to, risks associated with renewable energy sources, such as market competition, volatility of prices, currency fluctuations, environmental risk, and competition from other producers and ability to access sufficient capital from internal and external sources.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. Forward-looking-statements, by their nature, involve risks and uncertainties. Certain of these risks are included in "Risks and Uncertainties" in this MD&A. Given these risks, uncertainties and assumptions, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this MD&A are made as of the date hereof, and except as may be expressly required by applicable law, EverGen disclaims any intent, obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein whether as a result of new information, future events or results or otherwise. The forward-looking statements and information contained in this MD&A may not be appropriate for other purposes. In the event that subsequent events are reasonably likely to cause actual results to differ materially from forward-looking statements previously disclosed by the Company for a period that is not yet complete, EverGen will provide disclosure on such events and the anticipated impact of such events.



Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

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 six months ended June 30, 2025, 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	June 30, 2025	December 31, 2024
Current assets			
Cash and cash equivalents		4,515	414
Restricted cash		750	-
Accounts receivable	3	2,812	4,586
Assets held for sale	4	873	3,187
Other assets		614	444
		9,564	8,631
Property, plant and equipment	5	43,600	42,533
Intangible assets	6	17,857	18,780
Goodwill		6,654	6,654
Equity-accounted investment	7	902	902
Other assets		-	200
Total assets		78,577	77,700
Current liabilities			
Accounts payable and accrued liabilities		3,572	6,018
Loans payable	8	1,740	1,745
Lease liabilities and financial liability – sale and leaseback	9,10	1,001	1,016
Loans payable – related party	19	1,000	-
Contingent consideration	11	802	802
		8,115	9,581
Loans payable	8	15,153	15,937
Loans payable – related party	19	-	1,000
Lease liabilities	9	6,470	6,933
Financial liability – sale and leaseback	10,19	2,595	-
Other long-term liabilities		376	376
Deferred tax		1,063	1,872
Total liabilities		33,772	35,699
Shareholders' equity			
Share capital	12	67,291	62,165
Contributed surplus	12	7,015	6,364
Accumulated deficit		(32,023)	(29,095)
Total Shareholders' equity		42,283	39,434
Non-controlling interest		2,522	2,567
Total shareholders' equity and non-controlling interest		44,805	42,001
Total liabilities and shareholders' equity		78,577	77,700

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

On behalf of the board of directors:

Signed: "Chase Edgelow"

Signed: "Varun Anand"

Chase Edgelow, Director

Varun Anand, Director

EverGen Infrastructure Corp.

Unaudited Interim Condensed Consolidated Financial Statements

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)

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

	Notes	Three months ended		Six months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue	13	2,781	4,238	4,690	7,465
Direct operating costs	5,6,14	(2,952)	(3,586)	(4,848)	(6,695)
General and administrative expenses	12,15	(1,762)	(1,188)	(2,882)	(2,381)
Finance costs	8,9,16	(521)	(673)	(868)	(1,297)
Equity-accounted loss	7	-	(193)	-	(320)
Contingent consideration gain		-	674	-	674
Loss on write-down of assets		-	(238)	(48)	(352)
Loss on sale of assets		-	(155)	-	(155)
Other (expense) income - net	17	(32)	206	27	450
Net loss before income tax recovery		(2,486)	(915)	(3,929)	(2,611)
Income tax recovery					
Current		-	-	-	-
Deferred		539	40	780	410
Net loss and comprehensive loss		(1,947)	(875)	(3,149)	(2,201)
Non-controlling interest in net loss and comprehensive loss		112	138	217	110
Net loss and comprehensive loss attributable to shareholders		(1,835)	(737)	(2,932)	(2,091)
Net loss per share attributable to shareholders - basic and diluted		(\$0.10)	(\$0.05)	(\$0.18)	(\$0.15)
Weighted average number of common shares outstanding – basic and diluted		17,762	13,947	15,891	13,926

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 \$	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		-	-	-	(2,091)	(110)	(2,201)
Share-based payment expense	12,15	-	-	486	-	-	486
Conversion of loans payable - related parties to equity		-	-	-	-	670	670
Common shares issued upon vesting of RSUs and other	12	82	288	(239)	-	-	49
Balance, June 30, 2024		13,979	62,051	6,173	(14,458)	2,817	56,583
Balance, December 31, 2024		14,021	62,165	6,364	(29,095)	2,567	42,001
Net income (loss) for the period		-	-	-	(2,932)	(217)	(3,149)
Share-based payment expense	12,15	-	-	830	-	-	830
Contributions from non-controlling interest in subsidiaries		-	-	-	-	172	172
Common shares issued upon private placement	12	8,333	5,000	-	-	-	5,000
Share issue costs, net of tax		-	(77)	-	-	-	(77)
Common shares issued upon vesting of RSUs and other	12	72	203	(179)	4	-	28
Balance, June 30, 2025		22,426	67,291	7,015	(32,023)	2,522	44,805

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	Six months ended	
		June 30, 2025	June 30, 2024
Operating activities			
Net loss		(3,149)	(2,201)
Adjustments for:			
Depreciation and amortization	4,5,13	2,206	2,497
Loss on write-down of assets	3	48	352
Loss on sale of assets		-	155
Share-based payment expense	11,14	830	486
Finance costs	7,8,15	868	1,297
Equity-accounted loss	6	-	320
Contingent consideration gain		-	(674)
Deferred income tax recovery		(780)	(410)
Changes in non-cash working capital	19	(2,438)	(441)
Net cash flow (used in) from operating activities		(2,415)	1,381
Investing activities			
Expenditures on property, plant and equipment	4	(964)	(2,928)
Proceeds from government grants	3	2,737	-
Proceeds from disposition of property, plant and equipment		36	-
Net cash flow from (used in) in investing activities		1,809	(2,928)
Financing activities			
Advances of loans payable	7	-	3,245
Repayment of loans payable	7	(769)	-
Interest paid on loans payable	7	(517)	(834)
Interest paid on loans payable – related parties	18	-	(96)
Payment of lease liabilities	8	(558)	(629)
Interest paid on lease liabilities	8	(308)	(331)
Proceeds from sale leaseback transaction	9, 18	2,620	-
Proceeds from private placement	11	5,000	-
Share issue costs		(105)	-
Capital provided by non-controlling interest in subsidiaries		172	-
Change in restricted cash		(750)	-
Other		(78)	9
Net cash flow from financing activities		4,707	1,364
Net change in cash and cash equivalents		4,101	(183)
Cash and cash equivalents at beginning of period		414	585
Cash and cash equivalents at end of period		4,515	402

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

Supplemental cash flow information note 20

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. NATURE OF BUSINESS

As at June 30, 2025, EverGen Infrastructure Corp. ("EverGen" or the "Company") operates two organic waste management facilities and two renewable natural gas ("RNG") 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 ("OTCQB") 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, 2024. 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, 2024.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors of the Company on August 21, 2025.

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

As at June 30, 2025, 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, 2024. Actual results may differ from these estimates.

EverGen Infrastructure Corp.

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

3. ACCOUNTS RECEIVABLE

	June 30, 2025	December 31, 2024
Trade receivables	2,298	2,035
Grant receivable ⁽¹⁾	435	2,472
Other	79	79
	2,812	4,586

⁽¹⁾ Relates to amounts receivable to support the development of the RNG expansion project at GrowTEC and Pacific Coast Renewables Corp.

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

As at June 30, 2025, certain items of property, plant and equipment were classified as held for sale as a result of their expected sale within one year from June 30, 2025.

	RNG production	Organic waste and composting	Total
At December 31, 2024	2,620	567	3,187
Additions:			
Equipment, vehicles and other	-	52	52
Right-of-use asset	-	342	342
Transfer to property, plant and equipment:			
Land ⁽¹⁾	(2,620)	-	(2,620)
Disposal:			
Equipment, vehicles and other	-	(88)	(88)
At June 30, 2025	-	873	873

⁽¹⁾ Relates to the sale and leaseback of land owned at Fraser Valley Biogas, which the company completed in March 2025. See notes 5 and 10.

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5. 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, 2024	-	9,643	25,938	9,821	3,113	48,515
Additions						
RNG production	-	-	104	-	42	146
Organic waste and composting	-	12	25	-	257	294
Corporate and other	-	-	8	-	-	8
Transfer to assets held for sale (note 4)	-	-	(52)	(382)	-	(434)
Transfer to assets in use ⁽¹⁾	2,620	-	-	-	-	2,620
Other ⁽²⁾	-	-	(94)	(78)	(152)	(324)
At June 30, 2025	2,620	9,655	25,929	9,361	3,260	50,825
Accumulated depreciation						
At December 31, 2024	-	1,467	2,603	1,912	-	5,982
Depreciation	-	267	731	285	-	1,283
Transfer to assets held for sale (note 4)	-	-	-	(40)	-	(40)
At June 30, 2025	-	1,734	3,334	2,157	-	7,225
Carrying value						
At December 31, 2024	-	8,176	23,335	7,909	3,113	42,533
At June 30, 2025	2,620	7,921	22,595	7,204	3,260	43,600

(1) During the three months ended March 31, 2025, the Company entered into a sale and leaseback agreement involving the land owed at Fraser Valley Biogas (previously held for sale as at December 31, 2024). See notes 4 and 10.

(2) Includes amounts receivable under government grants, to support the development of the RNG expansion project at Pacific Coast Renewables Corp.

As at June 30, 2025, the Company was committed to \$3,300 of future capital expenditure mainly related to equipment ordered at Pacific Coast Renewables Corp.

EverGen Infrastructure Corp.

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

6. INTANGIBLE ASSETS

Cost	Brands	Customer contracts and stakeholder relationships	Total
At December 31, 2024 and June 30, 2025	1,180	28,530	29,710
Accumulated amortization			
At December 31, 2024	236	7,713	7,949
Amortization	20	903	923
At June 30, 2025	256	8,616	8,872
Impairment loss			
At December 31, 2024 ⁽¹⁾	296	2,685	2,981
Carrying value			
At December 31, 2024	648	18,132	18,780
At June 30, 2025	628	17,229	17,857

7. 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, 2024 and June 30, 2025	902

8. LOANS PAYABLE

	Total
At December 31, 2024	17,996
Interest expense (note 16)	397
Loan payments	(1,284)
Total	17,109
Less: deferred financing costs & other	(216)
Total borrowings	16,893
Less current portion	(1,740)
Long-term portion	15,153

In January 2023, the Company entered into an agreement providing for a syndicated senior term loan of up to \$31,000. The term loan will be used to support the upgrade and construction of the Company's RNG facilities and provides for \$15,000 for refinancing of existing debt and construction at Fraser Valley Biogas and \$16,000 at Pacific Coast Renewables ("PCR"). During the six months ended June 30, 2025, the \$16,000 undrawn tranche of the term loan related to PCR was cancelled. 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.

EverGen Infrastructure Corp.

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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, which are tested quarterly on a trailing twelve-month basis.

As at June 30, 2025, the Company was not in compliance with certain of its covenant requirements under the syndicated term loan and obtained a waiver from the lenders as at that date, for limited suspension of the covenant compliance requirements under the facility.

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 June 30, 2025, GrowTEC had drawn \$3,270 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.

9. LEASE LIABILITIES

	Total
At December 31, 2024	7,949
Interest expense (note 16)	308
Lease payments	(830)
Other	(2)
As at June 30, 2025	7,425
Less current portion	(955)
Long-term portion	6,470

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

10. FINANCIAL LIABILITY – SALE AND LEASEBACK

	Total
At December 31, 2024	-
Additions	2,620
Interest expense (note 16)	57
Lease payments	(36)
As at June 30, 2025	2,641
Less current portion ⁽¹⁾	(46)
Long-term portion	2,595

During the six months ended June 30, 2025, the Company entered into a sale and leaseback agreement involving the land owned at Fraser Valley Biogas (previously held for sale as at December 31, 2024). Under the terms of the agreement the Company transferred legal title of the land to the purchaser and entered into a lease to continue using the land and the agreement contains a repurchase option which can be exercised by the Company. As a result, the transaction has been accounted for as a financing transaction, not a sale. The asset remains recognized on the interim condensed consolidated statement of financial position (see note 4), and a corresponding financial liability has been recognized equal to the consideration of the transaction. A portion of the sale proceeds from the sale of land were deferred until certain conditions of the sale were met. The deferred proceeds were received in full in May 2025.

EverGen Infrastructure Corp.

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11. CONTINGENT CONSIDERATION

Carrying value	Total
As at December 31, 2024 and June 30, 2025	802

During the year ended December 31, 2024, as a result of an arbitration ruling for the on-going dispute related to the acquisition of SSS, the Company recorded an estimate of the liability to be paid to the vendors and recognized a fair value adjustment loss of \$802.

12. SHAREHOLDERS' EQUITY

a) Private Placement

On May 21, 2025, the Company completed a non-brokered private placement of 8,333,333 common shares at \$0.60 per common share for gross proceeds of \$5,000 (the "Private Placement"). Following completion of the Private Placement, the purchaser became a new "Control Person" of the Company, as defined in the policies of the TSX Venture Exchange (the "TSXV"). The change of control was approved by a majority of shareholders of the Company by way of written consent, in accordance with TSXV policies. The Common Shares issued pursuant to the Private Placement are subject to a four month hold period pursuant to applicable securities laws. The Company expects to use the proceeds of the Private Placement for working capital and general corporate purposes.

Immediately prior to closing of the Private Placement, 1,211,026 options, performance share units, deferred shares units, restricted share units and options held by the then current and former members of the Company's management and Board were surrendered for cancellation for nominal consideration.

b) 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, 2024	617	3.29
Granted	1,500	0.60
Cancelled ⁽¹⁾	(591)	3.19
Outstanding at June 30, 2025	1,526	0.69
Exercisable at June 30, 2025	27	5.64

(1) Cancelled on May 21, 2025, immediately prior to Private Placement (see note 12a).

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Options granted to directors, officers and employees

In May 2025, the Company granted 1,500,000 stock options to certain members of the Board of Directors of the Company at an exercise price of \$0.60 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.

	May 2025 Stock Options
Share price on grant date	0.45
Exercise price	0.60
Fair value per stock option	0.25
Expected volatility (percentage)	60
Risk-free rate (percentage)	3.16
Expected forfeiture rate (percent)	15
Expected life (years)	7
Expected dividend yield	-

PSUs, RSUs and DSUs

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

	Number of PSUs #	Number of RSUs #	Number of DSUs #
(thousands)			
Outstanding at December 31, 2024	430	259	67
Granted	-	350	150
Forfeited	-	(1)	-
Cancelled ⁽¹⁾	(430)	(124)	(67)
Vested	-	(76)	-
Outstanding at June 30, 2025	-	408	150

(1) Cancelled on May 21, 2025, immediately prior to Private Placement (see note 12a).

Deferred share units

During the three and six months ended June 30, 2025, the Company granted 150,000 DSU awards to certain members of the Board of Directors of the Company, which had a grant date fair value of \$0.45.

Restricted share units

During the three and six months ended June 30, 2024, the Company granted 350,000 RSU awards to certain directors and officers of the Company, which vest equally over a one-year period and had a weighted average grant date fair value of \$0.44 per RSU.

As at June 30, 2025, the Company had 408,283 RSUs outstanding, which vest over a remaining weighted average period of 0.7 years, with a weighted average grant date fair value of \$0.69 per RSU.

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Share-based payment expense

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2025	2024	2025	2024
Options ⁽¹⁾	410	58	453	201
RSUs ⁽¹⁾	207	97	309	193
DSUs	68	-	68	92
Total ⁽²⁾	685	155	830	486

⁽¹⁾ Includes an accelerated vesting expense as a result of the cancellation of equity instruments immediately prior to the Private Placement on May 21, 2025 (see note 12a).

⁽²⁾ Included in general and administrative expenses (see note 15).

13. 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 of management services, the Company's revenue for the three and six months ended June 30, 2025 and 2024 all relate to goods and services transferred at a point in time. The following tables contain the Company's revenue for the three and six months ended June 30, 2025 and 2024, by source and by segment:

For the three months ended June 30, 2025	RNG production	Organic waste and composting	Total
Tipping fees	79	1,094	1,173
RNG	1,361	-	1,361
Organic compost and soil sales	-	205	205
Electricity sales	37	-	37
Other	5	-	5
Total	1,482	1,299	2,781

For the three months ended June 30, 2024	RNG production	Organic waste and composting	Total
Tipping fees	97	2,235	2,332
RNG	-	318	318
Organic compost and soil sales	1,182	-	1,182
Electricity sales	54	-	54
Carbon credits	(22)	41	19
Management services and other	321	12	333
Total	1,632	2,606	4,238

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For the six months ended June 30, 2025	RNG production	Organic waste and composting	Total
Tipping fees	146	1,678	1,824
RNG	2,552	-	2,552
Organic compost and soil sales	-	221	221
Electricity sales	83	-	83
Other	10	-	10
Total	2,791	1,899	4,690

For the six months ended June 30, 2024	RNG production	Organic waste and composting	Total
Tipping fees	182	3,410	3,592
RNG	2,247	-	2,247
Organic compost and soil sales	-	348	348
Electricity sales	147	-	147
Carbon credits	427	41	468
Other	651	12	663
Total	3,654	3,811	7,465

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

14. DIRECT OPERATING COSTS

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Salaries and wages	396	606	817	1,151
Depreciation and amortization	1,143	1,208	2,206	2,497
Repairs and maintenance	264	350	368	589
Fuel and freight expense	81	311	186	519
Utilities	212	346	504	656
Equipment rental	28	117	85	161
Insurance	97	122	159	283
Other ⁽¹⁾	731	526	523	839
Total	2,952	3,586	4,848	6,695

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

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Salaries and wages	437	505	859	982
Share-based payment expense (note 12)	685	155	830	486
Professional and consulting fees	325	265	594	331
Other ⁽¹⁾	315	263	599	582
Total	1,762	1,188	2,882	2,381

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

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16. FINANCE COSTS

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest expense on loans payable (note 8)	253	439	397	834
Interest expense on loans payable – related parties (note 19)	25	25	50	50
Interest expense on lease liabilities and financial liability (notes 9 and 10)	208	170	365	331
Other	35	39	56	82
Total	521	673	868	1,297

17. OTHER (EXPENSE) INCOME – NET

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Insurance proceeds	-	-	-	209
Other	(32)	206	27	241
Total	(32)	206	27	450

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

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

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

The fair value of lease liabilities and the financial liability – sale and leaseback 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 six months ended June 30, 2025. 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 six months ended June 30, 2025.

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, 2024.

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The following contractual maturities of financial obligations exist as at June 30, 2025:

	< 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	3,572	-	-	-	-	-	3,572
Contingent consideration	802	-	-	-	-	-	802
Loan payments ⁽¹⁾	2,924	2,833	12,038	2,454	-	-	20,249
Loan payments – related party ⁽¹⁾	1,075	-	-	-	-	-	1,075
Lease and financial liability payments ⁽¹⁾	1,698	1,938	1,361	908	806	7,909	14,620
Total	10,071	4,771	13,399	3,362	806	7,909	40,318

⁽¹⁾ Includes principal and interest.

19. 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		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Salaries and benefits	198	183	381	366
Share-based payment expense	669	118	765	379
Directors' fees	18	-	71	-
Total	885	301	1,217	745

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 six months ended June 30, 2025, the Company incurred lease expenses of \$30 and \$60, respectively, relating to this lease (three and six months ended June 30, 2024 - \$30 and \$60, respectively).

Loans payable

	Total
At December 31, 2024	1,000
Interest expense (note 16)	50
Loan payments	(25)
Total principal and interest expense	1,025
Less: accrued interest expense ⁽¹⁾	(25)
Total principal	1,000

⁽¹⁾ Included in accounts payable and accrued liabilities as at June 30, 2025 on the Consolidated Statements of Financial Position.

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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 six months ended June 30, 2025 the Company incurred interest expense of \$25 and \$50, respectively, relating to this loan (three and six months ended June 30, 2024 - \$25 and \$50, respectively).

Land Disposition

In March 2025, the Company entered into a purchase and sale agreement with a related party of the Company in connection with the disposition of land owned on which Fraser Valley Biogas operates (the "Property"). In connection with the sale of the Property, the Company entered into a long-term lease with the purchaser of the Property for the portion of the Property on which the Fraser Valley Biogas facility operates. The Property was held-for-sale as at December 31, 2024 (see notes 4, 5 and 10). During the three and six months ended June 30, 2025, the Company incurred lease expenses of \$36, relating to this lease (three and six months ended June 30, 2024 - \$nil).

Private Placement

On May 21, 2025, the Company completed a non-brokered private placement of 8,333,333 common shares for gross proceeds of \$5,000, pursuant to which the purchaser became a new Control Person of the Company, as defined in the policies of the TSXV. The transaction resulted in the purchaser becoming a related party of the Company (see note 12).

In connection with the private placement, 1,211,026 equity-settled incentive securities (options, PSUs, DSUs, and RSUs) held by current and former members of management and the Board of Directors were surrendered for cancellation for nominal consideration.

20.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:

	Six months ended	
	June 30, 2025	June 30, 2024
Net changes in non-cash working capital:		
Accounts receivable	(646)	(1,765)
Prepaid expenses and other assets	45	59
Accounts payable and accrued liabilities	(1,841)	1,265
Deferred revenue	4	-
	(2,438)	(441)

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21. SEGMENTED 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 six months ended June 30, 2025 and 2024, 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 June 30, 2025				
Revenue	1,481	1,300	-	2,781
Direct operating costs	(1,406)	(1,526)	(20)	(2,952)
General and administrative expenses ⁽¹⁾	(245)	(395)	(1,122)	(1,762)
Finance costs	(466)	(216)	161	(521)
Other (expense) income - net	7	(39)	-	(32)
Net loss before income tax recovery	(629)	(876)	(981)	(2,486)
For the three months ended June 30, 2024				
Revenue	1,632	2,606	-	4,238
Direct operating costs	(1,572)	(1,995)	(19)	(3,586)
General and administrative expenses ⁽¹⁾	(361)	(574)	(253)	(1,188)
Finance costs	(383)	(224)	(66)	(673)
Equity-accounted loss	(193)	-	-	(193)
Contingent consideration gain	-	-	674	674
Loss on write-down of assets	(238)	-	-	(238)
Loss on sale of assets	-	(155)	-	(155)
Other (expense) income - net	122	51	33	206
Net loss before income tax recovery	(993)	(291)	369	(915)

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	RNG	Organic	Corporate	
For the six months ended June 30, 2025	production	waste and	and other	Total
Revenue	2,790	1,900	-	4,690
Direct operating costs	(2,779)	(2,029)	(40)	(4,848)
General and administrative expenses ⁽¹⁾	(686)	(741)	(1,455)	(2,882)
Finance costs	(859)	(435)	426	(868)
Impairment loss	-	(48)	-	(48)
Other (expense) income - net	31	(4)	-	27
Net loss before income tax recovery	(1,503)	(1,357)	(1,069)	(3,929)

For the six months ended June 30, 2024

Revenue	3,654	3,811	-	7,465
Direct operating costs	(3,044)	(3,613)	(38)	(6,695)
General and administrative expenses ⁽¹⁾	(616)	(1,111)	(654)	(2,381)
Finance costs	(710)	(447)	(140)	(1,297)
Equity-accounted loss	(320)	-	-	(320)
Contingent consideration gain	-	-	674	674
Loss on write-down of assets	(238)	(114)	-	(352)
Loss on sale of assets	-	(155)	-	(155)
Other (expense) income - net	136	272	42	450
Net loss before income tax recovery	(1,138)	(1,357)	(116)	(2,611)

(1) Allocated to each segment based on estimated use of corporate resources

As at June 30, 2025

Total assets	38,878	35,509	4,190	78,577
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As at December 31, 2024

Total assets	39,820	36,996	884	77,700
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