



INFRAX SYSTEMS, INC.
Annual Information and Disclosure Statement
(UNAUDITED)
June 30, 2017 (UNAUDITED)



OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

INFRAX SYSTEMS, INC.

2) Address of the issuer's principal executive offices

Company Headquarters
10901 Roosevelt Blvd, Suite 1000c,
Saint Petersburg, FL, 33716
Phone: (727) 498-8514
Email: info@infraxinc.com
Website(s): www.infraxinc.com

IR Contact
info@infraxinc.com

3) Security Information

Trading Symbol: IFXY

Exact title and class of securities outstanding:

CUSIP: 45685T202

Par or Stated Value: 0.001

Total shares authorized: 3000,000,000 as of: 06/30/2017

Total shares outstanding: 1,889,078,083 as of: 06/30/2017

Additional class of securities (if necessary):

Trading Symbol: None

Exact title and class of securities outstanding: Series A Preferred

CUSIP: 45685T202

Par or Stated Value: 0.001

Total shares authorized: 50,000,000 as of: 06/30/2017

Total shares outstanding: 2,490,099 as of: 06/30/2017

Transfer Agent

ClearTrust, LLC

16540 Pointe Village Dr.

Suite 206

Lutz, FL 33558

P: 813.235.4490 | F: 813.388.4549

Is the Transfer Agent registered under the Exchange Act?* Yes: X No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.



List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

4) Issuance History

The Company has been in business since 2008. The following common shares were issues as restricted securities and were issued in private issuances and did not require a registration and it is based on rule 144 exemption.

Sam (Saeed) Talari (a)	73,329,455	7%
Paul J. Aiello	8,058,438	0.7%
Malcolm F. Welch	274,127	0.01%
John Verghese	6,121,200	0.5%
All directors and officers as a group (4 persons)	<u>87,783,220</u>	<u>19.01%</u>

(a) Mr. Talari also owns 2,400,000 of preferred stock series A. Shares are under Talari Industries LLC which Mr. Talari is sole officer.

A. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

All common and preferred share issuances by the issuer up to September 30, 2017 were initially issued as restricted in accordance with Rule 144. Each certificate had a standard restricted legend stamp.

5) Financial Statements

Incorporated by reference. See Annual & Quarterly Reports - for the three months ended September 30, 2017 and year end June 30, 2017.

6) Describe the Issuer's Business, Products and Services

A. a description of the issuer's business operations;

The address of our executive offices is: 10901 Roosevelt Blvd, Suite 1000c, Saint Petersburg, FL 33716 and our telephone number at that address is (727) 498-8514. The address of our web site is www.infraxinc.com. The information at our web site is for general information and marketing purposes and is not part of this report for purposes of liability for disclosures under the federal securities laws.



While we continue to enhance the OptiCon Network Management platform, the Company has shifted its focus and energies towards the “Smart Grid” energy sector. The Company believes our secure integrated platform will hasten the deployment of all Smart Grid technology for resource constrained small and mid-sized utilities. Infrax’s advantage comes from our products ability to enable the creation of a secure platform scalable to deliver a broad set of intelligent Smart Grid initiatives across millions of endpoints for Utilities.

INFRAX market opportunity exists in one of the largest industries in the world. Globally, according to the International Energy Agency (IEA), this industry is expected to spend close to \$10 trillion dollars by 2030 to upgrade electrical infrastructure. Technology innovations in power delivery have been fermenting for years, but only now is the confluence of physical need and social expectations creating an environment in which real and sustained monetary commitments are being made to create a “Smart Grid” built on information-based devices, digital communication and advanced analytics. Networking giant Cisco has estimated that the market for smart grid communications will grow into a \$20 billion-a-year opportunity as the infrastructure is built out over the next five years. Researchers at Specialists in Business Information (SBI) forecast the market will grow to \$17 billion-per-year by 2014 from today’s \$6 billion. Globally, SBI expects the market for smart grid technologies to grow to about \$171 by 2014 up from approximately \$70 billion in 2009.

According to a report issued to Congress by the Office of Electricity Delivery and Energy Reliability, as required by Section 1309 of Title XIII of the Energy Independence and Security Act of 2007, the security of any future Smart Grid is dependent on successfully addressing the cyber security issues associated with the nation’s current power grid.

The complexity of the grid implies that vulnerabilities exist that have not yet been identified. It is particularly difficult to estimate risk from cyber-attack because of the size, complexity, and dynamic nature of the power grid and the unpredictability of potential attackers.

Infrax creates a unified solution path to securely manage Advanced Metering Infrastructure (AMI) and other Smart Grid optimization applications such as substation and distribution automation. Our product portfolio provides Network Transport and Management, Secure Intelligent Devices, Threat Detection, and Grid Optimization, all integral components of a state-of-the-art Smart Grid solution.

Through our wireless broadband business unit, Infrax Networks, we provide outdoor mesh-relay based wireless broadband networks used by customers as the metro-scale IP foundation upon which to run one or many applications that help build greener, safer, smarter communities. Our products have been deployed globally to help connect the unconnected. In addition, our networks are used by electric utilities to build large scale, reliable, and secure networks that deliver the high bandwidth and low latency required for deploying smart grids.

Every utility, telecommunications carrier, wireless service provider, government and businesses with the need to securely transmit data and manage their network is a potential customer for the Infrax product line.

Infrax’s innovative and comprehensive solutions have the power to secure the future.

Industry Background

In today’s environment of increasing threat sophistication and regulatory pressures, managing risk has become a primary concern for Utility IT organizations. Today, a single breach can cost millions, be devastating to industrial, commercial and residential consumers, and create a threat to national security. Infrax’s Secure Network Interface Card (SNIC), GridMesh and GRid Intrusion Management (GRIM) products provide a secure solution for complete grid, network and intelligent device management.

Like the internet does today, the utility network needs to be able to connect millions of devices and still operate in a reliable and secure grid. Because of increased demand and growing environmental concerns, this grid also needs to become far more flexible than it is today, accommodating distributed power generation from renewable sources and use several energy efficiency techniques. The vision of tomorrow’s utility grid involves a number of technologies that need to be put in place to make the power grid smarter, with more



automation within the network and tools to give end users better information and control. The overall change that the utility needs to make is to go from a centralized generation and distribution model to one that is more distributed and diverse.

Today's electric system was not designed to handle extensive, well-organized acts of terrorism aimed at strategic elements. The threat of attack is growing and a widespread attack against the infrastructure is more likely today than ever before. It is therefore critical that the Smart Grid address security from the outset, making it a requirement for all the elements of the grid and ensuring an integrated and balanced approach across the system.

Ongoing Mandates

Title XIII of the Energy Independence and Security Act of 2007, mandates that the Department of Energy provides a quantitative assessment and determination of the existing and potential impacts of the deployment of Smart Grid systems on improving the security of the Nation's electricity infrastructure and operating capability, including recommendations on:

- (1) How smart grid systems can help in making the Nation's electricity system less vulnerable to disruptions due to intentional acts against the system.
- (2) How smart grid systems can help in restoring the integrity of the Nation's electricity system subsequent to disruptions.
- (3) How smart grid systems can facilitate nationwide, interoperable emergency communications and control of the Nation's electricity system during times of localized, regional, or nationwide emergency.
- (4) What risks must be taken into account that smart grid systems may, if not carefully created and managed, create vulnerability to security threats of any sort, and how such risks may be mitigated.

The National Institute for Standards and Technology (NIST) stated, "Identifying and implementing security controls is vital in protecting the confidentiality, integrity, and availability of the connected systems and the data that is transferred between the systems. If security controls are not in place or if they are configured improperly, the process of establishing the interconnection could expose the information systems to unauthorized access."

Our SNIC and GRid Intrusion Management (GRIM) systems provide an enhanced Cyber Security platform which prevents unwarranted intrusion into any part of the electrical grid. Using advanced encryption algorithms, a secure virtual network can be created over a private or public network. Infrax's GRIM technologies will evolve to include software and hardened hardware solutions for substation deployment.

The energy industry's assets and systems are not equipped to handle well designed acts of cyber terrorism. With the growing threat of internet attacks, it is critical that robust security is introduced for all the elements of the grid. The deployment of a Smart Grid that reaches from the producer to the consumer, will ultimately add over 150,000,000 communications capable meters in the U.S. alone, creating over 150,000,000 unsecure access points into the grid that previously did not exist. The lack of secure AMI solutions is a major concern of utilities and regulators alike, and Infrax can fill the void.

The market for Infrax's SNIC and GRIM solutions includes over 3,400 electric utilities in the United States, several thousand more globally, large consumers of commercial power, as well as power producers and utilities providing water and gas.

According to the research-based business strategy firm Zpryme, Smart Grid IT hardware and software spending in the U.S. was \$39.4 billion by 2014.

Our Technology and Solution



The foundation of our technology is a standards-based and secure network. Our network is composed of our hardware such as collectors and repeaters (where required), our network operating system, and our Electric Power Grid Mesh software suite, which together provide electric power utilities the ability to communicate with and control devices connected to the electric power grid. We plan to offer a suite of solutions that run on top of our network, including advanced metering, distribution automation, and demand-side management. These solutions include additional hardware, such as our collectors and concentrators, and applications from our asset tracking and management and networking software. Our solutions combine with devices from the large number of third parties with whom we collaborate to form end-to-end smart electric power grid offerings built on our network. In addition, we offer a wide range of services that enable our utility customers to deploy, operate and maintain our networking platform and solutions. These service offerings include professional services to implement our products, managed services and software to assist electric power utilities with managing the network and solutions, and ongoing customer support.

Key Features and Benefits of Our Networking Platform

We believe that utilities require a robust networking platform that allows them to transform the power grid infrastructure into the smart grid, thereby generating significant benefits to utilities, consumers and the environment. We believe that the only way to effectively enable the smart grid is through the implementation of a robust networking platform that meets stringent requirements: We have designed and built our networking platform from the ground up for the sole purpose of enabling electric power utilities to transform the electric power grid infrastructure into the smart electric power grid. We believe our utility customers benefit in the following ways:

Standards-Based. We believe the most successful networks have been those based on open standards. With an open, standards-based networking platform, utilities can choose from a diverse set of products from a variety of vendors. Our networking platform

is based on standards, which enable electric power utilities to deploy standards-based networking throughout their infrastructure and allows for interoperability with other standards-based devices. As a result, we believe electric power utilities can readily extend our networking platform to support a broad set of end-to-end smart electric power grid offerings in a cost-effective and timely manner. We utilize web services and open software standards and interfaces to enable integration with third-party software and devices. We believe this open and flexible architecture enables multi-vendor interoperability and facilitates integration with devices and software from other vendors. As a result, we believe utilities can readily extend our networking platform to support a broad set of end-to-end smart grid offerings in a cost-effective and timely manner.

High-Performance. We believe a networking platform must deliver high performance by maximizing throughput and minimizing latency. To accommodate an increasing number of solutions, such as distribution automation and demand-side management, the networking platform must be able to easily and economically support these solutions without negatively impacting performance. Our networking platform delivers high-bandwidth, low-latency performance and traffic prioritization, which allows electric power utilities to run multiple solutions, including those that require high-throughput communications, such as distribution automation, while maintaining robust operating performance and meeting the stringent requirements of multiple time-sensitive solutions for the smart grid. Our network hardware devices incorporate powerful two-way multi-channel radios, sophisticated routing techniques and high-speed node-to-node communications. Our platform is specifically designed to have ample bandwidth, which allows utilities to run multiple solutions including those that require high-throughput communications, such as distribution automation, while maintaining robust operating performance.

Scalable. We believe a networking platform must be easily and quickly scalable to accommodate an ever-increasing number of devices generating and transmitting ever-increasing amounts of data. Large utilities have millions of consumers, and the networking platform must be capable of supporting all of them and the addition of many new devices in the future. Our networking platform can be deployed rapidly at scale to accommodate millions of devices on the electric power grid, allowing electric power utilities that deploy our networking platform to easily and cost-effectively expand beyond the scope of their initial deployments.



Extensible. We believe a networking platform requires upgradable software and hardware designed to allow utilities or developers to expand its capabilities. Extensibility reduces the need for additional future investments and mitigates the risk of technological obsolescence and stranded assets. Our communications modules are designed for over-the-air upgrades, enabling us, for example, to deliver software over the air, allowing us to augment the functionality of, and to deploy new solutions and applications to, previously deployed hardware. As a result, we believe our electric power utility customers can mitigate the risk of technology obsolescence.

Secure. The power grid is vulnerable to the risk of data loss, theft and malicious attacks, and a smart grid often provides a command-and-control function for the power grid. In addition, many of the power grid's components are located in easily accessible and unsecured, outdoor locations. As a result, a networking platform for the smart grid must integrate highly sophisticated and proven security technologies deployed across multiple layers. Our networking platform incorporates an end-to-end, multi-layer security architecture and uses proven technologies and associated security techniques to allow electric power utilities to operate large-scale networks while minimizing security risk. By encrypting data to and from the devices and by ensuring the devices are authenticated, we preserve the integrity of the entire network even if an individual device is compromised. We use standards based encryption technologies and associated security techniques to enable our utility customers to benefit from a technology that has had to evolve over the decades to address constant, increasingly sophisticated attacks in a wide variety of industries and applications. Our robust security and enhanced authentication schemes prevent man-in-the-middle attacks and allows utilities to operate large-scale networks while mitigating security risk. Our security model incorporates sophisticated techniques to secure every device on the network but is also designed to preserve the integrity of the entire network even if an individual device is compromised. We are focused on using highly encrypted data over secure tunnels using a variety of communications medium including WiFi, Cellular or other public communication media. We believe this is more reliable and secure than radio frequency (RF) technology. Our SEIP incorporates a communications transport known as Electric power gridMesh™, and a device and data security management tool known as GRiM. Secure management of the "last mile" backhaul is necessary for electric power utilities to implement Smart Electric power grid applications such as AMI, and substation and distribution automation.

Reliable. Much of the physical infrastructure that makes up the network must reside outdoors, where factors such as weather, the growth of foliage or construction can change operating conditions over the infrastructure's lifetime. In addition, this infrastructure can be deployed in locations that are costly or difficult to service. As a result, a networking platform must be resilient, self-configuring and self-healing to function reliably with minimal intervention. Our communications modules communicate with multiple access points, providing redundant paths to the utility, and dynamically adjust their connections to the network and to neighboring devices to accommodate changes in the physical environment that impact wireless throughput, such as new construction or foliage growth. In addition, our GridMesh network operating system routinely re-evaluates the optimal path for communications traffic. As a result, utilities benefit from built-in optimization and self-healing capabilities that allow our networking platform to function reliably with minimal interruption and limited manual intervention.

Cost-Effective. The networking platform must deliver a compelling business case, both at installation and as additional solutions are added to the network. Maintenance and upgrade costs must also be low, and the network must integrate with the utility's

existing information technology and systems to facilitate deployment without expensive installation or integration costs. Our architecture enables our electric power utility customers to leverage a single network, rather than build multiple networks, when deploying additional solutions. This approach limits capital and operational expenditures and enhances our electric power utility customers' return on investment. Our networking platform is designed to limit both capital and operational expenditures relative to more expensive alternatives such as cellular- or PLC-based architectures. In contrast to such alternatives, our architecture enables our utility customers to leverage a single network, rather than build multiple networks, when deploying additional solutions such as distribution automation and demand-side management. Equipment requirements are mitigated because our access points support data from thousands of our communications modules, and all communications modules can act as relays for data from other communications modules. Our hardware and software is highly automated and operates with minimal manual intervention, thereby reducing upfront and ongoing maintenance expenses. We believe this approach limits capital and operational expenditures and enhances our utility customers' return on investment.



Components of our smart energy platform.

Our product portfolio provides Network Transport and Management, Secure Intelligent Devices, Threat Detection, and Electric power grid Optimization, all integral components of a state-of-the-art Smart Electric power grid solution. Our devices and platform are built on information-based devices, digital communications and advanced analytics. Through our wireless broadband business unit, Infrax Networks, we provide outdoor mesh-relay based wireless broadband networks used by customers as the metro-scale IP foundation upon which to run one or many applications that help build greener, safer, smarter communities. In addition, our networks are used by electric power utilities to build large scale, reliable, and secure networks that deliver the high bandwidth and low latency required for deploying smart electric power grids.

Secure Intelligent Energy Platform (SIEP) TM

Our Secure Intelligent Energy Platform (SIEP) TM competes in three distinct market segments of the smart electric power grid industry;

- Network Transport and Management (secure, two-way communication),*
- Secure Smart Sensors and Devices (Smart Meters),*
- Asset Tracking;*
- a electric power grid Optimization and*
- Threat Detection, Electric power grid Optimization and Security.*

We have developed a series of interrelated operational management, communications, and electric power grid security related products and services, under one platform, that together enable a comprehensive and unified solution for communications and applications management of the Smart Electric power grid. Each product meets a specific need in the spectrum of controls necessary to effectively manage a Smart Electric power grid and together they will offer unparalleled security and data management.

To address this international opportunity, we plan to aggressively invest in our products, marketing efforts and delivery capabilities to serve these markets.

Our Secure Intelligent Energy Platform enables utilities to transform the existing power grid infrastructure into the smart grid and includes our networking platform and solutions that run on top of the network as well as complementary services. Our networking platform facilitates two-way communications between the utility back office and devices on the power grid. We also offer a suite of solutions and applications that run on top of our network including advanced metering, distribution automation, and demand-side management. These solutions and applications are integrated with third-party products from the large number of third parties with whom we partner to form end-to-end smart grid offerings. In addition, we offer a wide range of services that enable our utility customers to deploy, operate and maintain our Secure Intelligent Energy Platform.

Within our Secure Intelligent Energy Platform, we provide a full stack of software capabilities that underlie our networking platform and enable the solutions and applications we offer on top of our network. At the core is our operating system that drives the functionality of all our devices. Our GridMesh suite provides management and security for our overall network. The Asset Tracker application suites provide business intelligence and management for our solutions..

Communications Platform

At the foundation of our Secure Intelligent Energy Platform is a standards-based and secure network. The networking platform is composed of our hardware such as access points and repeaters, network operating system, and our GridMesh management and security software. This network provides utilities the ability to communicate with devices connected to the power grid.

Communication Devices:



- Secure Network Interface Card (SNIC). Our SNIC is a combo card that resides inside the utility power

meter. The meter data such as usage, voltage, current etc. are encrypted and transported to the collector via a wireless module over proprietary mesh architecture. The wireless devices, operating in the 2.4 GHz spectrum link devices in the neighborhood area network to a utility's back office or data center over the wide area network.

- Collectors, concentrators and repeaters. Our collectors are devices that communicate to the SNIC on one side and transport the data over an appropriate wide area network (WAN) to a concentrator, typically installed at a utility's substation. Repeaters are devices that extend the reach of our network. Collector has the option to support a variety of WAN modules such as RF, cellular, WiMax etc. These devices are engineered to withstand harsh environmental conditions, including wind, lightning strikes, and rain, snow, and temperature extremes; are packaged in a standard form factor; and can be installed in a variety of locations such as a power pole.

Networking Software:

- GridMesh: Our proprietary mesh software for the SNIC is powerful software based on clustering concept to help build a dynamic mesh network between the meters and the collector. GridMesh allows our hardware devices to securely join the network and communicate with each other. GridMesh provides a comprehensive set of advanced networking features including network discovery, network addressing and address management, advanced routing, and secure communications. GridMesh also allows our devices to be remotely programmable over the air, enabling device upgrades without costly maintenance visits.

Secure Network Interface Card (SNIC)

Our advanced metering solution provides utilities with two-way communications from our communications module integrated into a third-party meter to their back office, enabling utilities to remotely perform such functions as reading meter usage, capturing time-of-use consumption data, connecting and disconnecting service, and detecting power outages. Our current version of the card is made for Itron's Centron II meters, with the ability to modify the geometric design to fit inside other third party meters. Our advanced metering solution comprises communications modules that are integrated into partner meters and our UtilityIQ software applications. We do not manufacture meters; instead, we partner with various meter manufacturers to provide a range of meter options for our utility customers. We are in the process of completing a Security and Network Interface Card (SNIC), based on higher levels of encryption, which can be imbedded in all intelligent end devices including Smart Meters and sensors. We plan to offer our SNIC in a variety of configurations; all equipped with standards based encryption with robust authentication schemes. Data traffic passing through our SNIC will be encrypted using AES 256, once the devices are authenticated. These keys are periodically rotated to negate "man in the middle" attacks. When combined with our security based software and management tools, our SNIC will create an impenetrable barrier against cyber-attacks. Our SNIC coupled with our Grid Intrusion Management (GRIM) system, will provide an enhanced cyber security platform which prevents unwarranted intrusion into any part of an electrical electric power grid. Using advanced encryption algorithms, a secure virtual network can be created over a private or public network. We believe our SNIC is the next generation of electric power grid security products. SNIC addresses the advanced metering infrastructure requirements of electric power utilities and provides the highest level of meter security available to date. SNIC employs military grade encryption, meeting or exceeding current and emerging security standards. The universal host interface board carries a single wireless module for both home area networking (HAN) and for communicating the data to the electric power utility's control center using standards based communications technology called GridMesh.

GridMesh

We believe our wireless smart meter mesh platform solves what has been the biggest challenge faced by electric power utilities, connecting each home to the smart electric power grid in an efficient, scalable and secure way. Utilizing our proprietary wireless system, GridMesh enables each smart meter to interconnect with one another to create a large, scalable mesh network.



UMAX and UMAX + The Utility Max (UMAX) product family is an extremely cost effective wireless solution for electric power utilities and telephone carrier who are looking to either set up a point-to-point or point-to-multipoint Ethernet links. The UMAX+ uses an adjunct box that is connected to the UMAX radio over an Ethernet link to provide T1/E1 communications at the remote locations. Due to the advanced implementation of both, frequency division duplex and time division duplex in the wireless domain the UMAX products can operate on a single channel eliminating the need for a guard band between the transmit and receive signals.

Grid Intrusion Management (GRIM)

We expect our GRIM system to evolve to include software and hardened hardware solutions for substation deployment.

Distribution Automation

Our current version of distribution automation solution provides a very reliable two-way communications from distribution devices along the power grid to the back office or substations, providing utilities with real-time information for grid monitoring

and control. While utilities have been implementing distribution automation for many years, adding two-way communications over a common networking platform significantly improves their visibility into and control over the power grid. As a result, utilities gain the information needed to better contain and more quickly resolve outages, monitor power-quality metrics with greater granularity, and adjust voltage levels dynamically to reduce energy waste.

Secure Intelligent Energy Platform Services

Through our Smart Grid Consulting & Professional Services organization, we offer a wide range of services related to the initial deployment and ongoing operation of our networking platform. Our services include professional services, managed services and customer support, including Network Design, Deployment Support and Program Management. We offer an array of services to help utilities deploy our networking platform and solutions. Our Professional Services include network design and optimization, taking into account geographical terrain, wireless propagation characteristics, device density and routing design, to ensure data is transmitted through the network in an efficient and secure manner. Soon we will have the ability to provide installation services directly to the utilities. We will be able to provide complete deployment support to ensure that our hardware devices are properly installed and registered with the network..

Professional Services

Infrax Systems has introduced a new division which provides engineering and professional services to its energy customers. This division is charged with packaging Infrax Systems products into engineered solutions that are marketed to their customers. Professional services provides engineering, construction and project managements services to the smaller utilities such as local municipalities, Rural Electric Cooperatives and Investor Owned Utilities who may not have the manpower or expertise to accomplish their goals. By leveraging our over 100 years of combined experience in the electric utility and telecommunications industries, Infrax Systems is well placed in an industry which is becoming the newest high tech phenomenon. The Smart Grid vision relies on vast networks of intelligent devices which sources in the Data and Enterprise Network industry indicate will surpass by several orders of magnitude of any know data network of today. Even a relatively small utility will have upwards of a million devices operating on thousands of individual domains. These networks not only will control instant and real time power flow but will also be the cash register for the Utility industry. Security, scalability and authenticity as well as day to day maintainability are the utmost concerns in providing an intelligent power grid that is safe and secure. Infrax Systems will be a leader in designing, building and securing these networks and solutions.

Initial marketing campaigns have been targeting the municipalities and Electrical Cooperatives. Currently we have responded to one major RFP for Capacitor Bank networks and Smart Grid infrastructure worth in excess of 1.5 million dollars. We are also working on a pilot project for our AMI product with the availability of the SNIC, with a major utility. If the pilot project is accepted and



successful, we may be asked to provide AMI to all their customers. The revenue from such project, for only one utility, will be overwhelmingly substantial. We are also in the process of negotiations for a contract to provide customer engineer expertise for a fiber optic construction project and we have installed several radios for one of our initial customers. We have started to communicate with few utilities in Florida to become qualified bidders for the coming projects. We will continue this process with utilities all along the east coast of USA.

Asset Tracker solution

Our Asset Tracker solution provides for complete inventory management of utility smart electric power grid assets, including meters, collectors and concentrators, as well as all substation and field deployable assets. Asset Tracker validates inventory and equipment information received via RFID from tagged assets and seamlessly provides that information across the enterprise bus of an electric utility in a format customizable for each utility. Access to real time information provides operations personnel with the ability to locate material, track consumption and streamline procurement.

Business Benefits of Our Smart Energy Platform

Our networking platform is designed to yield significant benefits to electric power utilities, end users and the environment. We believe that utility investments in the networking platform will help utilities mitigate future costs and improve their ability to manage the power grid. Over time, we expect these benefits will translate into rates for consumers below what they would otherwise have been, absent such investments. In addition, many of the benefits will flow directly to consumers by empowering them to use energy more efficiently and save money. The benefits of transforming the power grid into the smart grid via our technology include more efficient management of energy, improved grid reliability, capital and operational savings, the ability to pursue new initiatives, consumer empowerment, and compliance with evolving regulatory mandates through reduced carbon emissions. EPRI estimates the benefits of deploying a smart grid in the United States to be worth \$1.3 to \$2.0 trillion in 2010 dollars between 2010 and 2030.

Examples of the tangible benefits delivered by our networking platform and solutions include:

Operational savings for electric power utilities. Utilizing our advanced metering solution, electric power utilities can significantly reduce costs by automating certain key operational functions required to run their business, including meter reading, and

connecting and disconnecting electricity service. These tasks have historically been labor intensive for electric power utilities and inconvenient for end users.

Empowering end users. When completed, our demand response solution will allow electric power utilities to engage and empower end users by offering new time-based pricing options and connecting in-home technologies to provide opportunities for end users to better understand their energy usage and save money. With these new pricing options, utilities can better smooth electric demand, reducing the need to build additional power plant capacity to accommodate peak demand, generating large capital expense savings from avoiding construction of power plants and reduced operating costs of generating electricity during peak times.

Increasing the efficiency of the electric power grid. With our advanced metering and distribution automation solutions, electric power utilities can more effectively and efficiently deliver electricity to homes and businesses with less waste. With our products, electric power utilities can monitor actual voltage levels at each consumer's location and adjust system voltage remotely, improving energy efficiency. Green Circuits, a distribution-efficiency initiative led by EPRI, has shown that utilities can achieve 1.8% to 2.7% overall energy reduction with conservation voltage reduction. Pacific Northwest National Laboratory estimates that 2% energy savings in the United States from conservation voltage reduction and advanced voltage control can reduce carbon emissions by 2% in the United States, or 59 million metric tons per year, by 2030. McKinsey & Company estimates that by 2019, energy savings from conservation voltage reduction and volt-VAR optimization will total \$43 billion in 2009 dollars annually in the United States.



Competitive pricing. We believe our SEIP will be priced to facilitate and hasten the deployment of smart electric power grid technology among resource constrained small and mid-sized electric power utilities. There are 3,448 small to mid-sized electric power utilities in the United States, a majority of which we believe lack the resources to adequately migrate to the smart electric power grid infrastructure.

B. Date and State (or Jurisdiction) of Incorporation:

The Company was initially incorporated in the State of Nevada in October 22, 2004.

C. the issuer's primary and secondary SIC Codes;

4899 – Communications Services

D. the issuer's fiscal year end date;

06/30

E. principal products or services, and their markets;

INFRAX Systems, Inc. provides a series of interrelated operational management, communications, and energy grid related products and services which enable a comprehensive and unified solution for communications and applications management of the Smart Grid, municipal and telecommunications networks. Our Wireline, Wireless and Fiber Optics network management solutions offer proprietary state-of-the-art software, professional services and integrated systems. INFRAX Systems have been in use by companies seeking the best solution in managing their networks for the past 10 years. The company's software solutions automate all aspects of the physical and logical layer management, threat detection, fault isolation and delivery of information.

7) Describe the Issuer's Facilities

The Company operates out of 13,000 sf of office space shared by the principals at an allocated cost of \$ 2,500 per month for a lease term of two years. The space allows the company to operate its corporate offices and access to a vast sf of warehouse and office space for expansion, shipping and manufacturing.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Sam (Saeed) Talari, Chairman, CEO, CFO
10901 Roosevelt Blvd, Suite 1000c,
Saint Petersburg, FL, 33716

John Verghese, COO – CTO - Director
10901 Roosevelt Blvd, Suite 1000c,
Saint Petersburg, FL, 33716



Sam Talari

Effective August 1, 2009, the Company entered into a three-year employment agreement with Sam Talari, one of the Company's directors. The agreement was automatically renewed for an additional one-year period, and subsequently renewed by the Board for an additional one-year period through July 31, 2013. The Agreement provides for (a) a base salary of \$15,000 per month, (b) a signing bonus equal to one month salary, (c) four weeks' vacation within one year of the starting date, and (d) all group insurance plans and other benefit plans and programs made available to the Company's management employees.

John Verghese

On October 19, 2010, as amended January 1, 2010, the Company entered into a three-year employment agreement with John Verghese as Director of Product Development, one of the Company's directors. The Agreement provides for (a) a base salary of \$6,500 per month, (b) a signing bonus of \$10,000, (c) three weeks' vacation within one year of the starting date, and (d) all group insurance plans and other benefit plans and programs made available to the Company's management employees.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the



person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Talari Industries, LLC.*
3637 4th Street North, Suite 330,
Saint Petersburg, FL, 33704
73,329,455 shares of Common stock and 2,400,000 of preferred series A

* Sam Talari is the sole controlling director of Talari Industries, LLC and the CEO of INFRAX SYSTEMS.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Alex R. Stavrou
334 South Hyde Park Ave.
Suite 222
Tampa, FL 33606

Jackson L. Morris, Esq., Attorney at Law
3116 W. North A Street
Tampa, FL 33609-1544

Accountant or Auditor
MaloneBailey, LLP
9801 Westheimer Road
Suite 1100
Houston, TX 77042

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Sam Talari, certify that:

1. I have reviewed this information & annual statement of INFRAX SYSTEMS Inc.;



2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

January 9, 2018

“/s/” Sam Talari

Chairman and Chief Executive Officer
INFRAX SYSTEMS Inc.