



ASX ANNOUNCEMENT

VYSARN FINANCIAL RESULTS SIX MONTHS TO DECEMBER FY2026

Water services and infrastructure provider Vysarn Limited (ASX:VYS) (Vysarn)(Company) announces its financial results for the six (6) months to 31 December 2025 (1HFY26).

Summary of group results for 1HFY26:

- Revenue from operations \$66.81 million
- EBITDA \$13.87 million
- NPBT \$10.05 million
- Net Tangible Assets \$59.10 million
- Cash and Cash Equivalents \$13.77 million
- Operational Cashflow \$9.48 million

The group results for 1HFY26 represent a record half of earnings for the Company.

Results Commentary

Please refer to the Appendix 4D (enclosed) for detailed variance analysis of 1HFY26 versus the previous corresponding period.

HY Comparison Description	1H FY26 (\$)	1H FY25 (\$)	Variance (\$)	Variance (%)
Operational Reveune	66,809,971	41,016,970	25,793,001	63%
EBITDA	13,871,835	8,135,498	5,736,337	71%
NPBT	10,045,199	5,244,211	4,800,988	92%
NPAT	7,251,183	3,563,313	3,687,870	103%
Operational Cashflow	9,480,535	14,805,762	(5,325,227)	(36%)

While Vysarn reaffirmed its full year FY26 target of \$20.0 million Net Profit Before Tax (NPBT) at the Annual General Meeting in November 2025, the company disclosed that it anticipated an earnings skew to the 2HFY26 primarily due to the timing of projects associated with the technology segment. Pleasingly, the late award of projects and first works by technology segment clients in 1HFY26 enabled the Company to mitigate the anticipated skew and record a first half NPBT of \$10.0 million.

HY Comparison Description	1H FY26 (\$)	2H FY25 (\$)	Variance (\$)	Variance (%)
Operational Reveune	66,809,971	65,421,162	1,388,809	2%
EBITDA	13,871,835	13,189,337	682,498	5%
NPBT	10,045,199	9,784,132	261,067	3%
NPAT	7,251,183	7,130,097	121,086	2%
Operational Cashflow	9,480,535	2,358,364	7,122,171	302%

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While the board and management had a prime focus of delivering 1HFY26 earnings required to meet full year FY26 targets, the Company was mindful of reproducing or exceeding the NPBT produced in 2HFY25 to reaffirm Vysarn's capability to deliver a \$20.0 million NPBT annual run rate.

As such, it is worth noting that during the financial period encapsulated within CY25 (2HFY25 plus 1HFY26) the Company produced a NPBT of \$19.8 million which is materially in line and consistent with Vysarn's FY26 NPBT targets.

Whilst the Company prefers not to report earnings on an underlying basis, it is worth noting that 1HFY26 NPBT is inclusive of material one off costs relating to the rapid national expansion of CMP Consulting Group (CMP), non cash costs of \$1.08 million relating to the issue and subsequent expensing of Company performance rights, and a non cash gain of \$1.89 million relating to a fair value adjustment on the Contingnet Consideration Payable for CMP in the period (refer to notes in Appendix 4D).

The Company's segments performed broadly in-line with management's expectations. As anticipated and previously disclosed, the biggest drag on the opportunity for higher first half earnings was the technology segment. While the segment did deliver a meaningful earnings contribution late in the first half, work in hand and anticipated award of work remains second half centric purely due to client timing of project commencements.

The industrial segment produced a record half of earnings on the back of continuing high client demand, the subsequent opportunities to double shift drill rigs and the prudent rotation of equipment to a wider client base to produce opportunities for a better return on assets. During the half the industrial segment also began the reshaping and expansion of the fleet to meet client demand while accentuating what the Company perceives as its competitive moat.

The advisory segment produced earnings in the half that were in line with board and management expectations. The earnings performance is not only representative of a steady baseline of work provided by existing and new clients, but is also a reflection of the well flagged strategy, investment and cost impost to expand the advisory segment's geographical footprint. The basis of this strategy continues to be the establishment of CMP as a beachhead for a wider Vysarn group penetration into new markets and sectors. This approach saw new CMP offices established in Brisbane, Perth and Wellington (NZ), including associated senior staff appointments ahead of formal client engagement or work won in these new jurisdictions. Of note, the Perth team won first works and diversified CMP into mining from their traditional utility centricity.

Vysarn Asset Management (VAM) continued to make inroads during the half developing its first water asset with the Kariyarra Aboriginal Corporation RNTBC (KAC RNTBC). As previously disclosed, VAM in partnership with the KAC RNTBC lodged its H3 detailed hydrogeological assessment with the Department of Water Environmental Regulation to support the application of the Section 5C water license while continuing to progress water offtake and funding discussions as well as progressing other regulatory approvals that will be required in order to develop its first water asset.

Vysarn Ltd corporate overheads were broadly in line half on half.

The income tax expense of \$2.79 million in the period reflects an increase to the Company's current tax liability of \$2.05 million and an increase in net deferred tax liability balance by \$0.74 million.



Operational cash flow was lower than the previous corresponding period. This was primarily due to the late award and subsequent late delivery of works and projects within the technology segment, which in turn delayed the collection of associated trade receivables beyond the reporting period. This impact was compounded by the Company's first material income tax payment being made during the half. Excluding these timing related factors, cash conversion of EBITDA was otherwise in line with Company targets.

Operations and Outlook

The Vysarn board and management continue to target a full year FY26 NPBT of \$20.0 million based on the current line of sight of work on hand combined with the anticipated award of work across multiple segments.

As previously outlined by Vysarn in the November 2025 AGM presentation, should the Company achieve targeted FY26 NPBT, it would provide material year on year earnings growth in FY26, as well as provide a platform for further earnings growth in FY27, subject to a continuation of successfully executing a range of future organic growth and acquisition initiatives.

Industrial

As previously outlined, the significant demand that returned across the entire iron ore sector in the second half of the FY25 financial period continued into 1HFY26.

This broad activity subsequently set the industrial segment up to produce a record half of earnings contribution. At this juncture, management is seeing the potential for the continuation of this earnings run rate into 2HFY26. Importantly, second half earnings will also be dictated by the Company's management of rig availability as it manages a spectrum of growth initiatives that include drill rig rebuilds and purchases in the second half.

Coming into FY26 the Company was preparing for what it anticipated to be a further tightening in the supply demand dynamic. With that in mind, Vysarn revisited a strategy to increase the size of the industrial fleet as well as continuing to reshape drill rig fleet mix to be skewed towards primarily owning and operating dual rotary rigs which the Company believes continues to provide the industrial segment with a strong competitive moat.

The Company has purchased a dual rotary rig (as advised to shareholders at the FY25 AGM) which is programmed to be deployed late in Q3FY26. Additionally, a second dual rotary rig has been purchased from an international jurisdiction that at this juncture is expected to arrive and be ready for deployment in 1HFY27. The rig purchases have been executed in hand with the full rebuild of two previously owned drill rigs that are expected to be redeployed late in the second half of FY26.

The purchases and rebuilds of the rigs will be funded by a combination of the sale of non-core assets (drill rigs that the Company perceives to have no ongoing competitive advantage) and cash reserves. Based on the current market dynamics outlined above, management believes the associated capital expenditure for the purchase of two additional dual rotary rigs and the rebuild of two others will generate a strong return on the assets in future periods.

While the Company remains vigilant in its assessment of the current macro environment and its potential negative effects on the Australian commodity sector, management's intention for the foreseeable future remains to have a commodity and geographic concentration strategy where the industrial segment continues to service the iron ore sector in Western Australia. This strategic



initiative is underpinned by what the Vysarn board and management perceive as a substantial and growing water issue in the Pilbara.

Advisory

Previous commentary from the Company focussed on that the fact that a driving motivation for the acquisition of CMP and the subsequent broadening of the Company's advisory segment was based on a strategic rationale centred on an east coast expansion of Vysarn and its services using CMP's brand and reach. The board and management's view continues to be that CMP provides Vysarn with a launching pad to pursue a national presence as well as direct access to the material committed spend by the Western Australian, Victorian, New South Wales and Queensland state governments to upgrade water infrastructure.

While continuing to focus on maintaining and then accentuating the advisory segment's pipeline of client panels and awarded work, in turn contributing to a level of strong baseline earnings, the prime focus in 1HFY26 for the advisory segment was rapid national expansion and an associated identification and hiring of key senior management and staff in these newly established jurisdictions.

This approach in 1HFY26 saw the advisory segment produce credible earnings in line with management expectations but also saw the important expansion of advisory capacity and branding into the Perth, Brisbane, Sydney and New Zealand markets. This expansion came with a commensurate investment cost that in turn detrimentally impacted earnings short term but is envisaged to set the advisory segment up with a platform for earnings growth as well as an ability to cross sell Vysarn's stable of diversified water services into new markets and sectors.

In hand with the domestic expansion, the advisory segment continued to develop an early pipeline of international opportunities. Firstly via a presence being established in New Zealand where management anticipates that major water reform and an associated spend is imminent and secondly, the ongoing development of the Company's relationship with Hazen and Sawyer that saw early but small works executed both in Australia and the United States.

It is worth noting that Vysarn's original advisory business Pentium Water continues to trade strongly with a baseline of work with management expecting that this trading form will continue for the remainder of FY26.

The outlook for the advisory segment remains promising with the segment focussed on converting a visible pipeline of work, establishing high utilisation rates and earnings growth, and successfully executing its push into expanding Company advisory capability in other geographies and sectors.

Technology

As late as November 2025, the disclosure and associated commentary from the Company outlined what management expected to be a second half skew in group earnings primarily driven by the first half earnings underperformance of the technology segment. While management remained confident in the segment's full year earnings contribution, the earnings skew statements were made based on direction from clients that projects relating to the delivery of wastewater treatment plants and managed aquifer recharge (MAR) units were to be delayed until later in FY26.

Pleasingly, late commitments by clients in December of 1HFY26 saw the award of a material wastewater treatment plant and an order of a large parcel of MAR units in the period. The award of the late works in turn mitigated the anticipated segment and group second half earnings skew.



It is worth noting that based on current client guidance, the Company is aware of the potential for the further award of an additional material wastewater treatment plant and an additional MAR program in the second half of FY26. This would provide an opportunity for the technology segment to at least replicate first half earnings as well as provide an opportunity to set up a base for a similar earnings profile heading into 1HFY27.

The Company continues to believe MAR remains one of the iron ore sector's preferred methodologies for the disposal of surplus water now and into the future. While the sale of MAR units and their earnings contribution will continue to be project driven with the associated variation in project timing, the projected pipeline of MAR projects furnished by clients continues to provide the potential for strong ongoing MAR unit sales in FY26 and into future financial periods.

The Company continues to actively pursue an expansion in its breadth of product and service offerings in water abstraction, downhole monitoring and the installation, operations and maintenance of Company provided equipment.

The technology segment is targeting first sales in this broadened suite of product and service offerings in 2HFY26.

Asset Management

In partnership with the Kariyarra Aboriginal Corporation Registered Native Title Body Corporate (KAC RNTBC) the Company made inroads in the development of the Kariyarra Water Scheme (KWS) during the period.

Of most significance was the submission of the hydrogeological assessment (H3 Report) for the KWS to the Department of Water and Environmental Regulation. The H3 Report supported the application for a Section 5C groundwater licence of up to 10 GL per annum over 30 years under the Rights in Water and Irrigation Act 1914 (WA).

If successful, the volume of water associated with the Section 5C license application has the potential to underwrite a major bulk water supply project that would be capable of delivering material volumes to the town of Port Hedland and its surrounds in the Pilbara region of Western Australia.

In hand with securing the water source for the KWS, the Company continued to advance commercial discussions with several prospective bulk water supply off takers in the East Pilbara region of Western Australia. This included the Water Corporation that publicly launched a Registration of Interest (RoI) process for organisations with the capacity to supply a new bulk water source for the Port Hedland Water Supply Scheme.

The Company has since confirmed (with joint venture partner the KAC RNTBC) the lodgement of an RoI with the Water Corporation and the participation in the process to be a prospective supplier of bulk water to Port Hedland.

In parallel with the submission of the Section 5C license application and off take discussions, the Company has progressed other regulatory approvals that will be required in order to develop the KWS, which include but are not limited to environmental approvals (State and Federal), Local Government



approvals and land tenure approvals associated with the construction of water infrastructure for the abstraction and delivery of water to end users.

While acknowledging the ongoing complexities of the various state and federal regulatory approvals required to progress the KWS, the Company is targeting the issue of the Section 5C license, a binding water offtake or option agreement and in principle funding for the development of the associated KWS water infrastructure by the end of CY26.

Group

As Vysarn enters the second half of FY26 the Company is well placed to not only replicate first half earnings but is also positioned to put into action a number of organic and acquisitive growth initiatives that would provide an opportunity for further year on year earnings growth heading into FY27.

The board and management remain focused on growing a fundamentally driven business that continues to expand earnings per share. This will be achieved via a combination of ongoing organic growth initiatives in hand with the disciplined acquisition of earnings accretive businesses that help accentuate the Company's position as a leading water services and infrastructure provider.

While not the prime focus of the Company, the asset management segment will continue to methodically progress the development of its first asset, providing shareholders with the optionality of a growth initiative that has the potential to be a material value driver for shareholders.

The Company will continue to execute its strategy to build out a unique water services and infrastructure business in the Australian market with a growing exposure to what it considers to be the two major water fronts in Australia: the Pilbara region of Western Australia and the Eastern Seaboard utility spend. These two water fronts will provide the Company with genuine diversification opportunities across sectors, geographies and counter economic cycles.

Vysarn is well funded and has a broad range of growth prospects across multiple geographies and sectors that will continue to help drive ongoing long term, sustainable value for its shareholders.

This ASX announcement has been authorised for release by the Board of Vysarn Limited.

For more information:

James Clement
Managing Director
E: info@vysarn.com.au



ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2025

1. Details of reporting period:

Name of Entity	Vysarn Limited (“the Company”)
ABN	41 124 212 175
Reporting Period	31 December 2025
Previous Corresponding Period	31 December 2024

2. Results for announcement to the market

	6 Months ended 31 December 2025 \$	6 Months ended 31 December 2024 \$	Increase / (Decrease) %	Amount Change \$
Revenues	66,809,971	41,016,970	63%	25,793,001
Profit / (loss) before income tax	10,045,199	5,244,211	92%	4,800,988
Profit / (loss) after tax attributable to members	7,251,183	3,563,313	103%	3,687,870

Refer to enclosed financial report for the half-year ended 31 December 2025 for further commentary.

Dividend / distributions	Amount per security (cents)	Franked amount per security (cents)	Amount \$	Amount per security of foreign sourced dividend (cents)	Record date	Date paid / payable
Interim dividend – current year	Nil	Nil	Nil	Nil	N/A	N/A
Interim dividend – previous year	Nil	Nil	Nil	Nil	N/A	N/A

3. Statement of comprehensive income

Refer to enclosed financial report for the half-year ended 31 December 2025.

4. Statement of financial position

Refer to enclosed financial report for the half-year ended 31 December 2025.

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5. **Statement of cash flows**
Refer to enclosed financial report for the half-year ended 31 December 2025.

6. **Dividend reinvestment plans**
Not applicable.

7. **Statement of changes in equity**
Refer to enclosed financial report for the half-year ended 31 December 2025.

8. **Net tangible assets per security**

	31 December 2025 (cents)	31 December 2024 (cents)
Net tangible assets per ordinary security	0.1120	0.0901

9. **Gain or loss of control over entities**
Refer to enclosed financial report for the half-year ended 31 December 2025.

10. **Associates and joint ventures**
Unincorporated Joint Venture agreement with Concept Environmental Services Pty Ltd.
Refer to enclosed financial report for the half-year ended 31 December 2025.

11. **Other significant information**
Not applicable.

12. **Foreign entities**
Not applicable.

13. **Commentary on results for the period**
Refer to enclosed financial report for the half-year ended 31 December 2025 for further commentary.

14. **Status of audit**
The financial report for the half-year ended 31 December 2025 has been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.

Signed: James Clement
Managing Director

Date: 23 February 2026

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VYSARN LIMITED

ABN 41 124 212 175

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT**
for the half year ended 31 December 2025

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CORPORATE DIRECTORY

Directors

Peter Hutchinson	Chairman
James Clement	Managing Director & CEO
Sheldon Burt	Non-Executive Director
Shane McSweeney	Executive Director
Steve Dropulich	Executive Director

Company Secretary

Matthew Power	Company Secretary & CFO
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Registered Office and Principal Place of Business

Level 1, 640 Murray Street
West Perth, WA 6005
Ph: +61 8 6144 9777

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth, WA 6000

Share Registry

Automatic Registry Services
Level 5, 191 St Georges Terrace
Perth, WA 6000

Bankers

National Australia Bank
Level 14, 100 St Georges Terrace
Perth, WA 6000

Securities Exchange Listing

ASX Limited
Level 40, Central Park 152-158 St Georges Terrace
Perth, WA 6000

ASX Code – VYS

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

The Directors present their report, together with the financial statements for the half-year ended 31 December 2025 (the "financial period").

1. DIRECTORS

The names and the particulars of the Directors of Vysarn Limited ("Vysarn" or "the Company") and its controlled entities ("the Group") during the financial period and to the date of this report are:

Name	Status	Appointed as a director
Peter Hutchinson	Chairman	27 October 2017
James Clement	Managing Director and CEO	3 February 2020
Sheldon Burt	Non-Executive Director	1 November 2024
Shane McSweeney	Executive Director	10 February 2025
Steve Dropulich	Executive Director	10 February 2025

2. REVIEW OF OPERATIONS

Vysarn is focused on becoming Australia's leading water infrastructure and services provider.

Throughout the financial period, the Group continued to focus on providing vertically integrated water services to various sectors, including resources, urban development, government and utilities. The Group's operational entities include:

1. Industrial

- Pentium Hydro Pty Ltd ("Pentium Hydro").
- Pentium Test Pumping Pty Ltd ("PTP").

2. Technology

- Project Engineering (WA) Pty Ltd ("Project Engineering").
- Waste Water Services Pty Ltd ("WWS").

3. Advisory

- Pentium Water Pty Ltd ("Pentium Water").
- CMP Consulting Group Pty Ltd ("CMP").

4. Asset Management

- Vysarn Asset Management Pty Ltd ("VAM").

3. FINANCIAL PERFORMANCE

The profit for the Group after providing for income tax amounted to \$7,251,183 (31 December 2024: \$3,563,313).

Working capital, being current assets less current liabilities, was \$27,867,405 (30 June 2025: \$24,526,663). The Group had positive cash flows from operating activities for the period amounting to \$9,480,535 (31 December 2024: \$14,805,762).

Revenue from operations for the half year ended 31 December 2025 was \$66,809,971 (31 December 2024: \$41,016,970).

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

The table below provides a comparison of the key results for the half year ended 31 December 2025 to the preceding half year ended 31 December 2024:

	31-Dec-25	31-Dec-24
Statement of Profit or Loss	\$	\$
Revenue from operations	66,809,971	41,016,970
Reported profit after tax	7,251,183	3,563,313
	31-Dec-25	30-Jun-25
Statement of Financial Position	\$	\$
Net assets	107,706,293	99,373,429
Total assets	139,641,117	138,705,643
Cash and cash equivalents	13,766,762	12,957,391

4. ROUNDING OF AMOUNTS

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest \$1 (where rounding is applicable).

5. AUDITOR INDEPENDENCE

The auditor's independence declaration can be found on the following page.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



James Clement
Managing Director
Dated 23 February 2026

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF VYSARN LIMITED AND ITS CONTROLLED ENTITIES**

In accordance with section 307C of the Corporations Act 2001, I declare to the best of my knowledge and belief in relation to the review of the financial report of Vysarn Limited and its Controlled Entities for the half-year ended 31 December 2025, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the review.

This declaration is in respect of Vysarn Limited and the entities it controlled during the period.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 23 February 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

VYSARN



		31 December 2025	31 December 2024
	Note	\$	\$
Sales revenue	3	66,809,971	41,016,970
Cost of sales		(44,667,522)	(26,891,541)
Gross Profit		22,142,449	14,125,429
Fair value gain on movements in financial instruments	12	1,891,115	-
Other income		253,503	1,046,181
Administration and corporate expense	5	(3,261,218)	(2,475,776)
Employee benefits expense	5	(6,072,333)	(4,560,336)
Share-based payment expense	11	(1,081,681)	-
Depreciation and amortisation expense	5	(3,716,050)	(2,747,118)
Finance expense	5	(110,586)	(144,169)
Profit before income tax		10,045,199	5,244,211
Income tax expense		(2,794,016)	(1,680,898)
Profit after income tax expense		7,251,183	3,563,313
Profit after income tax expense for the half year attributable to the owners of Vysarn Limited		7,251,183	3,563,313
Other comprehensive income:			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the half year attributable to the owners of Vysarn Limited		7,251,183	3,563,313
Basic earnings per share for profit attributable to the owners of Vysarn Limited (cents per share)		1.37	0.75
Diluted earnings per share for profit attributable to the owners of Vysarn Limited (cents per share)		1.32	0.75

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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		31 December 2025	30 June 2025
Current Assets	Note	\$	\$
Cash and cash equivalents		13,766,762	12,957,391
Trade and other receivables		15,756,111	21,760,800
Inventories		8,309,178	7,519,796
Other current assets	6	9,408,292	7,920,506
Total Current Assets		47,240,343	50,158,493
Non-Current Assets			
Plant and equipment	7	41,736,046	40,369,967
Right of use assets		1,382,296	1,752,290
Intangible assets	8	48,610,795	45,781,887
Other non-current assets		671,637	643,006
Total Non-Current Assets		92,400,774	88,547,150
Total Assets		139,641,177	138,705,643
Current Liabilities			
Borrowings		182,361	885,169
Trade and other payables		13,136,168	18,725,758
Current tax liability		1,669,605	1,858,167
Employee provisions		3,763,727	3,393,755
Lease liability		621,077	768,981
Total Current Liabilities		19,372,938	25,631,830
Non-Current Liabilities			
Lease liability		842,744	1,056,996
Employee provisions		522,896	297,674
Deferred tax liability		7,806,615	7,064,968
Contingent consideration payable	12	3,389,631	5,280,746
Total Non-Current Liabilities		12,561,886	13,700,384
Total Liabilities		31,934,824	39,332,214
Net Assets		107,706,293	99,373,429
Shareholders' Equity			
Issued capital	9	61,651,251	61,651,251
Reserves	10	3,122,154	5,996,029
Retained earnings		42,932,888	31,726,149
Shareholders' Equity		107,706,293	99,373,429

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2025



	Issued Capital	Share Based Payment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2024	20,024,837	799,775	20,233,184	41,057,796
Profit for the period	-	-	3,563,313	3,563,313
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	3,563,313	3,563,313
<i>Transactions with owners in their capacity as owners</i>				
Issue of shares (Note 9)	43,395,586	-	-	43,395,586
Capital raising costs, net of tax	(1,769,172)	-	-	(1,769,172)
Options exercised and transferred to retained earnings	-	(224,774)	224,774	-
Performance Rights exercised and transferred to retained earnings	-	(575,001)	575,001	-
Share based payments	-	5,438,889	-	5,438,889
Balance at 31 December 2024	61,651,251	5,438,889	24,596,272	91,686,412
Balance at 1 July 2025	61,651,251	5,996,029	31,726,149	99,373,429
Profit for the period	-	-	7,251,183	7,251,183
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	7,251,183	7,251,183
<i>Transactions with owners in their capacity as owners</i>				
Deferred consideration shares lapsed under CMP's Year 1 earn-out period (Note 12)	-	(3,955,556)	3,955,556	-
Share based payments (Note 11)	-	1,081,681	-	1,081,681
Balance at 31 December 2025	61,651,251	3,122,154	42,932,888	107,706,293

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

VYSARN



	31 December 2025	31 December 2024
Note	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	81,653,072	51,457,444
Payments to suppliers and employees	(70,005,339)	(36,963,864)
Income tax paid	(2,240,931)	-
Interest received	184,319	456,351
Interest and other costs of finance paid	(110,586)	(144,169)
Net cash flows from operating activities	9,480,535	14,805,762
Cash Flows used in Investing Activities		
Payment for the acquisitions, net of cash acquired	-	(29,661,929)
Purchase of plant and equipment	(4,623,214)	(5,527,135)
Payment for intangible assets	(2,829,517)	-
Net cash flows used in investing activities	(7,452,731)	(35,189,064)
Cash Flows (used in) / from Financing Activities		
Repayment of borrowings	(720,156)	(1,140,833)
Payments for principal portion of lease liabilities	(498,277)	(284,074)
Proceeds from capital raising	-	38,195,586
Capital raising costs	-	(2,527,389)
Net cash flows (used in) / from financing activities	(1,218,433)	34,243,290
Net increase in cash and cash equivalents	809,371	13,859,988
Cash and cash equivalents at the beginning of the half year	12,957,391	3,731,180
Cash and cash equivalents at the end of the half year	13,766,762	17,591,168

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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NOTE 1: GENERAL INFORMATION

The interim financial report (Report) of Vysarn Limited (“the Company”) and its controlled entities (“the Group”) for the half year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors.

Vysarn Limited is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia. The Group’s registered office and principal place of business is Level 1, 640 Murray St, West Perth WA 6005.

NOTE 2: BASIS OF PREPARATION

a) Statement of Compliance

The half-year financial statements are a condensed consolidated interim financial report, prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134: Interim Financial Reporting (“AASB 134”), Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standard Board (“AASB”). Compliance with AASB 134 ensures compliance with IAS 34: Interim Financial Reporting.

This interim financial report does not include the full disclosures of those normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report is read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Vysarn Limited during and since the end of the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

b) Basis of Preparation

The half-year financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies applied in this half year financial report are consistent with those of the annual financial report for the year ended 30 June 2025.

New accounting standards and amendments have been applied for the half-year that have a mandatory application date of 1 July 2025. None of these have had a material impact to the financial performance or cash flows of the Group.

Critical accounting estimates

Critical accounting estimates made in the preparation of the half-year financial statements are consistent with those of the annual financial report for the year ended 30 June 2025.

c) Rounding of Amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191*, the amounts in the directors’ report and in the financial report have been rounded to the nearest dollar.

NOTE 2: BASIS OF PREPARATION (CONTINUED)

d) **New Accounting Standards issued but not yet effective**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

AASB 2024-2 makes amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments. The amendments relate to:

- (a) Settling financial liabilities using an electronic payment systems;
- (b) Assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- (c) Disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2026 and will be first applied by the Group in the financial year commencing 1 July 2026.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11

AASB 2024-3 makes amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 7 *Financial Instruments Disclosures*, AASB 9 *Financial Instruments*, AASB 10 *Consolidated Financial Statements* and AASB 107 *Statement of Cash Flows*.

The main amendments relate to the improvement of consistency and understandability between various accounting standards and clarification regarding derecognition of a lease liability upon extinguishment.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2026 and will be first applied by the Group in the financial year commencing 1 July 2026.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a focus on information about financial performance in the profit or loss.

AASB 18 has also introduced changes to other accounting standards including AASB 108 *Basis of Preparation of Financial Statements* (previously titled *Accounting Policies, Changes in Accounting Estimates and Errors*), AASB 7 *Financial Instruments Disclosures*, AASB 107 *Statement of Cash Flows*, AASB 133 *Earnings Per Share* and AASB 134 *Interim Financial Reporting*.

Their key presentation and disclosure requirement are:

- (a) the presentation of two newly defined subtotals in the statement of profit or loss, and the classification of income and expenses into operating, investing and financing categories – plus income taxes and discontinuing operations;
- (b) the disclosure of management-defined performance measures; and
- (c) enhanced requirements for grouping (aggregation and disaggregation) of information.

AASB 18 mandatorily applies to annual reporting periods commencing on or after 1 January 2027 and will be first applied by the Group in the financial year commencing 1 July 2027.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

NOTE 3: SALES REVENUE

	31-Dec-25	31-Dec-24
	\$	\$
Revenue recognised over a period of time from contracts with Australian customers:		
Drilling services and Test Pumping services	29,906,461	20,763,347
Engineering services	13,772,762	10,348,982
Consultancy services	14,637,281	4,352,057
Hire revenue	527,098	595,132
Joint Venture income	10,889	24,129
Sub-total	58,854,491	36,083,647
Revenue recognised at a point in time from contracts with Australian customers:		
Sale of goods (consumables)	7,796,866	4,611,354
Mobilisation / demobilisation	158,614	321,969
Sub-total	7,955,480	4,933,323
Total Revenue	66,809,971	41,016,970

NOTE 4: RELATED PARTY TRANSACTIONS

(a) Individual Directors and executives compensation disclosures

Apart from the details disclosed in this Note, no Director has entered into a material contract with the Group since the end of the previous financial year.

Key management personnel or their related party	Nature of transactions	Transaction value		Receivable balance	
		31-Dec-25	31-Dec-24	31-Dec-25	30-Jun-25
		\$	\$	\$	\$
Connada Pty Ltd	Non-Executive director consulting fees	33,000	11,000	-	-
Connada Pty Ltd	Executive director consulting fees	-	110,000	-	-
James Clement	Loan Funded Shares	-	750,000	670,645	643,006

Connada Pty Ltd is an entity controlled by Non-Executive Director Mr Sheldon Burt. Mr Burt transitioned from Executive Director to Non-Executive Director on 1 November 2024.

NOTE 4: RELATED PARTY TRANSACTIONS (CONTINUED)

On 2 July 2024, Mr James Clement exercised his 10,000,000 Managing Director Options (exercisable at \$0.075 per option provided Mr James Clement is an employee of the Company through to their expiry on 5 July 2024) through the use of the Director Loan, as approved by shareholders at the 2023 Annual General Meeting. On 28 March 2025, shareholders approved to vary the terms of the Director Loan, which was then finalised and signed by Mr James Clement.

The Company provided Mr James Clement with an interest free full recourse loan ("Loan") of \$750,000 ("Loan Funded Shares") for the purpose of funding the exercise of the Managing Director Options. If Mr James Clement defaults on repayment of the Loan balance, the Company can seek to recover the full outstanding Loan, not limited to the value of the Loan Funded Shares.

Mr James Clement must repay the Loan Balance to the company within 10 business days of the earlier of:

- three (3) years after the date on which Mr James Clement (and/or his nominee(s)) is issued the Loan Funded Shares on exercise of the Managing Director Options (Maturity Date);
- the date on which Mr James Clement ceases to be employed or engaged by the Group; or
- where the Board has determined (in its absolute discretion) that Mr James Clement engaged in serious misconduct; or
- the date on which the last Loan Funded Shares held by Mr James Clement are sold.

The Loan is interest free and repayable in 3 years from the date Mr James Clement was issued the Loan Funded Shares (i.e. 2 July 2027). The receivable balance has therefore been recognised at amortised cost, utilising an interest rate of 8.7% per annum. This rate was determined by management to be comparable to similar equity funding arrangements available from other finance providers. During the period, an interest free loan benefit of \$24,228 was recognised as remuneration to Mr James Clement pertaining to this arrangement. As at 31 December 2025, the carrying amount of the Loan receivable was \$670,645.

(b) Subsidiaries

All inter-company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

(c) Other key management personnel and Director transactions

Purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions.

Some Directors, or former Directors of the Company, hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Mr Sheldon Burt is currently the Chairman of Metske Pty Ltd, a developer and manufacturer of drilling technology. Metske Pty Ltd invoiced Pentium Hydro \$34,831 during the period for drilling consumables. There were no other purchases from or sales to related parties during the year (2025: \$46,436).

NOTE 5: EXPENSES

	31-Dec-25	31-Dec-24
Breakdown of expenses by nature:	\$	\$
Administration and corporate expenses		
- Office expenses	1,756,267	951,337
- Corporate costs and compliance	1,252,121	1,444,157
- Other expenses	252,830	80,282
Total	3,261,218	2,475,776
Employee benefits expense		
- Wages and salaries	4,084,035	3,390,592
- Superannuation	425,261	348,522
- Employment related taxes	1,470,492	793,011
- Other employment related expenses	92,545	28,211
Total	6,072,333	4,560,336
Depreciation and amortisation expense		
- Plant and equipment depreciation	3,256,149	2,463,730
- Land and buildings lease amortisation	459,901	283,388
Total	3,716,050	2,747,118
Finance costs		
- Interest - borrowings	23,006	50,632
- Interest - leases	46,821	34,279
- Bank fees	40,759	59,258
Total	110,586	144,169

NOTE 6: OTHER CURRENT ASSETS

	31-Dec-25	30-Jun-25
	\$	\$
Contract fulfilment costs	1,265,704	2,793,590
Contract assets	5,098,047	3,209,129
Other current assets	3,044,541	1,917,787
Total	9,408,292	7,920,506

Contract fulfilment costs are costs generally incurred prior to the commencement of a contract and are expected to be recovered. Contract fulfilment costs are amortised on a straight-line basis over the term of the contract, or a period of 12 months for long term contracts greater than 12 months in duration.

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NOTE 7: PLANT AND EQUIPMENT

	31-Dec-25	30-Jun-25
	\$	\$
Cost	69,711,942	65,050,588
Accumulated depreciation	(27,975,896)	(24,680,621)
Net carrying amount	41,736,046	40,369,967

a) Movements in Plant and Equipment

	Plant and equipment \$	Truck, trailers and light vehicles \$	Office equipment \$	Leasehold improvements \$	Assets held not ready for use \$	Total \$
Consolidated Group						
Carrying amount at 30 June 2025	27,671,461	10,145,763	467,285	97,304	1,988,154	40,369,967
Additions	3,191,921	1,245,236	161,773	24,285	-	4,623,215
Transfers	248,878	-	-	-	(248,878)	-
Disposals	-	-	(987)	-	-	(987)
Depreciation expense	(2,160,559)	(954,253)	(117,937)	(23,400)	-	(3,256,149)
Balance at 31 December 2025	28,951,701	10,436,746	510,134	98,189	1,739,276	41,736,046

NOTE 8: INTANGIBLE ASSETS

	31-Dec-25	30-Jun-25
	\$	\$
Patents	6,689	7,298
Kariyarra Water Scheme ⁽¹⁾	5,283,849	2,454,332
Goodwill – Project Engineering	2,409,334	2,409,334
Goodwill – WWS	4,930,001	4,930,001
Goodwill - CMP	35,980,922	35,980,922
Total	48,610,795	45,781,887

¹The Kariyarra Water Scheme relates to the Company's joint resource agreement as announced to the ASX on 13 May 2024. Costs capitalised represent intellectual property of the Group associated with assessing, managing, controlling and extracting sustainable quantities of water from identified resources on Kariyarra country. The recoverable amount of other intangible assets has been determined on a value-in-use basis, using a cash flow forecast covering the expected life of the assets associated and required with the project. Based on this determination, management concluded that there were no indicators for impairment, and no impairment loss was identified.

NOTE 9: SHARE CAPITAL

	31-Dec-25	30-Jun-25
(a) Share Capital	\$	\$
527,444,829 (30 June 25: 527,444,829) fully paid ordinary shares	61,651,251	61,651,251
<i>Consisting of</i>	No.	\$
<i>Opening Balance 1 July 2024</i>	408,622,529	20,024,837
<i>02-Jul-24 Options exercised during the period</i>	10,000,000	750,000
<i>27-Aug-24 Performance rights vested during the period</i>	3,333,335	-
<i>19-Sep-24 Capital raising</i>	95,488,965	38,195,586
<i>01-Dec-24 Issue of Consideration Shares to the Vendors of CMP</i>	10,000,000	4,450,000
<i>Transaction costs</i>	-	(1,769,172)
Closing Balance 30 June 2025	527,444,829	61,651,251
Closing Balance 31 December 2025	527,444,829	61,651,251

NOTE 10: RESERVES

	31-Dec-25	30-Jun-25
(a) Share Based Payment Reserve	\$	\$
20,000,000 performance rights on issue (30 June 2025: 20,000,000)	1,638,821	557,140
21,111,111 CMP Deferred Consideration Shares to be issued upon achievement of EBITDA targets during the Earn Out Period. Refer to Note 12 for further detail (30 June 2025: 30,000,000)	1,483,333	5,438,889
	3,122,154	5,996,029

(b) Movement in Share Based Payment Reserve

	\$
Opening balance at 1 July 2025	5,996,029
Deferred Consideration Shares lapsed under CMP's Year 1 earn-out period (Note 12)	(3,955,556)
Share based payments	1,081,681
Total	3,122,154

NOTE 11: SHARE BASED PAYMENTS

Share Issue

No shares were issued during the half-year ended 31 December 2025.

Options

No options were issued during the half-year ended 31 December 2025.

On 2 July 2024 Mr James Clement exercised his 10,000,000 Managing Director Options through the use of the Director Loan, as approved by shareholders at the 2023 Annual General Meeting. On 28 March 2025, shareholders approved to vary the terms of the Director Loan, which was then finalised and signed by Mr James Clement.

The Company provided Mr James Clement with an interest free full recourse loan of \$750,000 (“Loan Funded Shares”) for the purpose of funding the exercise of the Managing Director Options.

Mr James Clement must repay the Loan Balance to the company within 10 business days of the earlier of:

- three (3) years after the date on which Mr James Clement (and/or his nominee(s)) is issued the Loan Funded Shares on exercise of the Managing Director Options (Maturity Date);
- the date on which Mr James Clement ceases to be employed or engaged by the Group; or
- where the Board has determined (in its absolute discretion) that Mr James Clement engaged in serious misconduct; or
- the date on which the last Loan Funded Shares held by Mr James Clement are sold.

Performance Rights

During the six-month period ended 31 December 2025, the Company did not issue any additional performance rights.

As at 31 December 2025, 20,000,000 performance rights were on issue and outstanding. Each performance right will convert on a 1:1 basis to fully paid ordinary shares upon achievement of their relevant vesting conditions (refer below).

At 31 December 2025, the unissued ordinary shares of the Company under performance rights are as follows:

Tranche	Number Under Performance Rights	Value at Grant Date (\$)	Date of Vesting	Management Probability Assessment 31-Dec-25	Fair Value (\$)
1	6,666,667	2,252,000	30-Jun-27	100%	2,252,000
2	6,666,667	2,154,000	30-Jun-28	100%	2,154,000
3	6,666,667	2,152,000	30-Jun-29	100%	2,152,000
Total	20,000,000	6,558,000	-	-	6,558,000

NOTE 11: SHARE BASED PAYMENTS (CONTINUED)

Each performance right will convert on a 1:1 basis to fully paid ordinary shares upon achievement of their relevant vesting conditions (refer below).

Vesting of the performance rights is subject to achievement of vesting conditions as follows:

Tranche	Number of Performance Rights on Issue	Condition Test Date	Vesting Condition for each respective Tranche
1	6,666,667	30 June 2027	Employment condition, and meeting either of the;
2	6,666,667	30 June 2028	<ul style="list-style-type: none"> • Cumulative EPS condition; or • Volume weighted average price of shares condition
3	6,666,667	30 June 2029	

Where the:

- Employment condition – means the holder of the rights remains employed by the Company at the condition test date;
- Cumulative EPS condition – means the average annualised earnings per share (EPS) of the Company over the three periods ending on the Condition Test Date is at least A\$0.0251 for Tranche 1, at least \$0.0289 for Tranche 2 and at least \$0.0332 for Tranche 3; and
- Volume weighted average price of shares condition - The volume weighted average price of Shares trading on the ASX in the ordinary course of trade (VWAP) of at least (“Barrier Price”) \$0.51 for Tranche 1, \$0.59 for Tranche 2 and \$0.67 for Tranche 3 over 5 consecutive trading days (on which Shares have actually traded) at any time during the 90-day period commencing on the day immediately after the Condition Test Date.

The executive performance rights were valued using a Parisian Barrier in parallel with a Monte Carlo Simulation, utilising the following inputs:

Valuation Inputs	Tranche 1	Tranche 2	Tranche 3
Valuation Date	28-Mar-25	28-Mar-25	28-Mar-25
Spot Price	\$0.49	\$0.49	\$0.49
Barrier Price	\$0.51	\$0.59	\$0.67
Parisian Barrier Price	\$0.56	\$0.64	\$0.73
Condition Test Date	30-Jun-27	30-Jun-28	30-Jun-29
Vesting Period (Yrs)	2.26	3.26	4.26
Expiry Date	28-Mar-30	28-Mar-30	28-Mar-30
Expected Volatility *	40%	40%	40%
Risk Free Rate	3.94%	3.94%	3.94%
Dividend Yield	Nil	Nil	Nil
Value per executive performance right	0.3378	0.3231	0.3228
Number of executive performance rights issued per tranche	6,666,667	6,666,667	6,666,667
Valuation	\$2,252,000	\$2,154,000	\$2,152,000
Performance rights expense for the six months ended 31 December 2025	\$498,775	\$330,340	\$252,566

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NOTE 11: SHARE BASED PAYMENTS (CONTINUED)

* Volatility was determined with reference to the Company's historical volatility for a comparative vesting period prior to the valuation date.

The executive performance rights will be brought to account over the expected vesting period to which they relate. As a result, \$1,081,681 in share-based payments was recorded as an expense in the statement of profit or loss and other comprehensive income during the half-year ended 31 December 2025 in relation to performance rights (31 December 2024: nil).

12: ACQUISITION OF CMP CONSULTING GROUP PTY LTD

Summary of Business Combination

On 13 September 2024 the Company entered into a binding Share Sale Agreement for the acquisition of 100% of the issued capital of CMP Consulting Group Pty Ltd ("CMP"). Under the terms of the acquisition, the Company acquired 100% of the issued shares in CMP for an upfront consideration of \$24,000,000 cash and 10,000,000 Vysarn shares, adjusted for post working capital and net debt adjustments ("CMP Transaction"). Further, deferred consideration of up to 30,000,000 Vysarn shares over three years subject to the achievement of EBITDA performance metrics.

The Company assumed control of the trading activities of CMP with effect from 1 December 2024.

CMP is an Australian company and the CMP Transaction was in line with the Company's vertical integration growth strategy in water and infrastructure services and will help to organically grow the Company's existing service offering in water consulting engineering on the east coast through strategic planning, design and construction, asset management and maintenance.

Having reviewed the terms of the CMP Transaction, the Company has concluded that the CMP Transaction is most accurately reflected as a business combination for accounting purposes as per the definitions and requirements of AASB 3. Details of the provisionally accounted for purchase consideration and assigned fair value of assets and liabilities acquired are as follows:

	30-June-25
	\$
a) Purchase Consideration	
Cash paid (net of working capital adjustments)	23,059,013
*Acquisition Shares	4,450,000
*Deferred (contingent) Consideration Shares (v)	9,236,302
*Additional Deferred (contingent) Consideration Shares (v)	1,483,333
Fair value consideration	<u>38,228,648</u>
b) Fair Value of Net Tangible Assets	
Trade receivables	1,858,630
Other current assets	3,626,047
Plant and equipment	382,948
Deferred tax assets	473,860
Trade and other payables	(765,994)
Other current liabilities	(2,028,656)
Provisions	(1,299,109)
Total	<u>2,247,726</u>
c) Goodwill	
Excess of consideration over fair value of net assets acquired	<u>35,980,922</u>

* The fair value of ordinary shares issued as consideration has been determined with reference to the Company's share price as at the effective date of control of CMP.

12: ACQUISITION OF CMP CONSULTING GROUP PTY LTD (CONTINUED)

- (i) The CMP Transaction has been provisionally accounted for as at 30 June 2025. The CMP Transaction achieved practical completion in December 2024. The Group is continuing to assess the fair value of assets acquired including existence of other intangible assets.
- (ii) The goodwill on acquisition comprises a comprehensive water engineering skillset across the complete lifecycle of solutions encompassing every aspect of water engineering, including potable water treatment and distribution, wastewater transfer and treatment, and resource recovery and recycled water treatment and distribution. The goodwill also includes synergies from joining the broader Vysarn group and opportunities in water and infrastructure services. Goodwill is not deductible for tax purposes.
- (iii) As consideration for the acquisition of CMP, the Company agreed to issue up to 30,000,000 Shares (Deferred Consideration Shares) to the Vendors of CMP. The Deferred Consideration Shares will be issued upon achievement of the following Earnings Before Interest Tax Depreciation and Amortisation (“EBITDA”) targets for each respective period (“Earn Out Period”).

Earn Out Period	EBITDA Target	Shares to be issued
The period commencing on the Completion Date and ending on the 12 month anniversary date following the Completion Date (“Year 1”)	\$5,500,000	8,888,889
The period commencing on the day following the First Anniversary Date and ending on the 24 month anniversary date following the Completion Date (Second Anniversary Date) (“Year 2”)*	\$6,000,000	8,888,889
The period commencing on the day following the Second Anniversary Date and ending on the 36 month anniversary date following the Completion Date (“Year 3”)*	\$6,500,000	8,888,889
Cumulative EBITDA for CMP for Year 1, Year 2 and Year 3 is equal to or greater than \$18,000,000	\$18,000,000	3,333,333

* If the EBITDA Target is not reached for Year 2 or Year 3, but the EBITDA for CMP for each of Year 2 and Year 3 is equal to or greater than \$5,000,000 and the cumulative EBITDA for CMP for Year 2 and Year 3 is equal to or greater than \$12,500,000, the Company will issue the Deferred Consideration Shares that were not issued for Year 2 or Year 3 because the EBITDA Target for that year was not reached.

Australian Accounting Standards require the Group to assess whether the Deferred Consideration Shares meet the definition of a financial liability, or are accounted for as equity arrangements. The Group has assessed and determined that the Year 2 and Year 3 Earn Out Periods collectively constitute a financial liability, as a result of the variable number of shares to be issued under the arrangement.

As such, the Group recorded a Contingent consideration payable liability of \$5,280,746 at 31 December 2024 in relation to the Year 2 and Year 3 Earn Out Periods. The Group initially recognised this liability at fair value and will remeasure its fair value at each reporting period with changes recognised in the Statement of Profit or Loss.

The contingent consideration associated with Year 1 and the Cumulative EBITDA Earn Out Period was accounted for as an equity transaction. \$5,438,889 was recognised within the Share Based Payment Reserve in relation to these shares granted.

12: ACQUISITION OF CMP CONSULTING GROUP PTY LTD (CONTINUED)

As the Year 1 Earn-Out Period EBITDA hurdle was not achieved as at 31 December 2025, the Company transferred the Year 1 Share-Based Payment Reserve balance of \$3,955,556 to Retained Earnings.

Noting the Year 1 hurdle was not met, Management reassessed the likelihood of achieving the Year 2 and Year 3 Earn-Out Period performance conditions at 10% and 60%, respectively. Based on this updated assessment, and the Company's share price at 31 December 2025, the fair value of the Contingent Consideration Payable was remeasured to \$3,389,631. The resulting change in fair value of \$1,891,115 was recognised in the Statement of Profit or Loss for the year ended 31 December 2025.

Earn Out Period	EBITDA Target (\$)	Value at Grant Date (\$)	Value at 30-Jun-2025 (\$)	Date of Vesting	Management Probability Assessment 31-Dec-25	Fair Value Liability (\$)
Year 2	6,000,000	3,469,090	2,855,098	1-Dec-26	10%	543,300
Year 3	6,500,000	2,855,098	2,425,648	1-Dec-27	60%	2,846,331
Total	-	6,511,541	5,280,746	-	-	3,389,631

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NOTE 13: ACQUISITION OF WASTE WATER SERVICES PTY LTD

Summary of Business Combination

On 30 August 2024 the Company entered into a binding Share Sale Agreement for the acquisition of 100% of the issued capital of Waste Water Services Pty Ltd ("WWS"). Under the terms of the acquisition, the Company acquired 100% of the issued shares in WWS for cash consideration of \$7,500,000, adjusted for post working capital adjustments ("WWS Transaction"). The Company assumed control of the trading activities of Waste Water Services with effect from 1 September 2024.

WWS is an Australian company and the WWS Transaction was in line with the Company's vertical integration growth strategy in water and infrastructure services and will help to organically grow the Company's existing service offerings through the design, manufacture, installation and maintenance of wastewater treatment plants, potable water treatment plants and pumping stations.

Having reviewed the terms of the WWS Transaction, the Company has concluded that the WWS Transaction is most accurately reflected as a business combination for accounting purposes as per the definitions and requirements of AASB 3. Details of the purchase consideration and assigned fair value of assets and liabilities acquired are as follows:

	30-Jun-25
	\$
a) Purchase Consideration	
Cash paid (net of working capital adjustments)	6,602,916
Total consideration paid	<u>6,602,916</u>
b) Fair Value of Net Tangible Assets	
Trade receivables	1,164,786
Other current assets	599,026
Plant and equipment	1,975,745
Other non-current assets	507,266
Trade and other payables	(1,025,922)
Other current liabilities	(950,749)
Provisions	(256,587)
Deferred tax liability	(340,650)
Total	<u><u>1,672,915</u></u>
c) Goodwill	
Excess of consideration over fair value of net assets acquired	<u><u>4,930,001</u></u>

- (i) The WWS Transaction has been provisionally accounted for as at 30 June 2025. The WWS Transaction achieved practical completion in August 2024. The Group is continuing to assess the fair value of assets and other current liabilities assumed.
- (ii) The goodwill on acquisition comprises over 25 years of waste water treatment designs of manufactured specialised products, installation and maintenance of waste water, as well as synergies from joining the broader Vysarn group in water and infrastructure services. Goodwill is not deductible for tax purposes.

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NOTE 14: OPERATING SEGMENTS

Identification of reportable segments

The Group has identified 4 reportable segments as described below:

- **Industrial:** Pentium Hydro Pty Ltd (“Pentium Hydro”) and Pentium Test Pumping Pty Ltd (“PTP”)
- **Technology:** Project Engineering (WA) Pty Ltd (“Project Engineering”) and Waste Water Services Pty Ltd (“WWS”)
- **Advisory:** Pentium Water Pty Ltd (“Pentium Water”) and CMP Consulting Group Pty Ltd (“CMP”)
- **Other:** Includes both Vysarn Limited (“Vysarn”) and Vysarn Asset Management Pty Ltd (“VAM”)

The Group’s reportable segments are based on the differences in the products and services offered by each segment and the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. Vysarn and Vysarn Asset Management have been aggregated into one segment due to the non-material products and services and therefore, external revenues currently provided by these entities.

Revenue received from the reportable segments are received solely from external Australian customers. The major results of the Group’s reportable segments are consistent with the presentation of these consolidated financial statements.

REPORTABLE SEGMENTS

	31-Dec-25	31-Dec-24
1. Segmented external revenues	\$	\$
Industrial	37,980,874	26,037,367
Technology	13,772,762	10,355,154
Advisory	15,045,446	4,600,320
Other	10,889	24,129
Total	66,809,971	41,016,970
2. Segmented net profit before tax		
Industrial	6,216,138	2,513,861
Technology	1,939,833	3,237,396
Advisory	2,604,373	899,790
Other ¹	(715,145)	(1,406,836)
Total	10,045,199	5,244,211
<i>Note 1 Inclusive of Vysarn Limited’s and Vysarn Asset Management’s corporate overhead.</i>		
3. Segmented depreciation and amortisation	31-Dec-25	31-Dec-24
	\$	\$
Industrial	3,046,478	2,457,045
Technology	339,159	117,456
Advisory	224,943	77,814
Other	105,470	94,803
Total	3,716,050	2,747,118

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NOTE 14: OPERATING SEGMENTS (CONTINUED)

4. Segmented assets	31-Dec-25	30-Jun-25
	\$	\$
Industrial	56,753,604	58,833,375
Technology	21,347,083	20,631,096
Advisory	41,278,959	42,703,846
Other	20,261,471	16,537,326
Total	139,641,117	138,705,643

5. Segmented liabilities	31-Dec-25	30-Jun-25
	\$	\$
Industrial	7,974,889	11,509,676
Technology	5,327,770	6,518,756
Advisory	3,632,686	3,684,184
Other	14,999,479	17,619,598
Total	31,934,824	39,332,214

NOTE 15: CONTROLLED ENTITIES

The ultimate legal parent entity of the Group is Vysarn Limited, incorporated and domiciled in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies.

Controlled Entities	Country of Incorporation	Percentage Owned	
		31-Dec-25	30-Jun-25
Pentium Hydro Pty Ltd	Australia	100%	100%
Pentium Test Pumping Pty Ltd	Australia	100%	100%
Pentium Water Pty Ltd	Australia	100%	100%
Project Engineering (WA) Pty Ltd	Australia	100%	100%
Vysarn Asset Management Pty Ltd	Australia	100%	100%
Waste Water Services Pty Ltd	Australia	100%	100%
CMP Consulting Group Pty Ltd	Australia	100%	100%

The Group is also party to an unincorporated joint venture (“Joint Venture”) with Concept Environmental Services Pty Ltd, to which it shares 50% of the costs and returns associated with operating activities. The Joint Venture did not have a material impact on the results of the Group for the period ended 31 December 2025.

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NOTE 16: FAIR VALUE MEASUREMENT

Unless otherwise stated, the carrying amounts of financial instruments approximate their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Contingent consideration payable is measured at fair value each reporting date. The fair value of contingent consideration payable has been determined by discounting the cash flows, at market rates of similar borrowings, to their present value (a level 3 measurement within the fair value hierarchy). The probability weighted pay-out method has been utilised by Management to determine the best estimate of expected cashflows arising as a result of the arrangement. Refer to Note 12.

NOTE 17: CONTINGENT LIABILITIES

The Group has no known commitments or contingent liabilities as at 31 December 2025 or at the date of this report (31 December 2024: nil).

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

There were no other matters or circumstance that have arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years

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In the opinion of the Directors of Vysarn Limited:

1. The financial statements and notes, as set out on pages 5-24 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting.
2. There are reasonable ground to believe that the Group will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in blue ink, appearing to read 'James Clement', written over a light blue horizontal line.

James Clement
Managing Director
Dated 23 February 2026

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF VYSARN LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the condensed consolidated interim financial report of Vysarn Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**VYSARN LIMITED
ABN 41 124 212 175**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF VYSARN LIMITED**

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 23 February 2026

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