



3 June 2026

VYSARN ENTERS INTO SHARE SALE AGREEMENT TO ACQUIRE NEWGROUND

Vysarn Limited (**ASX:VYS**) (**Vysarn**) (**Company**) is pleased to announce that the Company has entered into a binding Share Sale Agreement (**SSA**) for the acquisition of NWG Enterprises Pty Ltd (**NewGround**).

Under the SSA, the Company will acquire 100% of the issued shares in NewGround for total consideration of up to 33 million Vysarn shares and \$25 million in cash. The purchase price assumes that NewGround is acquired debt free and with an agreed working capital amount of \$6.0 million at completion.

Acquisition Highlights

The acquisition consideration comprises an upfront payment together with contingent deferred payments linked to the future earnings before interest and tax (**EBIT**) performance of NewGround over the three years following completion, as follows:

- **Upfront payment consideration** of \$8.33 million in cash and 28.6 million Vysarn shares¹ of which 25.3 million will be escrowed for 12 months and 3.3 million will be escrowed for 24 months, for a total up-front equivalent consideration of \$30.0 million;
- **Year 1 deferred consideration** comprising \$3.33 million in cash and 4.4 million Vysarn shares (escrowed for 12 months) payable, subject to NewGround achieving EBIT of \$7.5 million;
- **Year 2 deferred consideration** comprising \$6.66 million in cash payable, subject to NewGround achieving EBIT of \$8.0 million; and
- **Year 3 deferred consideration** comprising \$6.68 million in cash, subject to NewGround achieving EBIT of \$8.5 million.

Based on NewGround's assessed maintainable EBIT of \$7.0 million and assuming the achievement of the applicable deferred consideration milestones, the acquisition implies the following Enterprise Value to EBIT (**EV/EBIT**) multiples:

- 4.3x EV/EBIT acquisition multiple, based solely on the upfront consideration;
- 4.9x EV/EBIT multiple assuming achievement of the Year 1 EBIT hurdle¹
- 5.4x EV/EBIT multiple assuming achievement of the Year 1 and Year 2 EBIT hurdles; and
- 5.9x EV/EBIT multiple assuming achievement of the Year 1, Year 2 and Year 3 EBIT hurdles.

Based on Vysarn's forecast FY2026 Net Profit Before Tax (**NPBT**) (as disclosed to the ASX on 2 March 2026) and NewGround's assumed maintainable NPBT, the acquisition is anticipated to be approximately 25% earnings per share accretive to Vysarn shareholders on a pro forma basis.

It is currently proposed that the cash component of the acquisition consideration will be funded via a combination of the Company's existing cash reserves and the drawdown of new acquisition debt facilities.

Completion of the acquisition remains conditional upon the satisfaction or waiver of the following conditions precedent:

¹ Vysarn shares issued as upfront consideration and Year 1 deferred consideration are valued at \$0.7576 per share.

- The Company completing its due diligence investigations and being satisfied with the results in its sole discretion, exercised reasonably;
- The Company obtaining funding sufficient to pay the upfront payment consideration on terms acceptable to the Company in its absolute discretion;
- The consent of or waiver from any person who is a counterparty to a Material Contract that contains a provision, such as a change of control provision, which requires the consent or waiver of such person and would be triggered by the transfer of the Sale Shares, on terms and conditions reasonably acceptable to the Seller.

The condition precedents must be satisfied or waived on or before 2 October 2026.

About NewGround

NewGround is a market leader in the design, construction, installation and maintenance of industrial-scale irrigation systems, pumping systems and ancillary technology for local government, urban developers, large-scale landscapers, parks and alternative sporting precincts. NewGround has an established and integrated supply chain of irrigation, plumbing and water management products that not only supports its vertical service offering but in addition provides alternative revenue streams via wholesaling and distribution of these products to third-party retailers and end customers.

NewGround was established in 2018 by an executive with over 40 years of specific irrigation industry experience, has more than 100 staff, facilities in Western Australia, and has long-standing blue-chip clientele across government, urban developer and sports sectors.

NewGround Services include:

- Project design of industrial irrigation systems
- Irrigation and pump system installation
- Ongoing maintenance of irrigation systems and turf assets
- Contracted facilities management
- Drainage and subsurface water management
- Water efficiency and asset auditing
- Earthmoving and civil works
- Manufacture of irrigation and plumbing componentry
- Wholesale distribution of irrigation and plumbing componentry
- Vegetation management, turf management and renovation

Strategic Rationale

NewGround will become a wholly owned subsidiary of Vysarn upon completion of the acquisition.

The acquisition of NewGround establishes a new operating segment focussed on water infrastructure, irrigation, facilities management, and related water service activities across government, urban development and recreational infrastructure markets.

NewGround is anticipated to not only provide the Company with a material increase in scale and earnings growth but will also provide Vysarn with a new service offering and revenue model that the Company views as defensive in nature.

Vysarn and NewGround have identified immediate national growth opportunities in facilities management, as well as medium term growth opportunities by capturing more of the water service value chain in the resources sector by leveraging NewGround's products and capabilities not currently

established within Vysarn's other operating segments. In line with the Company's strategy to build a multi-sectorial and multi-geographical, fundamentally driven integrated water services business, the acquisition of NewGround provides Vysarn with additional diversified sector exposure, revenue streams, and service capability. Importantly, the board and management of Vysarn anticipate that NewGround will also provide the Company with a degree of defensive earnings that are countercyclical to the current exposure to the resource and utility sectors.

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

For more information:

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