

VYSARN



VYSARN

**CMP CONSULTING GROUP ACQUISITION
AND CAPITAL RAISING
SEPTEMBER 2024**

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This Presentation has been authorised for release to ASX by the Board of Directors of Vysarn ("Board").

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Except as required by law or regulation Vysarn undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this Presentation.

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All information in this Presentation relating to CMP Consulting Group Pty Ltd (“CMP”) and Waste Water Services Pty Ltd (“WWS”), including in relation to unaudited historical financial information and CMP clients, has been sourced from CMP, WWS or their current shareholders. Vysarn has conducted due diligence in relation to CMP and WWS, but has not independently verified all such information, and to the maximum extent permitted by law, makes no representation or warranty, express or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any such information. Nothing in this Presentation can be relied upon as implying there has been no change to any information relating to CMP or WWS since the date of this Presentation, or as a representation as to future matters in relation to CMP or WWS. Neither CMP, WWS nor their current shareholders have prepared this Presentation, and they do not make any statement contained in it and have not caused or authorised its release. CMP, WWS nor their current shareholders expressly disclaim any liability in connection with this Presentation, and any statement contained in it, to the maximum extent permitted by law.

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1. Refer to Vysarn’s ASX announcement dated 30 August 2024 titled “Acquisition of Waste Water Services” for conditions precedent relating to the acquisition of WWS and to pages 6 of this Presentation for conditions precedent relating to the acquisition of CMP.

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Transaction Overview



Vysarn Limited is undertaking the acquisition of CMP Consulting Group

Transaction Overview

- Vysarn has entered into a conditional Share Sale Agreement (“**SSA**”) to acquire 100% of the issued shares in CMP Consulting Group Pty Ltd (CMP) for a mix of upfront cash and scrip, and deferred contingent scrip consideration.

About CMP¹

- CMP is a consulting engineering organisation with a specific focus on the water industry through strategic planning, design, construction management and ongoing asset management and maintenance.
- On significant contract panels and projects with Melbourne Water, Barwon Water, Yarra Valley Water, South East Water, South Gippsland Water, Wannon Water, John Holland and other major contractors. CMP is also establishing itself in Sydney, with a view to supporting Sydney Water’s major capital delivery of \$34b over the next 10 years.
- Average tenure of CMP’s top 4 customers is 8+ years, with contracts ranging from 1–7 years.
- CMP has increased revenue from \$14.1m (FY22)³ to \$26.4m (FY24)¹ (+88%) without a significant change in total client numbers.
- Provides a platform for growth with increased infrastructure expenditure.

Acquisition Rationale

- CMP represents a transformative acquisition for Vysarn by establishing a national presence and client base, providing a platform for significant growth, underpinned by the East Coast water infrastructure boom.
- CMP delivers stable, long-term, high-quality public and private clients.

National Presence and Service Diversification^{1,2}

- CMP provides Vysarn with a diversified national platform and an immediate increase from 5 to 7 service divisions (including the acquisition of Waste Water Services Pty Ltd (WWS) subject to the satisfaction of conditions precedent)*.
- Reduces reliance on WA resources sector:
 - Resources sector NPAT contribution: reducing from 98.0% to 68.0%.
 - Increase in Government and Utility sector NPAT contribution: increasing from 0.1% to 30%.
 - East Coast NPAT contribution: increasing from 0.0% to 30.0%.

Financial impact^{1,4}

- Pro forma FY24 impact of the CMP acquisition:
 - Increase in Revenue by \$26.4m (+34.9% on VYS FY24A).
 - Increase in NPAT by \$4.19m (+52.6% on VYS FY24A).
- EPS accretion of 22.1% on FY24A, reducing to 18.6% on achievement of all future performance milestones.
- Financial impact does not include any potential synergies.

1. Unaudited CMP General Purpose Financial Report for the year ended 30 June 2024 and WWS unaudited management FY24 accounts from acquisition announced on the ASX 30 August 2024 2. Vysarn FY2024 Financial Report released 23 August 2024 3. CMP Unaudited Financial Statements (30 June 2022) 4. 22.1% EPS accretion calculated by utilising CMP unaudited FY24 NPAT of \$4.19m over Vysarn fully diluted shares on issue of 527.44m shares, and is prior to any impact from the WWS acquisition*. 18.6% EPS accretion calculated by using CMP target milestone EBITDA of \$6.50m (NPAT ~\$4.51m) over Vysarn fully diluted shares on issue of 557.44m shares (which includes 30m deferred consideration shares) and is prior to any impact from the WWS acquisition*. *Waster Water Services acquisition announcement to the ASX on 30 August 2024.

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Key Transaction Terms



Vysarn Limited is undertaking the acquisition of CMP Consulting Group

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Upfront Consideration¹	<ul style="list-style-type: none"> Total upfront consideration of \$24.0m cash + 10.0m shares. Subject to post-completion working capital and debt adjustment mechanism against the agreed level of target working capital and nil debt at Completion. <ul style="list-style-type: none"> EV/EBITDA: 4.6x EV/EBIT: 4.7x
Deferred Contingent Scrip Consideration²	<ul style="list-style-type: none"> Deferred consideration of up to 30.0m shares over a 3 year earn out period following completion. Up to 26.67m deferred consideration shares to be issued upon achieving the following EBITDA targets for CMP: <ul style="list-style-type: none"> Y1 earn-out: 8.89m shares subject to achieving target EBITDA of \$5.50m; Y2 earn-out: 8.89m shares subject to achieving target EBITDA of \$6.0m; Y3 earn-out: 8.89m shares subject to achieving target EBITDA of \$6.50m. If target EBITDA is not reached for year 2 or 3, but EBITDA for each of years 2 and 3 is equal to or greater than \$5.0m and the cumulative EBITDA for years 2 and 3 is equal to or greater than \$12.50m, Vysarn will issue the deferred consideration shares that were not issued for year 2 or 3 because target EBITDA for that year was not reached. If the EBITDA targets for CMP for years 1, 2 and 3 is equal to or greater than \$18.0m, an additional 3.33m deferred consideration shares will be issued.
Escrow	<ul style="list-style-type: none"> All Vysarn shares received by the CMP vendors to be escrowed for 12 months following the year of issue.
Conditions Precedent	<ul style="list-style-type: none"> Completion of the acquisition is subject to: <ul style="list-style-type: none"> ✓ Obtaining binding commitments to raise \$24.0m for the upfront cash consideration; Satisfactory completion of tax due diligence; Obtaining change in control consents under key material contracts; Payment by CMP of all amounts in respect of share appreciation rights granted to eligible employees; and No material adverse change in the CMP business between signing and completion. Completion is anticipated to occur on or around 31 October 2024.
Funding	<ul style="list-style-type: none"> Vysarn to raise approx. \$38.2m via a single tranche placement under its existing placement capacity under ASX Listing Rule 7.1 and 7.1A for funding of the upfront cash consideration of \$24.0m for CMP, plus any working capital / debt adjustment payable by Vysarn. Remaining funds to be allocated to future growth initiatives and the ongoing development of the Kariyarra water resource.

1. Multiples calculated on: EV = \$24.0m + 10.0m shares at \$0.40 EBITDA = \$6.03m EBIT = \$6.00m 2. All deferred consideration shares will be issued if certain accelerating events occur during the 3 year earn out period, including due to a change of ownership or control of CMP or Vysarn or the assets of CMP or Vysarn (including pursuant to a takeover bid, scheme of arrangement, merger, consolidation, sale, ASX listing or similar event) or the redundancy or termination of one of the founders of CMP without cause.

VYSARN



OVERVIEW OF CMP & ACQUISITION RATIONALE

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Acquisition Rationale



The transformative acquisition of CMP delivers national scale, expertise and a platform for growth

TRANSFORMATIVE ACQUISITION

- **Transforms earnings**, with low-capex models now prominent.
- **Earnings accretive.**
- Establishes national footprint & client base.
- Provides a **platform for significant growth**, underpinned by 'east coast water infrastructure boom'.
- **Delivers stable, long-term, high-quality public and private clients.**

EAST COAST INFRASTRUCTURE BOOM¹

CMP has direct exposure to a generational infrastructure program.

- Victoria Water authorities to spend **~\$14.8bn** over next 5 years.
- Sydney Water to invest **\$34.0bn** over next 10 years.
- **\$7.6bn** of major projects in QLD over next 5 years.

CMP is positioned to be a beneficiary of the increased infrastructure expenditure.

HIGH-QUALITY CLIENT DIVERSIFICATION²

CMP's water authority clients significantly diversifies Vysarn's earnings:

- Resources: **98.0% → 68.0%**
- Water Authorities: **0.1% → 30.0%**

Tenure of Contracts³

- The average tenure of CMP's top **4 customers is 8+ years.**
- Typical contracts range from **1-7 years.**

Growth within clients

- 88% revenue growth from FY22 to FY24 without increasing total client numbers.

SIGNIFICANT GROWTH OPPORTUNITIES

Vysarn has identified a significant 'gap in the market', servicing infrastructure projects traditionally serviced by global majors.

Vysarn aims to capture opportunity, by:

- Continued expansion of team & capabilities;
- Upselling service offerings to existing clients; and
- Broadening of presence in NSW & QLD.

Vysarn to pursue cross-selling opportunities within the group.

STRONG FINANCIAL METRICS^{2,3}

CMP and Vysarn have historically delivered strong growth and margins.

3-year EBITDA CAGR

- CMP: 57.1%
- VYS: 48.3%

EBITDA Margin

- CMP: 22.8%
- VYS: 21.5%

3-year NPBT CAGR

- CMP: 59.8%
- VYS: 115.8%

NPBT Margin

- CMP: 22.6%
- VYS: 14.6%

SATISFIES VYSARN'S CRITICAL CRITERIA^{2,3}

Earnings Accretive

- Upfront EPS accretion 22.1%.
- Accretion if all future EBITDA performance milestones achieved 18.6%.
- **Attractive vs. recent industry transactions.**

Aligned Management

- CMP's founder led management are aligned to Vysarn's culture, scale, and growth strategy.

Capital light business model

- Negligible CAPEX, resulted in EBITDA to NPBT conversion of 99.2% in FY24.

CMP Overview



Leading provider of multifaceted water focused consulting services

ABOUT
CMP
CONSULTING

- Founded in 2008, CMP is a **consulting engineering organisation** with a **specific focus on the water industry**.
- **End-to-end infrastructure lifecycle services.** CMP supports tier-1 public and private sector clients from initial strategic planning through to design and construction as well as ongoing asset management and maintenance.

BLUECHIP
CLIENTS

- **Major long-term clients** include the major metropolitan and regional Victorian water authorities, major contractors, government departments, and interstate Councils and authorities.
- CMP maintains strong and long-term relationships with clients across Victoria, underpinned by panel arrangements and medium-term contracts.
- Growing presence outside Victoria with contracts with leading Water authorities across all states and territories (ex. Western Australia).

FOUNDER
LED TEAM

- **Founders Greg Chalmers, Stephen Morris and Soyun Punyadasa combine to deliver diverse skillsets** of leadership in client relationships, project management, engineering & technology, contract and construction phase services.⁴
- Experience from global consultancy firms led to the establishment of **CMP to deliver a client focused culture** rather than the transactional approach taken by some large organisations.
- **CMP's 92 professionals (and continually growing)** have a wealth of experience in the design and construction management and supervision of water, wastewater and recycled water infrastructure.

Water focused engineering consulting

FY24
Revenue¹

\$26.4m

FY24
NPBT¹

\$5.98m

NPBT 3-Year
CAGR²

59.8%

Highly Skilled
Professionals

92

Contracted
Clients

33

Clients in
6

States &
territories³

1. CMP: Unaudited General Purpose Financial Report for the year ended 30 June 2024 2. CMP unaudited Financial Statements for year ended 30 June 2021, 2022, 2023 and 2024
3. <https://cmpgroup.com.au/> 4. <https://cmpgroup.com.au/2024-about>

Full lifecycle services from planning to final implementation and beyond

CMP delivers comprehensive water engineering solutions across the complete lifecycle of projects and assets.

Consulting services encompass every aspect of water engineering, including:

- **Potable water treatment and distribution:** Ensuring safe, reliable access to drinking water through innovative treatment and efficient distribution systems.
- **Wastewater transfer and treatment:** Implementing advanced technologies for the effective transfer and treatment of wastewater, safeguarding public health and the environment.
- **Resource recovery and recycled water treatment and distribution:** Promoting sustainability through the treatment and distribution of recycled water and resource recovery facilities (water/biosolids/energy) for various applications.

Expert multidisciplinary project teams

- Experts in civil, structural, mechanical, process and electrical and asset management engineering, supported by detailed design 3D drafting.
- This ensures that CMP can address every technical requirement of our projects with precision and excellence.

1. MASTER PLANNING

- Develop extensive water & wastewater asset development and management strategies.
- Long-term vision and feasibility ensure community needs are met with appropriate solutions.

2. CONCEPT & FUNCTIONAL DESIGN AND SURVEY & MODELLING

- Concepts into functional designs for 'design & construct' tender packages.
- Remotely piloted aircraft undertake high level 3D photogrammetry to build design models.

3. DETAILED DESIGN

Detailed design services cover:

- Major pipelines, system hydraulics, transfer mains, pumping stations, pressure reduction stations, storage tanks, treatment plant design.
- 3D design: laser scanning and virtual reality simulations.

4. TENDER TO CONSTRUCTION PHASE MANAGEMENT

- Evaluation of tenders.
- Solely manage or supervise the construction phase.
- Commissioning advice with detailed plans and implementation strategies.

5. ASSET MANAGEMENT

Asset management services include:

- Asset Management plans.
- Failure and maintenance analysis.
- Master asset registers.
- Bushfire rating and management.
- Sewer spills prevention.
- Chemical treatment regimes.

6. DECOMMISSIONING ADVICE

- Manage removal of assets as well as decommissioning of entire treatment plants.
- Advise on rehabilitation strategies and appropriate land reuse.

Leading provider to Water Authorities



CMP has developed long-term relationships with water authorities

Leading provider in Victoria¹

- Strong and long-term client relationships, underpinned by panel arrangements and medium-term contracts.
- Service majority of Victorian water authorities.

Tenure of Contracts¹

- The average tenure of CMP's top **4 customers is 8+ years**.
- Contracts can range from **1-7 years**.

Recent revenue growth from existing clients

- CMP has increased revenue from \$14.1m (FY22)² to \$26.4m (FY24)³ (+88%) without increasing total client numbers.

Focused on expanding presence in NSW and QLD:

- Pursuing contracts with leading Water Authorities, Sydney Water, Unity Water, Icon Water, TAS Water, SA Water and NT Power & Water.
- Provides a platform for growth with impending increased East Coast infrastructure expenditure.

Partnered with tier-1 national construction, engineering & consulting companies:

- **Jacobs**
- **smec**
an EY company
- **Fulton Hogan**
- **JOHN HOLLAND**



Case Studies highlight diverse skillsets

CMP's multifaceted capabilities facilitates the delivery of a diverse range of projects



Bacchus Marsh Recycled Water Plant Upgrade **Greater Western Water**

CMP completed the detailed design of the Bacchus Marsh Recycled Water Plant Upgrade, including new Inlet Works, Aeration Lagoons, Control Building, pump stations and associated works.



Mount Buller Water Storage Upgrade **Entracon / Mount Buller**

CMP designed the 100 ML Mount Buller water storage to provide potable and snow making water, whilst also maintaining the Resort's amenity and functionality during winter for skiing and snow play through snowmaking.



Eastern Treatment Plant – Power Station Ventilation Upgrade **Melbourne Water Corporation**

CMP completed the design for installation of an evaporative cooling system for Melbourne Water's Eastern Treatment Plant power station.



Sugarloaf Reservoir Pump Station – Service Water Upgrade **Melbourne Water Corporation**

Worked with Melbourne Water stakeholders and incorporated modern design technology to minimise clashes with existing services, as well as allow for construction under short notice.



Blackmans Bay Sewage Treatment Plant **BMD / Acciona Joint Venture**

CMP was engaged to undertake the detailed mechanical, civil and structural design for the upgrade of TasWater's Blackmans Bay Sewage Treatment Plant as part of the Kingborough Sewerage Project.



Eastern Treatment Plant – Carpark **Melbourne Water Corporation**

As part of the design and construct team, CMP completed the design and construction for the new carpark facilities at Eastern Treatment Plant.

CMP Financial Snapshot



CMP has achieved strong revenue growth and sustained improvements in EBITDA margin

FINANCIAL SNAPSHOT

	FY21 ¹	FY22 ²	FY23 ³	FY24 ⁴
Revenue	10.49	14.08	20.42	26.43
Expenses	(8.96)	(11.41)	(15.75)	(20.45)
EBITDA	1.56	2.87	4.87	6.03
NPBT	1.47	2.67	4.68	5.98
NPAT	1.34	2.25	3.49	4.85*
Revenue Growth %	n.a	34.2%	45.0%	29.4%
EBITDA to NPBT (%)	94.2%	93.1%	96.1%	99.2%

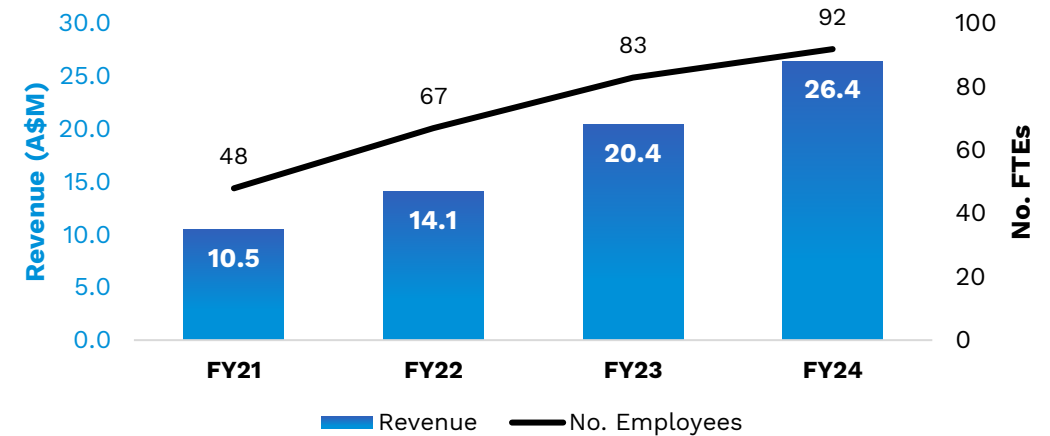
Financial Performance Commentary^{1,2,3,4}

- **Strong 3-year Compound Annual Growth Rates:**
 - **Revenue:** 36.1% CAGR
 - **EBITDA:** 57.1% CAGR
 - **NPBT:** 59.8% CAGR
 - **NPAT:** 53.6% CAGR
- **Employee growth:** CMP's employee growth is directly correlated with all key financial metrics. **Continued growth in FTEs is anticipated to meet demand.**
- **Strong EBITDA margins and conversion:** CMP has consistently achieved 20%+ EBITDA margins.
 - Limited capex requirements/depreciation result in high conversion to NPBT, underpinning high cashflow conversion.

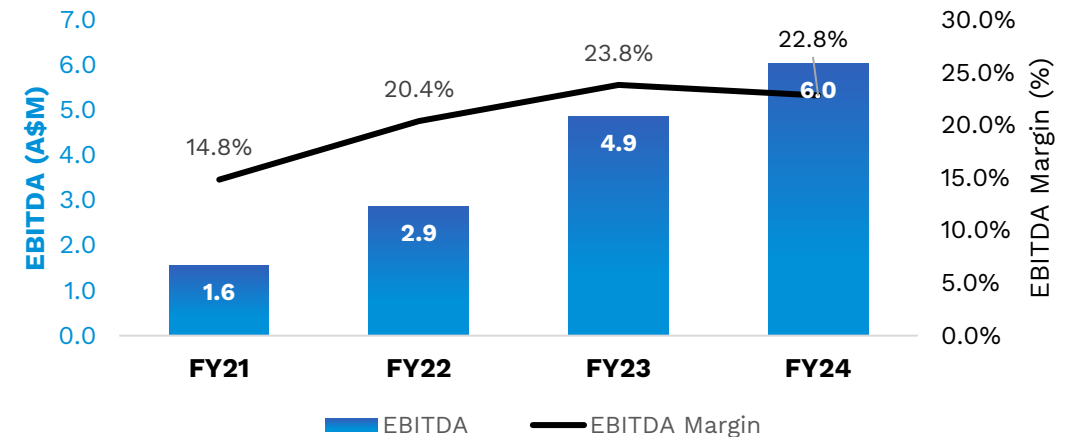
Outlook

- Vysarn aims to continue to implement the financial discipline and core strategies that have delivered strong financial performance to date.

REVENUE & FULL TIME EMPLOYEE GROWTH^{1,2,3,4}



EBITDA & MARGIN GROWTH^{1,2,3,4}



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East Coast Infrastructure Boom

“Generational infrastructure program” to deliver significant opportunities for CMP

KEY DRIVERS OF WATER INFRASTRUCTURE BOOM³

1. Population growth and dispersion

- **Growth:** Australian population is anticipated to reach ~30.0m by 2030 (+15.0% from 26.1m).¹
- **Dispersion:** Australia’s population is dispersing to outer metropolitan and regional areas. This ‘covid-theme’ has continued, accelerated by cost of housing, and flexible working arrangements.
 - “30 to 40-year-olds, have been leaving capital cities at twice the rate they’ve been arriving over the last few years.”²

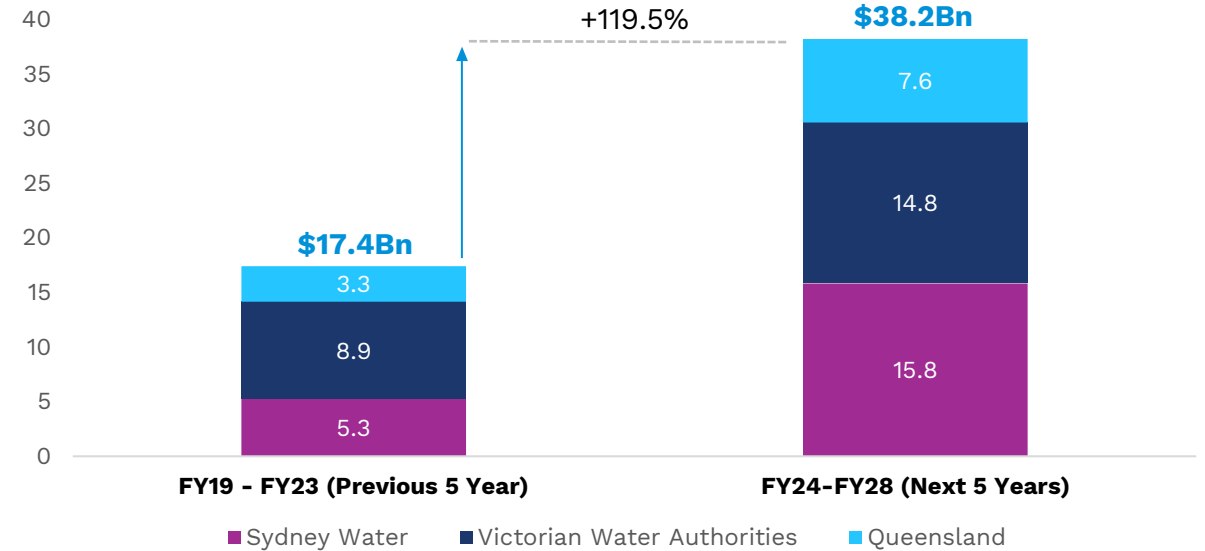
2. Aging Infrastructure

- Refurbishment and replacement underpins baseline capital expenditure required to ensure the sector can continue to provide safe, reliable and affordable services.

3. Climate Change and water security

- **Extreme weather events** are anticipated to continue in frequency and duration over the near to medium term.
- Water infrastructure is at high risk and requires maintenance and upgrading.

FY24-28: Significant increase in capital expenditure⁴



Highlight Example



Investing **\$34.0bn** over next 10 years³

- Renew assets
- Advanced water recycling
- Water treatment & purification
- Significant pipelines
- Integrated stormwater harvesting
- Renewable sources of energy

1. <https://www.abs.gov.au/articles/australias-population-reach-30-million-11-15-years>
2. <https://www.sbs.com.au/news/article/why-more-australians-are-leaving-cities-for-regions/nq5rk8srg>
3. <https://www.sydneywater.com.au/about-us/our-organisation/long-term-capital-and-operational-plan.html>
4. See Glossary for sources (Slide 29); Disclaimer: Capital Expenditure Outlook is a culmination of individual, stated forecasts, and may be subject to change.

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Vysarn/CMP has identified a gap in the market capable of delivering material growth

GROWTH THEMATIC

GROWTH STRATEGY

“Fill the gap in a booming market”

Vysarn/CMP aims to be an engineering consultant of choice for infrastructure projects traditionally serviced by major domestic and global firms.

Significant and growing demand for additional engineering consultant services on the East Coast has the potential to deliver material returns & growth.

Continued expansion of team & capabilities to meet growing demand

- CMP has been progressively expanding its team & capabilities to meet growing client demands.
- **Vysarn aims to continue to expand the team to support growth.**
- This endeavour will be supported by:
 - Being a listed entity; and
 - Strong culture, pursuing national growth, whilst remaining versatile.

Broadening presence in New South Wales and Queensland

- CMP has a market dominant position in Victoria.
- CMP has begun its expansion into NSW and QLD (with key clients engaged or identified).
- In due course, Vysarn aims to establish and expand offices within these key jurisdictions to meet the demands of the ‘east coast infrastructure boom’.

Up-selling & Cross-selling

- **Upselling:** CMP provides ~10 differentiated and interrelated services.¹
 - As clients embark on upcoming water infrastructure projects, it is anticipated clients will require a broader range of CMP’s services.
- **Cross-Selling:** There are potential cross-selling opportunities between CMP’s clients and Vysarn’s divisional clients (namely Pentium Water, Project Engineering and WWS).

Continued focus on operational efficiencies & margin

- Driving operational efficiencies as CMP continues to enhance scale.
- Opportunities for rate adjustments and subsequent margin expansion.

East Coast
Water
Infrastructure
Boom

VYSARN



VYSARN

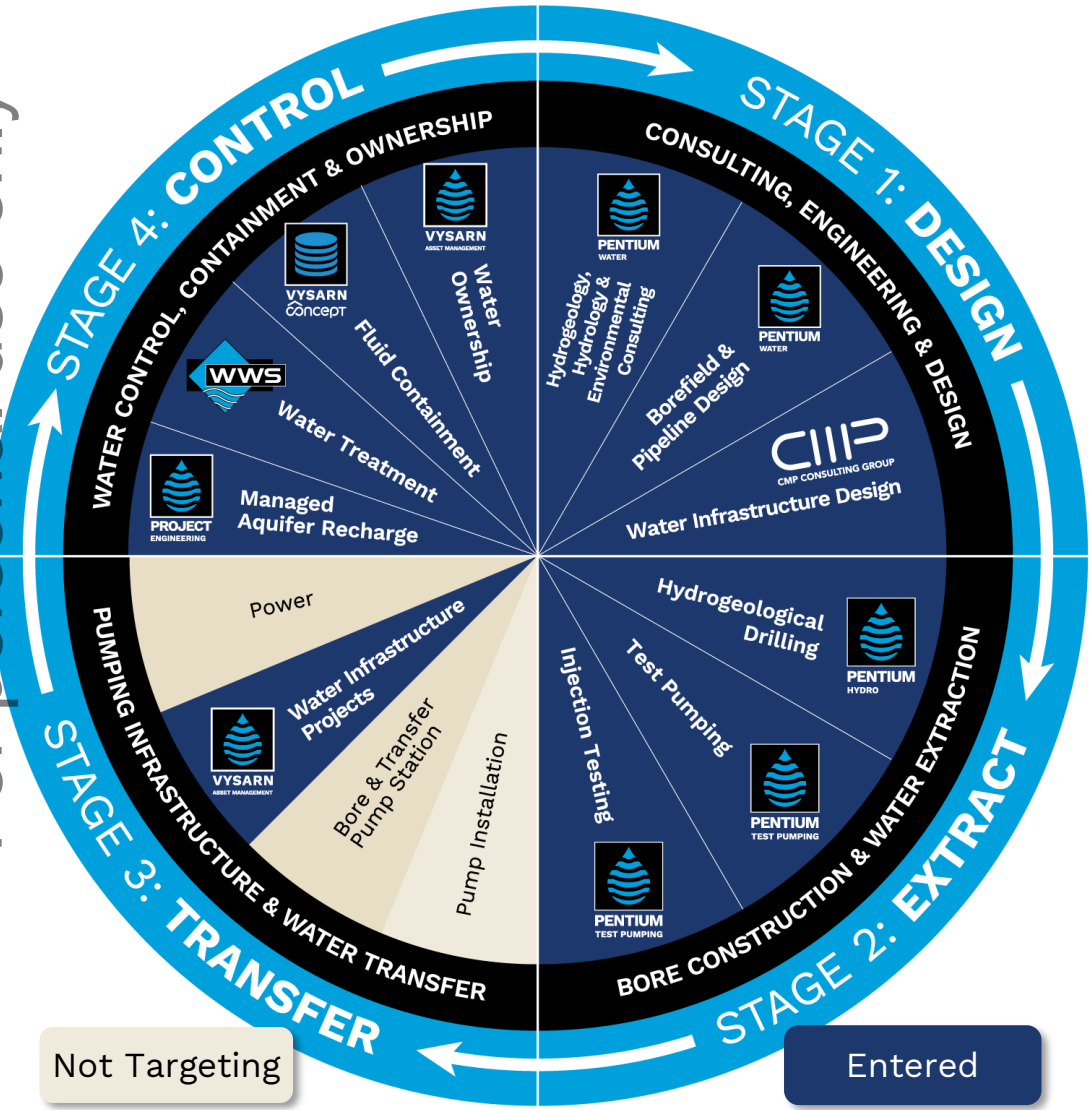
NATIONALLY DIVERSIFIED

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Vertical Integration Strategy

Vysarn is now embedded in all major phases of the water service vertical

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VYSARN IS VERTICALLY INTEGRATED

Since FY20, Vysarn has successfully executed its vertical integration strategy, delivering diversification, sustained growth, scale and shareholder value.

Stage	Entered	Service / Offering
Design	FY22	✓ Water and environmental consulting: A leading provider.
	FY22	✓ Borefield & pipeline design:
	FY25	✓ Water infrastructure design: Dominant position in Victoria.
Extract	FY20	✓ Borefield establishment: Leading Provider.
	FY22	✓ Test pumping (abstraction): Leading Provider.
	FY23	✓ Injection testing: Establishing position.
Transfer	FY24	✓ VAM Water infrastructure projects: VAM, Off-taker or 3 rd party to own and/or develop pipeline(s).
	FY23	✓ Managed aquifer recharge: Leading provider.
Control	FY25	✓ Water Treatment: Dominant position in WA resources.
	FY22	✓ Fluid containment: Concept Environmental Services JV.
	FY24	✓ Water Ownership: Executing JRA's to develop resources.

Proforma Financial Performance



Two acquisitions significantly enhance proforma financials and earnings per share

Vysarn FY24: Proforma Profit & Loss (VYS + WWS + CMP)

P&L	VYS ¹	WWS ²	CMP ³	FY24PF	+/-%
Op. Revenue	\$75.89m	\$12.05m	\$26.43m	\$114.37m	+50.7%
EBITDA	\$16.32m	\$2.29m	\$6.03m	\$24.65m	+51.0%
NPBT	\$11.06m	\$2.24m	\$5.98m	\$19.29m	+74.4%
NPAT	\$7.96m	\$1.68m	\$4.19m	\$13.83m	+73.7%

EPS^{1,2,3,4}

WWS
21.1%
(on VYS FY24)

+

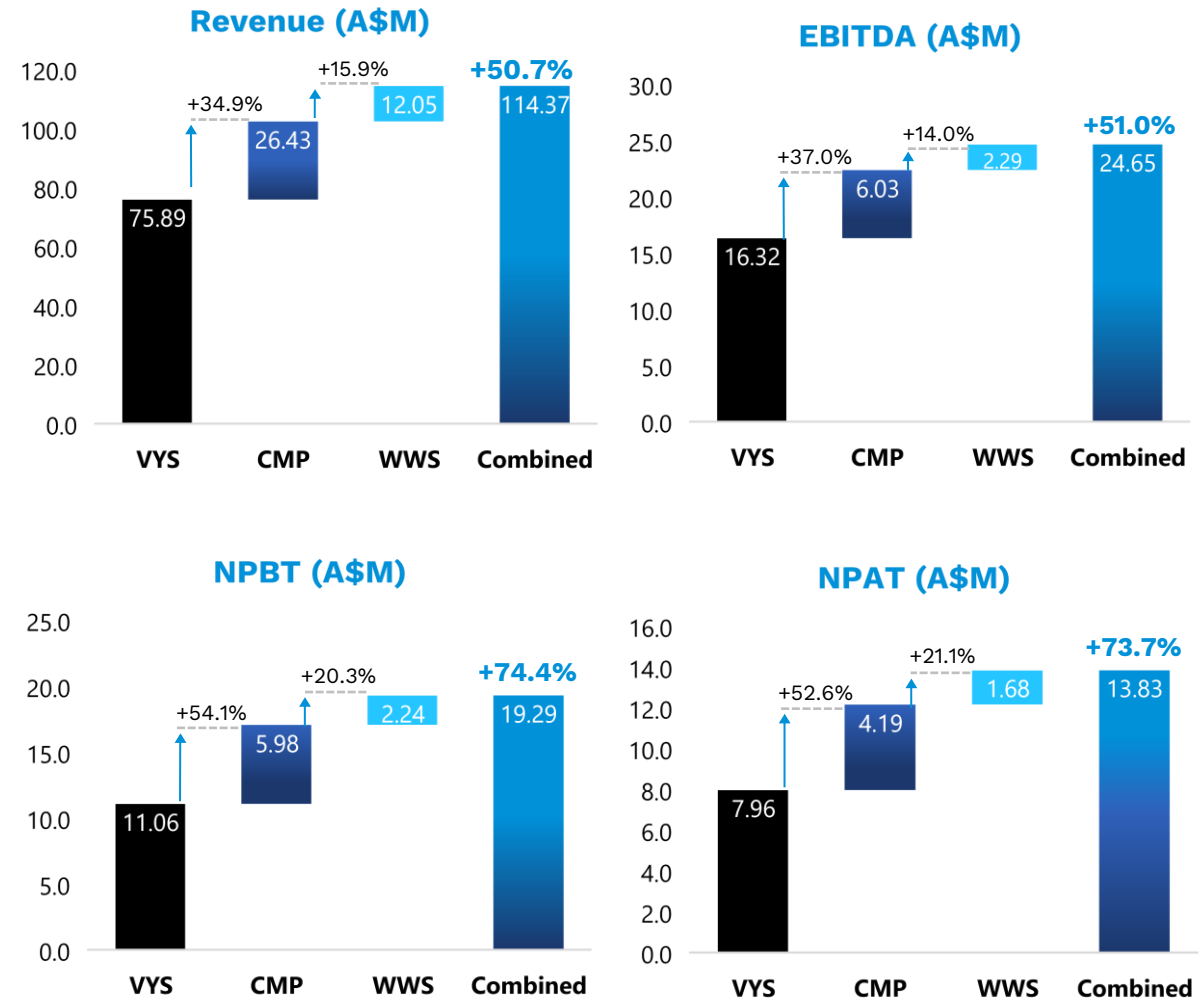
CMP
22.1%
(on VYS FY24)

Post Deal
= 39.0%
FY24 Proforma EPS (+%)

Commentary

- The acquisition of CMP Consulting Group and Waste Water Services significantly enhances Vysarn's earnings profile.
 - On a FY24 proforma basis, the acquisitions contribute >70.0% NPAT growth for ~25% dilution.
- FY24 pro forma** excludes any potential synergies.
- Positive outlook** for all of Vysarn's divisions (new & existing), supported by strong, long-term, underlying water thematic.

Vysarn FY24: Proforma Financials (A\$M)^{1,2,3}



National Presence and Service Diversification



Vysarn has established a diversified national platform to deliver water services

Immediate Transformation^{1,2,3}

Divisions
5 → 7

People
164 → 274

Revenue
\$75.9m → \$114.4m

NPBT
\$11.1m → \$19.3m

Geographical Earnings Diversification

West:
100.0% → 70.0%

East:
0.0% → 30.0%

Sector Earnings Diversification

Resources:
98.0% → 68.0%

Water Utilities:
0.1% → 30.1%

Client Growth
100%+

Offices
2 → 4

**PENTIUM
WATER**

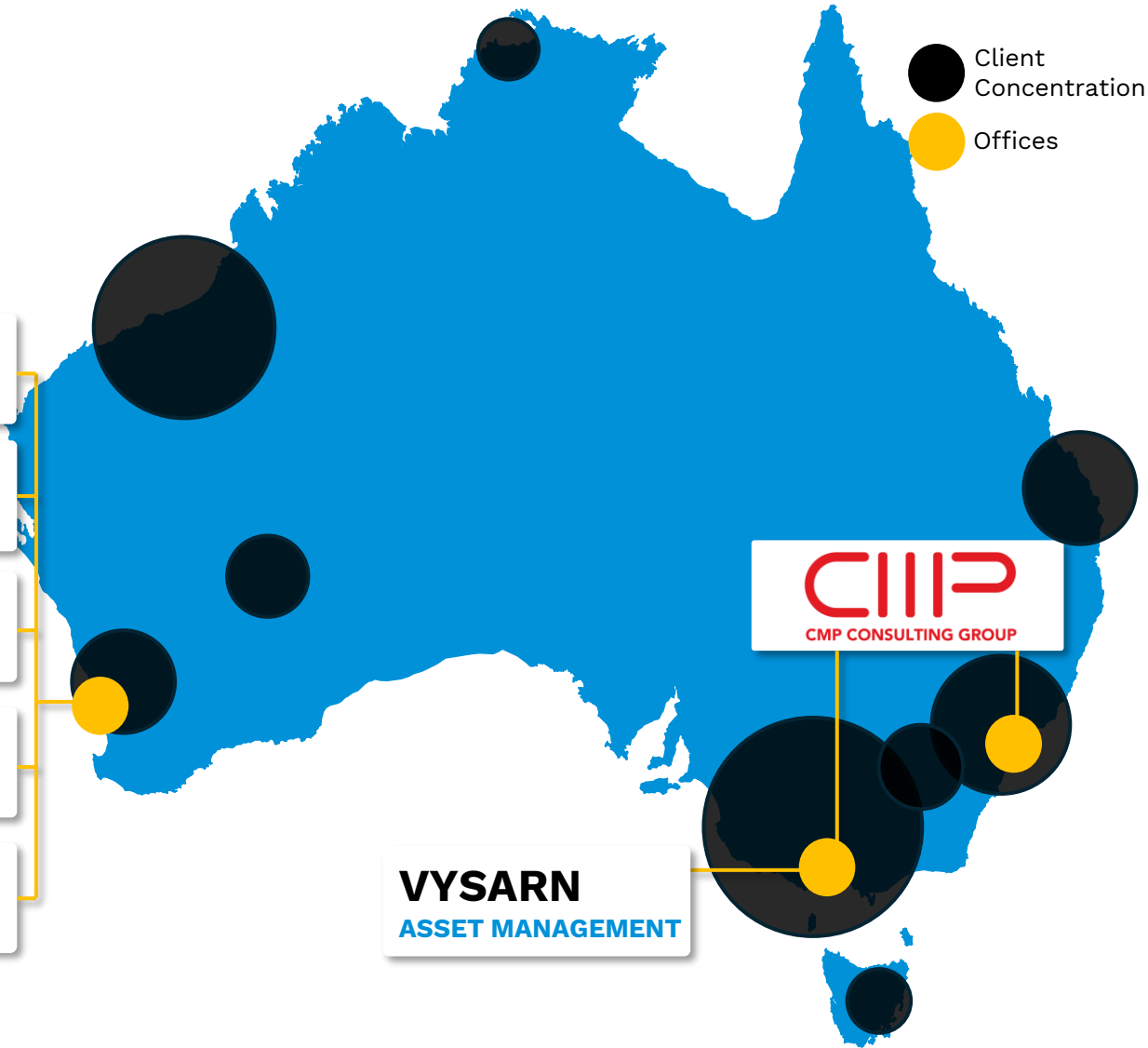
**PENTIUM
HYDRO**

**PENTIUM
TEST PUMPING**

**PROJECT
ENGINEERING**



**VYSARN
ASSET MANAGEMENT**



1. Baseline earnings and metrics Vysarn FY2024 Financial Report released 23 August 2024 2. CMP: Unaudited General Purpose Financial Report for the year ended 30 June 2024 3. WWS: Unaudited FY24 Management Accounts.

Diversification of Earnings

Vysarn is delivering growth and diversification of earnings across the group's subsidiaries

Vysarn earnings are diversified (Proforma FY24)

The two acquisitions will accelerate the diversification of Vysarn's earning profile (NPBT).

Consulting Services: 6.5% → 30.2%

- **Pentium Water** (4.2%): Water consultancy focused on Western Australian market.
- + **CMP Consulting** (26.1%): Engineering consulting focused on the water industry in the Eastern States markets.

Engineering Solutions + Technologies: 27.8% → 27.8%

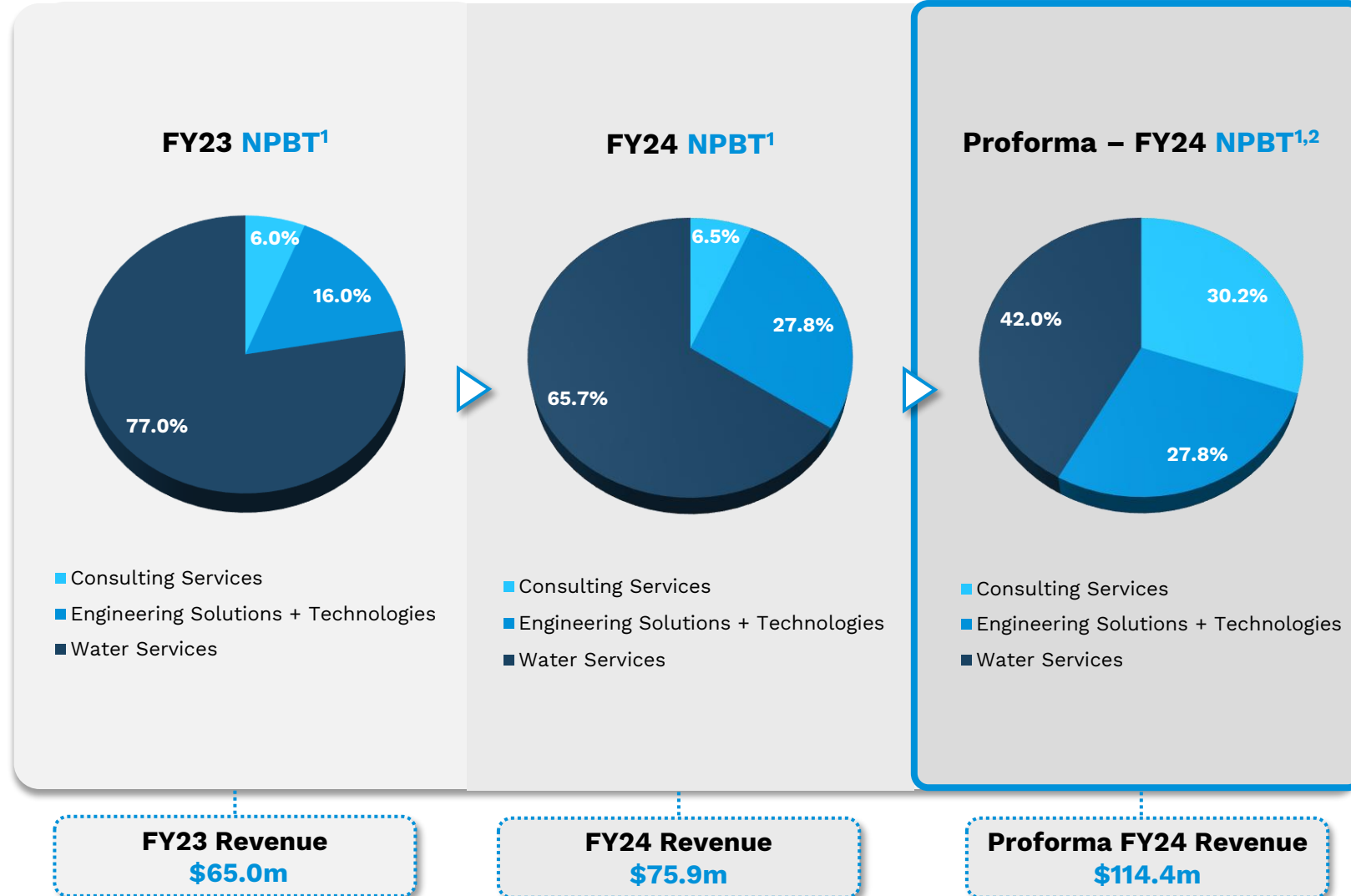
- **Project Engineering** (17.8%): Managed aquifer recharge technology solutions.
- + **Waste Water Services** (10.0%): Water Treatment solutions and products.

Water Services: 65.7% → 42.0%

- **Pentium Hydro** (39.7%): Borefield establishment.
- **Pentium Test Pumping** (2.3%): Test Pumping and Injection Testing.

Focus on capital-light & scalable models

- Diversification towards capital-light business models with significant growth potential results in high conversion of EBITDA to NPBT and premium valuation multiples.



1. ASX announcement Vysarn FY2024 Financial Report released 23 August 2024
 2. CMP: Unaudited General Purpose Financial Report for the year ended 30 June 2024

Earnings Outlook

Continue to drive the Company's YoY growth rate

Sustained YoY Growth

Acquisitions provide a foundation to **sustain Vysarn's YoY growth rates** in FY25 and FY26.

Organic growth initiatives to drive underlying performance of all divisions.

Earnings accretive acquisitions^{1,2,3}

The two acquisitions increase proforma FY24 NPAT by 73.7%:

• **Waste Water Services increases NPAT by \$1.68m: 21.1% earnings accretion** to FY24 proforma financials;

• **CMP Consulting Group increases NPAT by \$4.19m: 22.1% earnings accretion** to FY24 proforma financials; resulting in

• **Proforma FY24 EPS Accretion: 39.0%.**

Vysarn's immediate focus will turn to the consolidation, integration and growth of the acquisitions.

Organic growth initiatives

Management drives financial performance via organic growth initiatives, supported by strong industry tailwinds. Specifically, via:

- Team, service offering & technological expansion;
- Conversion of new material client/project opportunities; and
- Further optimisation and enhancements in Return on Capital:
 - Asset optimisation & deployment to higher rate contracts;
 - Asset utilisation opportunities; and
 - Competitive tension in subsidiaries for allocation of growth capital.

INVESTMENT SUMMARY

Nationally vertically integrated platform established

- ✓ Established pre-eminent positions in key water services and technologies.
- ✓ Successfully diversified revenues, earnings, geography and sectors. Lower capex activities taking precedent.

Water thematic to sustain national growth

- ✓ Pilbara water thematic to sustain growth of core business and Vysarn Asset Management.
- ✓ East Coast Water infrastructure boom to provide national expansion opportunity.

Owning, controlling, tolling water

- ✓ Vysarn is executing its strategy to unlock significant value from large scale sustainable water sources.

Making a positive difference

- ✓ Focused on the responsible management of water and the environment.
- ✓ Executing meaningful joint venture agreements with traditional owners, capable of delivering multigenerational benefits.

The logo for CIIP (CMP Consulting Group) is displayed in white on a dark blue circular background in the top left corner. The letters 'CIIP' are in a bold, sans-serif font, with the 'I's being slightly wider than the 'C' and 'P'.

CIIP

CMP CONSULTING GROUP

A large group of approximately 50 diverse professionals, including men and women of various ethnicities, are posed for a group photograph in an outdoor courtyard area. They are dressed in business-casual attire. The background shows modern office buildings and some greenery. The text 'CAPITAL RAISE' is overlaid in large white letters across the center of the group.

CAPITAL RAISE

Offer Summary



Placement to raise A\$38.2 million to fund the cash consideration of CMP and Vysarn growth initiatives

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Offer Structure and Size

- Vysarn has received binding firm commitments to raise approximately A\$38.2 million through the issue of 95,488,965 million fully paid ordinary shares (“**New Shares**”) representing ~23% of Vysarn’s currently issued capital to institutional and other sophisticated and professional investors (“**Placement**”).
- Placement is occurring under the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Offer Price

- Offer price of A\$0.40 per New Share issued under the Placement (“**Offer Price**”), which represents a:
 - 15.8% discount to the last closing price of A\$0.475 on 10 September 2024;
 - 11.3% discount to the 5-day Volume Weighted Average Price (“**VWAP**”) of A\$0.45; and
 - 7.0% discount to the 10-day VWAP of A\$0.43.

Use of Proceeds

- The proceeds from the Placement will be used to fund the upfront cash consideration of CMP¹, the development of Kariyarra water resource and the continued execution of the Company’s growth initiatives.

Ranking

- New Shares issued under the Placement will rank pari passu with existing Shares from their date of issue.

Joint Lead Managers and Advisers

- Morgans Corporate Limited and Unified Capital Partners Pty Ltd are acting as Joint Lead Managers and bookrunners to the Placement.
- Candour Advisory Pty Ltd is acting as Financial Adviser to the Placement.
- Peloton Legal is acting as Legal Adviser.

1. Plus any working capital / debt adjustment payable by Vysarn under the working capital and debt adjustment mechanism under the SSA. The actual allocation of funds will depend on the amount of the working capital and debt adjustment mechanism under the SSA.

Sources and Uses



The acquisition of CMP will be funded via a \$24.0m upfront cash payment and scrip earnouts

Transaction Funding

Vysarn to enter into a conditional Share Sale Agreement (“SSA”) to acquire 100% of the issued shares in CMP Consulting Group Pty Ltd (“CMP”).

Upfront Consideration:

- **Cash:** A\$24.0m; and
- **Scrip:** 10.0m shares.

Subject to post completion working capital and debt adjustment mechanism against agreed level of target working capital and nil debt at Completion.

Deferred consideration of up to 30.0m shares over a 3 year earn out period following completion.

Up to 26.67m deferred consideration shares to be issued upon achieving the following EBITDA targets for CMP:

- Y1 earn-out: 8.89m shares subject to achieving target EBITDA of \$5.50m;
- Y2 earn-out: 8.89m shares subject to achieving target EBITDA of \$6.0m;
- Y3 earn-out: 8.89m shares subject to achieving target EBITDA of \$6.50m.

If target EBITDA is not reached for year 2 or 3, but EBITDA for each of years 2 and 3 is equal to or greater than \$5.0m and the cumulative EBITDA for years 2 and 3 is equal to or greater than \$12.50m, Vysarn will issue the deferred consideration shares that were not issued for year 2 or 3 because target EBITDA for that year was not reached.

If the EBITDA targets for CMP for years 1, 2 and 3 is equal to or greater than \$18.0m, an additional 3.33m deferred consideration shares will be issued.

All deferred consideration shares will be issued if certain accelerating events occur during the 3 year earn out period, as summarised in the Key Transaction Terms above.

- The Upfront Cash Consideration will be funded via a single tranche placement to raise approximately A\$38.2 million through the issue of 95,488,965 million shares representing ~23% of Vysarn’s currently issued capital.
- The acquisition¹ is:
 - 22.1% EPS accretive based on upfront VYS FY24 pro forma financials; and
 - 18.6% EPS accretive on achievement of milestone on VYS FY24 pro forma financials.

Sources and Uses

Sources (A\$m) A\$m

Placement 38.2

Total Sources 38.2

Uses A\$m

Upfront Cash Consideration for the Acquisition of CMP² 24.0

Kariyarra water resource development 4.5

Transaction Costs 2.5

Vysarn growth initiatives & Working Capital 7.2

Total Uses 38.2

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1. 22.1% EPS accretion calculated by using CMP unaudited FY24 NPAT of \$4.19m over Vysarn fully diluted shares on issue of 527.44m shares, and is prior to any impact from the WWS acquisition*. 18.6% EPS accretion calculated by utilising CMP target milestone EBITDA of \$6.50m (NPAT ~\$4.51m) over Vysarn fully diluted shares on issue of 557.44m shares (which includes 30m deferred consideration shares) and is prior to any impact from the WWS acquisition*. 2. Plus any working capital / debt adjustment payable by Vysarn under the working capital and debt adjustment mechanism under the SSA. The actual allocation of funds will depend on the amount of the working capital and debt adjustment mechanism under the SSA. *Waster Water Services acquisition announcement to the ASX on 30 August 2024.

Timetable

Indicative Transaction Timetable

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Event	Date
Trading Halt	11 September 2024
Placement Bookbuild conducted	11 September 2024
Trading halt lifted, announce Completion of Placement	13 September 2024
Settlement of New Shares issued under the Placement	18 September 2024
Allotment of New Shares issued under the Placement	19 September 2024
Proposed Completion of CMP Acquisition	31 October 2024

Risk Factors

This section highlights some of the key risks associated with an investment in Vysarn Limited (“Vysarn” or “the Company”). They are not necessarily listed in order of importance and do not constitute an exhaustive list of all the risks involved with an investment in the Company. An investment in the Company is not risk free and the Directors of the Company strongly recommend that potential investors consider all other publicly available information such as the Company’s websites and that available on the ASX Announcements platform (ASX:VYS) before investing in Vysarn. Investors should be aware that a number of the risks are specific to Vysarn and some are general in nature and relate to listed securities generally.

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

Risks Related to the Acquisition of CMP Consulting Group Pty Ltd

Contractual and completion risk

Pursuant to a Share Sale Agreement the Company has agreed to acquire 100% of the shares in CMP Consulting Group Pty Ltd (“CMP”) (“Acquisition”) subject to fulfilment of certain conditions precedent, including obtaining binding commitments to raise funds for payment of the cash consideration of \$24 million at completion of the Acquisition, completing satisfactory tax due diligence on CMP, obtaining change in control consents under key material contracts, payment by CMP of all amounts in respect of share appreciation rights granted by CMP to eligible participants and there being no material adverse change in the CMP business between signing of the Acquisition agreement and completion.

If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations under the Acquisition agreement, completion of the Acquisition may be deferred or not occur. Vysarn expects the Acquisition to proceed however failure to complete the Acquisition would mean the Company will not be able to realise the benefits that it expects to achieve.

If the Acquisition is not completed the Company will assess the best way to utilise the proceeds of the Placement. Failure to complete the Acquisition could materially impact the Vysarn share price.

Funding the Acquisition

It is Vysarn’s intention to fund the \$24.0 million upfront cash consideration of the Acquisition plus any working capital / debt adjustment payable by Vysarn under the Acquisition Agreement via a Placement of new fully paid ordinary shares in the Company (“New Shares”) to certain institutional and other sophisticated and professional investors to raise A\$38.2 million (before costs) (“Placement”) under the Company’s capacity under ASX Listing Rules 7.1 and 7.1A. Although Vysarn intends to secure binding firm commitments from participating investors, there is a risk of counterparty default. Counter party default and/or failure to raise sufficient funds under the Placement could have an adverse impact the execution of the Acquisition, which could result in Vysarn needing to seek alternative sources of funding to fund the cash consideration under the Acquisition. Alternative sources of funding may result in Vysarn incurring additional costs (for example, by way of interest payments on debt) and/or potential restrictions being imposed on the manner in which Vysarn conducts its business and deals with its assets.

Failure to fund the cash consideration would likely result in a failure to complete the Acquisition. Failure to complete the Acquisition could materially impact the Vysarn share price.

New Business

The Company is acquiring CMP, an Australian founder owned consulting engineering Company, to further diversify its vertically integrated offering to existing and new clients in water management services. The Company’s ability to maintain the revenue and earnings of CMP will depend on the Company being successful in attracting and retaining clients. Whilst the Company’s management have extensive industry experience, and the Company expects to be able to retain key management personnel from CMP, there is no guarantee that the Company will be successful in attracting and retaining clients.

Potential and existing clients may be resistive to the fact the services will be provided by new owners. Clients will be subject to the parties entering into or maintaining commercial agreements, which will be subject to negotiations, and there is no guarantee that any agreements will be entered into or maintained.

Due Diligence

Vysarn undertook a due diligence process in respect of CMP, which relied in part on the review of financial, legal, tax and other information concerning the business of CMP, which was provided to Vysarn by or on behalf of the sellers of CMP. Vysarn’s tax due diligence on CMP is in progress and completion of the Acquisition is conditional on completion of satisfactory tax due diligence.

Despite making reasonable efforts, Vysarn has not been able to verify the accuracy, reliability or completeness of all the data and information which was provided.

If any of the data or information provided to and relied upon by Vysarn in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Vysarn and CMP on a combined basis may be materially different to the financial position and performance expected by Vysarn and reflected in this Presentation.

There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been completely or accurately identified and avoided (or managed appropriately) and actual performance or circumstances may differ from Vysarn’s conclusions. There is a risk that unforeseen issues and risks in respect of the Acquisition in relation to CMP and their business may arise, which may have a material adverse impact on Vysarn (for example, Vysarn may later discover liabilities or issues which were not identified through due diligence). This could adversely affect the operations, financial performance and/or financial position of Vysarn and CMP on a combined basis.

Integration Risk

The integration of CMP with the Company carries risk including costs and difficulties in integrating various operations, including but not limited to accounting and finance, occupational health and safety, management processes, software systems, quality control and culture. A delay in the integration process could impose unexpected costs that may adversely affect the financial performance of the Company. Furthermore, there can be no assurance that internal control systems and procedures of the Company will not result in, or lead to, a future material weakness or loss of accreditations, including a failure of systems to ensure effective control of costs across projects and operations. Whilst the Company will ensure that it has systems and policies and processes in place to manage general personnel risk, the Company cannot guarantee that an individual will not engage in conduct contrary to the Company’s internal controls, system, business rules, policies and procedures or the law (including fraudulent activity). Any such action could adversely affect the Company’s ability to deliver projects and have an adverse impact on the Company and its brand.

Early contract termination

Some of the contracts to which CMP is a party include provisions requiring notification to, or the consent of a counterparty to a change of control in CMP as well as provisions allowing the counterparty to terminate for convenience, which is common practice in the industry in which CMP operates. Despite the Acquisition making CMP part of the larger Vysarn group, with greater support and delivery capabilities, there is a risk that some contract counterparties may elect not to continue their contractual arrangements with CMP following the Acquisition.

Historical liabilities

Following completion of the Acquisition, the Company will be responsible for any outstanding liabilities that CMP has incurred prior to the Acquisition, including any liabilities that were not identified during Vysarn’s due diligence and for which Vysarn may not have post Acquisition recourse under the agreement for the Acquisition. Such liabilities could include liabilities relating to current or future litigation or other proceedings or investigations, failure by CMP to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, historical tax liabilities and other liabilities. CMP’s historical liabilities may adversely affect the financial performance or position of Vysarn.

Warranties & Indemnities

In the event that a warranty and/or indemnity claim is made against the sellers of CMP there can be no guarantee as to the ongoing financial capacity of the respective sellers of CMP to meet such claims. Any inability to recover amounts claimed could materially adversely affect Vysarn's financial position and performance. Further, if Vysarn were to take legal action to enforce a claim against the sellers, there is a risk that the enforcement process will be protracted, costly and divert management's time and attention away from running the CMP business, each of which could materially adversely impact Vysarn's financial position and performance.

Specific Risks relating to the Company and its business

Future Earnings

Past performance metrics and figures (including past share price performance of Vysarn), as well as pro forma financial information, included in this Presentation are given for illustrative purposes only and should not be relied upon as (and is not) an indication of Vysarn's views, or that of any other party involved in its preparation, on Vysarn's future financial performance or condition or prospects. Investors should note that past performance of Vysarn, including in relation to the historical trading price of Vysarn shares, revenue, costs and other historical financial information cannot be relied upon as an indicator of (and provides no guidance, assurance or guarantee as to) future Vysarn performance, including the future trading price of New Shares. The historical information in relation to Vysarn included in this Presentation is, or is based on, information that has previously been released to the market. Vysarn has undertaken financial and business analysis of CMP in order to determine its attractiveness to Vysarn and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Vysarn, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by CMP are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of CMP, there is a risk that the profitability and future earnings of the operations of Vysarn may differ (including in a materially adverse way) from the performance as described in this Presentation.

Financing risk and capital requirements

Vysarn's capital requirements will depend on a number of factors. While prudence has been exercised in estimating the capital cost and future operating costs for Vysarn's business, the actual costs experienced may vary from its estimates. Any variations could adversely affect Vysarn's financial position and performance.

Following the Placement, Vysarn is expected to have sufficient funding (based on existing estimates of funding requirements) for the Company's operations. However, further funding may be required in the future for Vysarn's growth, development and ongoing activities. Vysarn may need to seek alternative or further funding (either in the form of debt or equity).

Any debt funding, if available, may involve restrictions on Vysarn's financing and operating activities, or its business strategy, and additional equity funding may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Vysarn or at all.

Waste Water Services Pty Ltd

On 30 August 2024, the Company announced it had entered into a binding Share Sale Agreement for the acquisition of Waste Water Services Pty Ltd ("WWS"). Completion of the acquisition is conditional upon the satisfaction or waiver of conditions precedent, including but not limited to completion of satisfactory due diligence investigations, obtaining funding sufficient to complete the acquisition on terms acceptable to the Company, obtaining change in control consents (and any other consents or waiver requirements which are triggered by the acquisition) under material contracts, and WWS entering into supply agreements with certain suppliers of equipment and products on terms acceptable to the Company.

The Presentation contains information and pro forma information pertaining to the Company's potential acquisition of WWS, which has yet to be completed. Investors should consider the impact on the future earnings of the Company should the acquisition of WWS not complete, together with the risks associated with the Company simultaneously acquiring both CMP and WWS, including but not limited to the risks associated with the acquisition of CMP and future earnings risk outlined above but applied to the acquisition of WWS instead.

Dilution Risk

Upon completion of the Placement and the acquisition of CMP, the number of Shares in the Company will increase from ~421.95m to up to approximately 527.44m (including 10m Shares to be issued to the sellers of CMP at completion of the Acquisition, but excluding any deferred scrip consideration to the sellers of CMP of up to an additional 30m shares over three years. This equates to approximately 25% of all the issued Shares in the Company immediately following completion of the Offer. This means Shareholder's holdings in the Company are likely to be diluted by approximately 25% following completion of the Offer and the acquisition of CMP.

Vysarn Asset Management Pty Ltd

This Presentation contains information on Vysarn Asset Management Pty Ltd ("VAM"). The information provided regarding VAM and the potential identification, definition and development of water resources, infrastructure and markets is based on early-stage insights and is intended for general informational purposes only. Due to the nascent phase of development, the details may be preliminary and subject to significant change as the VAM and its projects evolve. As such, this information should not be relied upon for making investment decisions.

Demand risk

The Company's business depends on, among other things, the level of activity in the industries it will service, in particular the resources, construction and utilities industries. The level of activity in these industries will depend on a number of factors outside of the Company's control. A decline in the level of activity in these industries could impact on the demand for the services to be offered by the Company, which could affect its performance.

Environmental

Environmental management and compliance is an important part of the Company. The Company is exposed to numerous laws, regulations and guidelines relating to the protection of the environment. The Company has put in place policies and procedures to ensure compliance with environmental laws. Should the Company's policies, procedures or actions fail to comply with environmental laws the Company may incur environmental liability, regulatory penalties, or have licences suspended, cancelled or subject to additional conditions.

Climate risk and climate change

As a participant in the resources sector, the Company faces exposure to physical and transitional nature-related risks flowing from the deterioration of the natural environment.

The Company will be exposed to a number of natural events such as cyclones, seasonal rainfalls, flash flooding and fire which are beyond its control. Any natural events could affect the Vysarn and/or its client's productivity and ability to deliver its services and/or projects. Such events could have an adverse effect on the financial performance of the Company.

Climate change may amplify the frequency and severity of extreme weather events. This heightened weather volatility may result in severe flooding, hurricanes, and heatwaves, posing substantial risks to communities, infrastructure, and ecosystems. An amplification of adverse weather events could have a material adverse effect on Vysarn's financial performance.

Availability and cost of key equipment & third parties

Vysarn requires specific products, plant and equipment and third-party services to provide its full suite of services. Any delay, lack of supply or increase in price in relation to such equipment, material and service could adversely impact the financial position of Vysarn.

Reliance on key management personnel and labour shortages

The Company will be reliant on the continuing employment of the founders (and sellers) of CMP and a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be difficult for the Company to attract and retain suitably qualified and experienced people, due to the relative size of the Company, compared with other industry participants.

Contractual disputes

As with any contract, there is a risk that the business of the Company could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

Competition

The Company is subject to competition from other operators in the resources, consulting, advisory and infrastructure industries internationally and domestically. The Company faces competitors who have an established foothold and existing contracts and industry contacts. A number of factors could increase the market share of any of those competitors and materially affect the Company's financial performance and position.

Permits, licences, accreditations and certifications

Vysarn will be required to attain and hold certain operating permits, licences, accreditations and certifications to conduct its business. Failure to attain, loss of, failure to comply with or failure to hold such required permits, licences, accreditations and certifications may directly impact Vysarn's ability to fulfil its contractual obligations and adversely affect profitability.

Insurance

The Company insures its operations in accordance with industry practice. However, insurance of all risks is not always available and, where it is available, the cost may be high. The Company has insurance in place considered appropriate for the Company's needs.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

Technology failure or access

Vysarn is dependent upon the use of technology (computer, information and communications technology and various other critical systems). Vysarn's technology systems could be interrupted or damaged by a diverse array of events, including natural disasters, acts of war or terrorism, telecommunications failures or other similar occurrences, and are exposed to the potential risk of computer hackers, unauthorised users, computer viruses, malicious codes and cyber-attacks. Any disruption in Vysarn's critical technologies could adversely impact Vysarn's operating results.

Vysarn's security precautions may be unable to prevent attacks, which could directly impair the Company's operations and necessitate increased expenditure on technology protections in the future.

Occupational health and safety risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. The Company ensures that it provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems. However, any occupational health and safety incidents could have an adverse impact on the Company's operations, performance and reputation.

Litigation risks

The participation by the Company in any of the industries that it operates in may expose the Company to possible litigation risks, including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. The Company may also be involved in disputes with other parties in the future which may result in litigation.

Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company is not presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise

General risks

Economic risks

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include:

- a) general economic conditions;
- b) changes in government policies, taxation and other laws;
- c) the strength of the equity and share markets in Australia and throughout the world;
- d) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- e) industrial disputes in Australia and overseas;
- f) changes in investor sentiment toward particular market sectors;
- g) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- h) natural disasters, social upheaval or war.

Changes in accounting standards

Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside the control of Vysarn and its directors. The AASB may introduce new or refine Australian Accounting Standards, which may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in Vysarn's consolidated financial statements.

Market conditions

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- a) general economic outlook;
- b) introduction of tax reform or other new legislation;
- c) interest rates and inflation rates;
- d) changes in investor sentiment toward particular market sectors;
- e) the demand for, and supply of, capital; and
- f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Company's Directors warrant or guarantee the future performance of the Company or any return to Shareholders arising from the potential acquisitions of CMP and WWS or otherwise.

Glossary/References

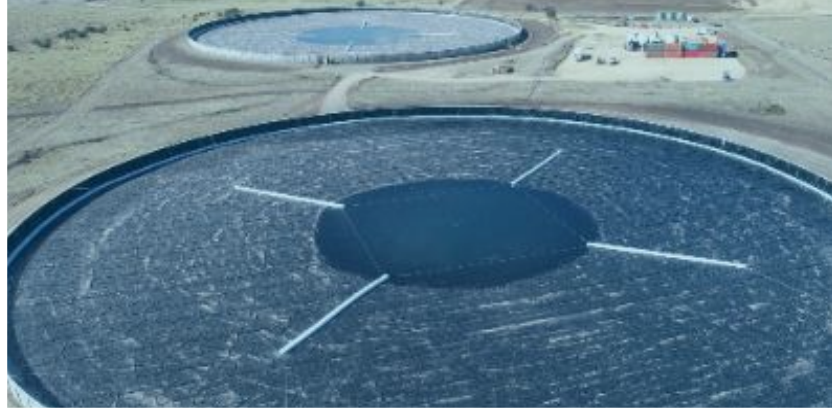
Sources for the 'East Coast Infrastructure' Expenditure

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East Coast Infrastructure Boom Sources

Region/Group	Capital expenditure*	Source
Victorian Water Authority Historical Capital Expenditure (FY19 – FY23)	~\$8.9Bn	<p>Analysis of FY19, FY20, FY21, FY22 & FY23 annual reports from the following Victorian Water Authorities (Capital expenditure is stated in each).</p> <ul style="list-style-type: none"> Melbourne Water, Greater Western Water, South East Water, Yarra Valley Water, Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water, Gippsland Water, Goulburn Valley Water, Grampians Wimmera Mallee Water, Lower Murray water, North East Water, South Gippsland Water, Wannon Water, Westerport Water, Southern Rural Water and Goulburn-Murray Water
Victorian Water Authorities Capital Expenditure Outlook (FY24 – FY28)	~\$14.76Bn	<p>Analysis of Water Authorities 2023/2024 corporate plans</p> <ul style="list-style-type: none"> Melbourne Water Example: See page 49 https://www.melbournewater.com.au/media/22871/download <p>Analysis of independent reviews of 5 year analysis of capital expenditure</p> <ul style="list-style-type: none"> Greater Western Water Example: See page 11 https://www.esc.vic.gov.au/sites/default/files/documents/Greater-Western-Water-price-review-2024-Review-of-Response-to-the-ESC-Draft-Decision-on-Expenditure-Forecasts-20240605.pdf
Sydney Water – Historical Capital Expenditure (FY19 – FY23)	~\$5.261Bn	Analysis of Sydney Water Annual Reports: FY19, FY20, FY21, FY22 & FY23
Sydney Water – Capital Expenditure Outlook (FY24 – FY28)	~\$14.83Bn	<p>Sources:</p> <p>https://www.parliament.nsw.gov.au/tp/files/187276/Sydney%20Water%20Statement%20of%20Corporate%20Intent%202023-24.pdf</p> <p>https://www.sydneywater.com.au/about-us/our-organisation/long-term-capital-and-operational-plan.html</p>
Queensland – Historical Capital Expenditure	~\$3.25bn	Source: https://www.rdmw.qld.gov.au/_data/assets/pdf_file/0004/1776280/qld-water-strategy-summary.pdf
Queensland – Capital Expenditure Outlook	~\$7.63Bn	Source: https://qmca.com.au/wp-content/uploads/2023/11/AUM23070-003-Pipeline-Full-Report-web-final-updated.pdf

*Capital Expenditure Outlook is a culmination of individual, stated forecasts, and may be subject to change.



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