VYSARN

ASX ANNOUNCEMENT

VYSARN FINANCIAL RESULTS SIX MONTHS TO DECEMBER FY2025

Water services and infrastructure provider Vysarn Limited (ASX:VYS) (Vysarn)(Company) announces its financial results for the six (6) months to 31 December 2024 (1HFY25).

Summary of group results for 1HFY25:

- **Revenue from operations $41.02 million**
- **EBITDA $8.14 million**
- **NPBT $5.24 million**
- **Net Tangible Assets $46.60 million**
- **Cash and Cash Equivalents $17.59 million**
- **Operational Cashflow $14.81 million**

The group results for 1HFY25 were ahead of guidance provided at the November 2024 AGM.

Results Commentary

Please refer to the Appendix 4D (enclosed) for detailed variance analysis of 1HFY25 versus the previous corresponding period.

HY Comparison Description	1H FY25 ($)	1H FY24 ($)	Variance ($)	Variance (%)
Operational Reveune	41,016,970	38,883,565	2,133,405	5%
EBITDA	8,135,498	8,574,548	(439,050)	-5%
NPBT	5,244,211	6,008,061	(763,850)	-13%
NPAT	3,563,313	4,099,638	(536,325)	-13%
Operational Cashflow	14,805,762	8,317,939	6,487,823	78%

Vysarn had previously guided 1HFY25 to be below that of 2HFY24 due to concerns regarding ongoing conservatism within the Western Australian resources sector as a result of the broader global economic and political environment, and consequential uncertainty in commodity prices.

HY Comparison Description	1H FY25 ($)	2H FY24 ($)	Variance ($)	Variance (%)
Operational Reveune	41,016,970	36,913,774	4,103,196	11%
EBITDA	8,135,498	7,745,557	389,941	5%
NPBT	5,244,211	5,052,333	191,878	4%
NPAT	3,563,313	3,860,872	(297,559)	-8%
Operational Cashflow	14,805,762	1,895,442	12,910,320	681%

While the board and management anticipated short term head winds within the period, the prime focus of the Company remained to achieve NPBT in line with or in excess of 2HFY24. The Company subsequently produced 1HFY25 NPBT of $5.24 million (see comparative metrics above).

It is worth noting that during the financial period management also completed the Company transformational acquisitions of Waste Water Services Pty Ltd (WWS) and CMP Consulting Group Pty Ltd (CMP) both which made meaningful contributions in the half, but also generating not insubstantial transactions costs and management attention.

The Company's subsidiaries performed broadly in-line with management's expectations. As anticipated, the biggest drag on first half earnings was the industrial division consisting of Pentium Hydro (PH) and Pentium Test Pumping (PTP). Both businesses experienced material declines in the utilisation of assets exposed to the iron ore sector as a result of broad Tier 1 client reductions in first half spend and subsequent delays in work programs now pushed into 2HFY25.

The advisory division consisting of Pentium Water (PW) and new addition CMP produced a steady financial result in the period. PW experienced a continuation of increased demand for services across urban water but also experienced a similar offset via the declining demand for groundwater services due to its exposure to the Western Australian resources sector. The CMP acquisition was completed effective from 1 December 2024 and consequently contributed one month of earnings in the period. CMP's earnings contribution met management's expectations and was in-line with the pro forma earnings run rate established during the due diligence phase of the acquisition.

The technology division consisting of Project Engineering (ProEng) and WWS continued to produce strong earnings despite both subsidiaries having an order book primarily exposed to the Western Australian resources sector. There was sustained demand for both business' suite of products and services. The WWS acquisition was effective from 1 September 2024 and made an encouraging contribution in the half and exceeded management's early expectations based on the pro forma earnings run rate established during the due diligence phase of the acquisition.

While Vysarn Asset Management (VAM) made great inroads during the half developing its first water asset with the Kariyarra Aboriginal Corporation (KAC), the business unit is yet to contribute to Company earnings.

Vysarn Ltd corporate overheads remained flat half on half.

The income tax expense of $1.68 million in the period reflects an increase to the Company's current tax liability ($2.29 million) and a reduction in deferred tax liability balance ($0.61 million). The Company's carry forward tax loss balance was fully utilised during the previous period.

In parallel with the acquisitions of WWS and CMP, the Company conducted a capital raising which procured $38.2 million in cash from new institutional shareholders prior to any capital raising costs. Of the funds raised $23.1 million in cash was deployed as part of the CMP consideration and $6.6 million in cash was deployed as part of the WWS consideration. The remaining funds from the capital raising have been earmarked for future Vysarn growth initiatives and development costs for VAM's first water asset.

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Pleasingly, operational cashflow in the period was very strong which represented a combination of solid conversion of EBITDA to cash in the half as well as the substantive collection of the material debtors as at 30 June 2024 that were carried over to 1HFY25.

As a result of the capital raising and strong operational cash flow in the period, the cash and cash equivalent balance as at 31 December 2024 was $17.59 million.

Operations and Outlook

The Vysarn board and management continue to anticipate that FY2025 earnings will be materially skewed to the second half primarily due to a forecast realisation of latent demand from the WA resources sector combined with a full second half earnings contribution from WWS and CMP post their acquisition.

As previously outlined by the Company in the November 2024 AGM presentation, pro-forma FY2024 NPBT was $19.29 million when combining earnings from WWS and CMP with that of Vysarn's reported earnings in the same period. Vysarn is targeting these earnings run rates in CY2025, which if achieved, would provide material year on year earnings growth in FY2025, as well as provide a platform for further earnings growth looking forward to FY2026.

Industrial

While PW and PTP experienced a material decline in utilisation in 1HFY25, latent demand from Tier 1 iron ore clients is being realised and is presenting an opportunity for all assets to be redeployed within 2HFY25. Hydrogeological drill rig demand is anticipated to enable PH to return to a steady state earnings run rate within the half, with demand also presenting an opportunity for PH to have up to four rigs double shifting by the last quarter.

PTP has been awarded work scopes that will enable the deployment and utilisation of both rigs in the half. In addition to the deployment of its test pumping rigs, PTP has also been awarded and subsequently started work on a major reinjection testing program with a new Tier 1 iron ore client. As far as the Company is aware, an injection testing program of this nature and scale is unique and provides PTP with an opportunity to provide a new and scalable service offering in managed aquifer recharge (MAR). Of note, the end to end injection testing service is an integrated solution provided by PTP in unison with PW and ProEng.

As previously flagged, management's intention for the foreseeable future is to have a commodity and geographic concentration strategy where PH and PTP assets focus on servicing the iron ore sector in Western Australia. This strategic initiative is underpinned by the substantial and growing water issues in the Pilbara, the Company's subsequent line of sight on sustained long term demand for its assets from iron ore producers, and the recent demise of the battery metals sector.

Advisory

It is anticipated that PW will produce a full year FY2025 earnings result broadly in line with that of FY2024. As previously outlined, the demand for PW's urban water advisory offering is robust with opportunities expected to continue to present themselves to grow the service offering and recruit further staff. While the demand and earnings growth generated by the urban water service team was somewhat offset by the 1HFY25 contraction in groundwater advisory, management anticipates that demand for PW's groundwater services in 2HFY25 will return.

Importantly, PW will continue to provide a vital strategic line of sight on growth avenues for the Company's current suite of subsidiaries as well as identifying opportunities in services currently not part of Vysarn's end to end water vertical.

In 2HFY25 the PW groundwater team will also play a key role in the development of VAM's first water asset by leading the hydrogeological assessment phase.

The addition of CMP will provide Vysarn with a material beachhead on the east coast of Australia, particularly in the state of Victoria, in turn diversifying the Company away from its current Western Australian and resource sector centricity. Since the completion of the acquisition, CMP has importantly renewed a key contract with a long term Victorian water authority client and entered into a master service agreement with Sydney Water, which is the largest water authority in the country.

CMP's prime strategic focus in 2HFY25 is to first and foremost achieve the earnings run rate established in the acquisition due diligence process. This target is supported by current work in hand coupled with a strong identified pipeline of pending work that is anticipated to be awarded in the half.

In parallel with this approach, CMP is actively targeting its first scope of work with Sydney Water. It is envisaged that winning a first scope would not only provide a new earnings driver but would immediately provide a platform and the impetus for CMP to target a presence and expansion in New South Wales. Management is in the early stages of preparing for the establishment of offices in multiple new regions with discussions taking place with potential local management, technical staff and providers of premises.

Longer term, the board and management see the merit in developing CMP into a national multi-disciplined consulting practice by leveraging its current expertise, reputation and brand recognition.

Technology

ProEng continues to see growth in the adoption of MAR as a preferred methodology for the disposal of water in the Pilbara. Despite various scopes of work in MAR being delayed and pushed into future financial periods by iron ore producing clients, the business unit not only produced a strong earnings result in 1HFY25, but is in receipt of a firm order book that mirrors that of the first half and sets ProEng up for a similar financial performance in 2HFY25. Based on progressed discussions with clients, management anticipates that the order book for MAR units in 2HFY25 has the potential to expand further.

ProEng continues to progress its strategy to develop a bigger suite of product and service offerings, with a particular focus on using its dominant position in injection technology to develop similar expertise in extraction. It is anticipated that ProEng will have placed trial extraction units in the field with clients in 2HFY25 while actively pursuing an initial order.

The expansion of ProEng's capabilities also includes the provision of its injection and extraction technology that is driving the major injection testing contract currently being delivered by PTP.

The addition of WWS as a wholly owned subsidiary provides the Company with diversified expertise and technology in wastewater treatment, as well as an order book that is anticipated to support an earnings run rate in FY2025 that is in excess of that identified during the due diligence phase of the acquisition and subsequently disclosed during the capital raising process.

WWS' order book continues to primarily consist of the delivery of new wastewater treatment plants for WA based resource clients. Management has started pivoting the business to target larger municipal wastewater treatment plants nationally, as well as pursuing new opportunities for rental plants to continue building up the annuity revenue in the business.

The addition of WWS is not only anticipated to bring a new growth engine and associated earnings stream to the Company, but there is the potential for value creating synergies with ProEng, CMP and VAM.

ProEng will benefit from a level of supply chain integration with WWS as well as leveraging access to inhouse manufacturing and fabrication capabilities. This opportunity is expected to generate greater margin retention.

CMP as a leading designer of wastewater treatment plants is anticipated to be able to use WWS plants as an additional product and service offering for current and future national water authority clients, as well as identifying greenfield opportunities for WWS outside of WA.

Early interactions with regional municipals also suggest that there is indicative demand to explore a build, own, operate, maintain model for WWS wastewater treatment plants. VAM is subsequently using this opportunity to explore potential infrastructure funding mechanisms.

Asset Management

VAM has made significant progress in the identification, planning and development of the Kariyarra paleochannel (Kariyarra Water Scheme) in partnership with the KAC. Further extensive desktop and field investigations in FY2025 continue to indicate that the Kariyarra Water Scheme has the potential to be what the Company considers a groundwater resource of state and national significance.

Extensive stakeholder management across state and federal government agencies, domestic and international infrastructure funders and potential long term water off take partners has been conducted in 1HFY25. This patient and strategic approach has been designed to ensure the project's best chances of success with a broader intent to not only secure the asset and the associated long term water rights under a 5C license, but to also secure various forms of land tenure over the groundwater asset location as well as proposed infrastructure corridors.

VAM is still targeting the execution of the drilling and testing program in 2HFY25. The program will form the core of the Kariyarra Water Scheme's hydrogeological investigation to meet the parameters required within the regulatory framework and 5C license application, and to provide early and indicative economic, environmental and social parameters that can be used to progress negotiations with the various project stakeholders. This process is also designed to help highlight the cultural significance of the asset to the Kariyarra people with the various project stakeholders.

The drilling and testing development phases are fully funded via the September 2024 capital raising. In conjunction, management has applied for federal funding to assist in the development of the Kariyarra Water Scheme.

Group

The Company is well positioned to continue executing its strategy to be a leading water services and infrastructure provider. As Vysarn enters the second half of FY2025 the Company has established a platform capable of further material growth via a combination of targeted organic growth opportunities, expanded capabilities and growth engines via the acquisition of WWS and CMP, and the potential to own water and associated water infrastructure assets.

The Company has a leading exposure to what it considers to be the two major water fronts in Australia: the Pilbara region of Western Australia and the Eastern Seaboard. The two water fronts provide the Company with genuine diversification across sectors, geographies and counter economic cycles.

The Pilbara will continue to require material dewatering services and infrastructure across the iron ore sector as current and future economic ore bodies lie deeper within the water table. Coupled with a growing demand for large scale municipal and industrial water supply to facilitate earmarked economic development and diversification in precincts such as Port Headland, the Pilbara has the potential to provide Vysarn with continued long term growth opportunities.

The Eastern States governments and water authorities have committed to what the Company considers a generational spend over the next decade that targets the upgrade and renewal of water and wastewater infrastructure to meet growing demands pertaining to population growth, population dispersion and tightening environmental standards.

This water front thematic across east and west provides Vysarn with an opportunity to continue executing the core strategy of building a fundamentally driven diversified business that can sustainably grow earnings and shareholder value, with the added optionality of participating in water and water infrastructure ownership should the Company execute this strategic initiative successfully.

In preparation for the Company's growth an appropriate level of investment has been made in expanding executive management depth and breadth, having recently appointed new executive directors to the Vysarn Board to provide greater levels of experience and governance, as well as business systems that facilitate the integration of business units across disparate regions and sectors.

The Company is forecasting year on year earnings growth for FY2025 as management targets the delivery of the pro forma earnings run rate established and disclosed during the acquisition process of WWS and CMP.

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 2024

1. Details of reporting period:

Name of Entity	Vysarn Limited ("the Company")
ABN	41 124 212 175
Reporting Period	31 December 2024
Previous Corresponding Period	31 December 2023

2. Results for announcement to the market

	6 Months ended 31 December 2024 $	6 Months ended 31 December 2023 $	Increase / (Decrease) %	Amount Change $
Revenues	41,016,970	38,883,565	5%	2,133,405
Profit / (loss) before income tax	5,244,211	6,008,061	(13%)	(763,850)
Profit / (loss) after tax attributable to members	3,563,313	4,099,638	(13%)	(536,325)

Refer to enclosed financial report for the half-year ended 31 December 2024 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 2024.

4. Statement of financial position

Refer to enclosed financial report for the half-year ended 31 December 2024.

5. **Statement of cash flows**
Refer to enclosed financial report for the half-year ended 31 December 2024.

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

7. **Statement of changes in equity**
Refer to enclosed financial report for the half-year ended 31 December 2024.

8. **Net tangible assets per security**

	31 December 2024 (cents)	31 December 2023 (cents)
Net tangible assets per ordinary security	0.0901	0.0845

9. **Gain or loss of control over entities**
Refer to enclosed financial report for the half-year ended 31 December 2024.

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 2024.

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 2024 for further commentary.

14. **Status of audit**
The financial report for the half-year ended 31 December 2024 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: 27 February 2025

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VYSARN LIMITED

ABN 41 124 212 175

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

for the half year ended 31 December 2024

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CORPORATE DIRECTORY

Directors

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

Company Secretary
Matthew Power

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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
Automic 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

The Directors present their report, together with the financial statements for the half-year ended 31 December 2024 (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
Peter Hutchinson	Chairman	27 October 2017
James Clement	Managing Director and CEO	3 February 2020
Sheldon Burt	Executive Director	15 May 2019 to 10 February 2025
	Non-Executive Director	10 February 2025
Shane McSweeney	Executive Director	10 February 2025
Steve Dropulich	Executive Director	10 February 2025

Mr Shane McSweeney is an accomplished executive leader, bringing with him extensive experience in advisory services, strategic management, operational excellence and corporate governance. Mr McSweeney's career spans almost two decades in consultancy practices encompassing senior leadership roles in consultancy and advisory businesses focusing on water services across diverse industries. Mr McSweeney holds a Bachelor of Science in Environmental Science, a Master in Environmental Engineering and is a Graduate of the Australian Institute of Company Directors. Mr McSweeney is currently the General Manager of Pentium Water with a prime focus on leading the operations of the Group's advisory subsidiaries.

Mr Steve Dropulich is a 30 year veteran of the Australian energy and infrastructure services sector having established and led market leading contracting companies in senior executive management roles across both public and private business. Prior to joining Vysarn, Mr Dropulich was a founding Director of an ASX listed energy and infrastructure services company, where he was the Managing Director for over 10 years until its acquisition by an international industrial services group in 2021. Mr Dropulich holds a Bachelor of Commerce in accounting and business law and is a member of both the Institute of Chartered Accountants and the Australian Institute of Company Directors. Mr Dropulich is currently the Chief Operating Officer of the Company with a prime focus on leading the operations of the Group's industrial subsidiaries.

2. DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid, recommended or declared during the current or previous period.

3. LIKELY DEVELOPMENTS

The Group will continue to pursue new contract opportunities in Australia for its water and infrastructure services.

4. REVIEW OF OPERATIONS

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

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

- Pentium Hydro Pty Ltd ("Pentium Hydro");
- Pentium Test Pumping Pty Ltd ("PTP");
- Pentium Water Pty Ltd ("Pentium Water");
- Project Engineering (WA) Pty Ltd ("Project Engineering");
- Vysarn Asset Management Pty Ltd ("VAM");
- Waste Water Services Pty Ltd ("WWS"); and
- CMP Consulting Group Pty Ltd ("CMP").

The Company completed the acquisitions of WWS and CMP during the period. The addition of CMP provides Vysarn with a beachhead on the east coast of Australia, particularly the state of Victoria, in turn diversifying the Company away from its current Western Australian and resource sector centricity.

5. FINANCIAL PERFORMANCE

The profit for the Group after providing for income tax amounted to $3,563,313 (31 December 2023: $4,099,638).

Working capital, being current assets less current liabilities, was $19,289,181 (30 June 2024: $11,240,290). The Group had positive cash flows from operating activities for the period amounting to $14,805,762 (31 December 2023: $8,317,938).

Revenue from operations for the half year ended 31 December 2024 was $41,016,970 (31 December 2023: $38,883,565).

The table below provides a comparison of the key results for the half year ended 31 December 2024 to the preceding year ended 31 December 2023:

	31-Dec-24	31-Dec-23
Statement of Profit or Loss	$	$
Revenue from operations	41,016,970	38,883,565
Reported profit after tax	3,563,313	4,099,638

	31-Dec-24	30-Jun-24
Statement of Financial Position	$	$
Net assets	91,686,412	41,057,796
Total assets	127,808,739	65,722,895
Cash and cash equivalents	17,591,168	3,731,180

6. PRINCIPAL ACTIVITIES

The Group currently operates hydrogeological drilling, test pumping, consultancy and managed aquifer recharge and waste water services.

7. EVENT SUBSEQUENT TO REPORTING DATE

As announced to the ASX on 14 February 2025, Shane McSweeney and Steve Dropulich were appointed to the Board of Directors of the Company, effective from 10 February 2025.

There were no other matters or circumstance that have arisen since 31 December 2024 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.

8. 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).

9. 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 27 February 2025

PITCHER PARTNERS

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 2024, 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, 27 February 2025

	Note	31 December 2024 $	31 December 2023 $
Revenue			
Revenue from contracts with customers	4	41,016,970	38,883,565
Other income		1,046,181	154,939
Expenses			
Administration and corporate expense	6	(2,475,776)	(2,035,211)
Employee benefits expense	6	(14,977,208)	(13,488,718)
Depreciation and amortisation expense	6	(2,747,118)	(2,295,440)
Finance costs	6	(144,169)	(271,048)
Consumables and other direct expenses	6	(16,474,669)	(14,940,026)
Profit before income tax		5,244,211	6,008,061
Income tax expense		(1,680,898)	(1,908,423)
Profit after income tax expense for the half year attributable to the owners of the Company		3,563,313	4,099,638
Other comprehensive income		-	-
Total comprehensive income for the half year attributable to owners of the Company		3,563,313	4,099,638
Earnings per Share attributable to owners of the Company			
Basic earnings per share (cents per share)		0.75	1.01
Diluted earnings per share (cents per share)		0.75	0.97

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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	Note	31 December 2024 $	30 June 2024 $
CURRENT ASSETS			
Cash and cash equivalents		17,591,168	3,731,180
Trade receivables		11,747,241	16,586,392
Inventories		7,309,862	6,317,287
Other current assets	7	5,119,616	738,854
Prepayments and other assets		1,850,327	823,478
TOTAL CURRENT ASSETS		43,618,214	28,197,191
NON-CURRENT ASSETS			
Plant and equipment	8	36,601,791	33,583,208
Right of use asset		1,641,428	549,182
Intangible assets	9	45,082,462	3,393,314
Other non-current assets		864,844	-
TOTAL NON-CURRENT ASSETS		84,190,525	37,525,704
TOTAL ASSETS		127,808,739	65,722,895
CURRENT LIABILITIES			
Borrowings		1,581,635	1,954,925
Trade and other payables		14,486,456	10,013,731
Current tax liability		5,070,578	2,960,109
Employee liabilities		2,726,355	1,349,445
Lease liability		464,009	428,691
Contingent consideration payable		-	250,000
TOTAL CURRENT LIABILITIES		24,329,033	16,956,901
NON-CURRENT LIABILITIES			
Borrowings		182,361	885,269
Lease liability		1,228,772	153,157
Employee liabilities		231,104	130,406
Deferred tax liability		4,870,311	6,284,383
Contingent consideration payable	14	5,280,746	254,983
TOTAL NON-CURRENT LIABILITIES		11,793,294	7,708,198
TOTAL LIABILITIES		36,122,327	24,665,099
NET ASSETS		91,686,412	41,057,796
SHAREHOLDERS' EQUITY			
Issued capital	10	61,651,251	20,024,837
Reserve	11	5,438,889	799,775
Retained earnings		24,596,572	20,233,184
SHAREHOLDERS' EQUITY		91,686,412	41,057,796

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

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	Issued Capital	Share Based Payment Reserve	Retained Earnings	Total
	$	$	$	$
Balance at 1 July 2023	20,029,354	623,211	12,273,525	32,926,090
Profit for the period	-	-	4,099,638	4,099,638
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	4,099,638	4,099,638
Transactions with owners in their capacity as owners				
Capital raising costs	(4,517)	-	-	(4,517)
Share based payments	-	88,282	-	88,282
Balance at 31 December 2023	20,024,837	711,493	16,373,163	37,109,493
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
Transactions with owners in their capacity as owners				
Issue of shares (Note 10)	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 (Note 12)	-	(224,774)	224,774	-
Performance Rights exercised and transferred to retained earnings (Note 12)	-	(575,001)	575,001	-
Share based payments (Note 12)	-	5,438,889	-	5,438,889
Balance at 31 December 2024	61,651,251	5,438,889	24,596,272	91,686,412

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

	Note	31 December 2024 $	31 December 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		51,457,444	44,990,144
Payments to suppliers and employees		(36,963,864)	(36,442,973)
Interest received		456,351	41,815
Interest paid		(144,169)	(271,048)
Net cash flows from operating activities		14,805,762	8,317,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for the acquisitions	13, 14	(29,661,929)	-
Proceeds from disposal of plant and equipment		-	29,682
Purchase of plant and equipment		(5,527,135)	(4,559,948)
Net cash flows used in investing activities		(35,189,064)	(4,530,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	1,268,060
Repayment of borrowings		(1,140,833)	(5,987,675)
Payments for principal portion of lease liabilities		(284,074)	(203,187)
Proceeds from capital raising		38,195,586	-
Capital raising costs		(2,527,389)	(4,516)
Net cash flows from / (used in) financing activities		34,243,290	(4,927,318)
Net increase / (decrease) in cash and cash equivalents		13,859,988	(1,139,646)
Cash and cash equivalents at the beginning of the half year		3,731,180	8,309,432
Cash and cash equivalents at the end of the half year		17,591,168	7,169,786

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

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 2024 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 2024 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 2024.

New accounting standards and amendments have been applied for the half-year that have a mandatory application date of 1 July 2024. 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 2024.

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 one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2024-3 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*.

They 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: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The critical accounting estimates and judgements have been consistently applied with the previous financial year and corresponding interim period.

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

	31-Dec-24 $	31-Dec-23 $
Revenue recognised over a period of time from contracts with Australian customers:		
Drilling and Test Pumping services	20,763,347	24,380,619
Engineering services	10,348,982	5,770,443
Consultancy services	4,352,057	2,324,594
Hire revenue	595,132	570,973
Joint Venture income	24,129	48,352
Sub-total	36,083,647	33,094,981
Revenue recognised at a point in time from contracts with Australian customers		
Sale of goods (consumables)	4,611,354	5,696,559
Mobilisation / demobilisation	321,969	92,025
Sub-total	4,933,323	5,788,584
Total revenue	41,016,970	38,883,565

NOTE 5: RELATED PARTY TRANSACTIONS

During the half year ended 31 December 2024, no further options were issued to the Directors.

Tranche 3 of the Performance Rights vested, meaning 3,333,335 ordinary shares were issued during the period. Refer to Note 12 for further information.

(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-24	31-Dec-23	31-Dec-24	30-Jun-24
		$	$	$	$
Connada Pty Ltd	Executive director consulting fees	121,000	178,750	-	-
James Clement	Options Loan Agreement	750,000	-	750,000	-

Connada Pty Ltd is an entity controlled by Executive Director Mr Sheldon Burt.

On 24 November 2022, Shareholders approved the issue of 10,000,000 Options to Mr James Clement (and/or his nominee(s)), as part of his long-term incentive-based remuneration package with the Company (Incentive Options). On 23 November 2023, Shareholders approved the terms to extend an interest free loan to Mr Clement, for the exercise of the Incentive Options (Director Loan).

NOTE 5: RELATED PARTY TRANSACTIONS (CONTINUED)

On 2 July 2024, Mr Clement (via his nominee) exercised the 10,000,000 Incentive Options at an exercise price of $0.075, funded by a drawdown of $750,000 pursuant to the Director Loan, and as a result was issued 10,000,000 Shares (Loan Funded Shares). As at 31 December 2024, the amount owing is interest free and repayable upon demand.

The Company proposes to vary the terms of the Director Loan such that it is a full recourse loan. The effect of the proposed variation is that, if Mr Clement defaults on repayment of the Loan Balance, then the Company can seek to recover the full outstanding Loan Balance, not limited to the value of the Loan Funded Shares.

(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.

NOTE 6: EXPENSES

Breakdown of expenses by nature:	31-Dec-24 $	31-Dec-23 $
Administration and corporate expenses		
- Office expenses	951,337	782,938
- Corporate costs and compliance	1,444,157	1,217,543
- Other expenses	80,282	34,730
Total	2,475,776	2,035,211
Employee benefits expense		
- Wages and salaries	12,771,451	11,413,828
- Superannuation	1,384,535	1,259,411
- Employment related taxes	793,011	687,012
- Share-based payment expense (Note 15)	-	88,282
- Other employment related expenses	28,211	40,185
Total	14,977,208	13,488,718
Depreciation and amortisation expense		
- Depreciation and amortisation expense	2,463,730	2,112,780
- Land and buildings lease amortisation	283,388	182,660
Total	2,747,118	2,295,440
Finance costs		
- Interest expense	84,911	189,657
- Bank fees	59,258	81,391
Total	144,169	271,048
Consumables and other direct expenses		
- Consumables	10,572,934	9,692,485
- Other direct expenses	5,901,735	5,247,541
Total	16,474,669	14,940,026

NOTE 7: OTHER CURRENT ASSETS	31-Dec-24	30-Jun-24
	$	$
Contract fulfilment costs	3,297,685	635,199
Contract assets	1,183,073	46,156
Other current assets	638,858	57,499
Total	5,119,616	738,854

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.

NOTE 8: PLANT AND EQUIPMENT

	31-Dec-24	30-Jun-24
	$	$
Cost	58,811,649	52,874,585
Accumulated depreciation	(22,209,858)	(19,291,377)
Net carrying amount	36,601,791	33,583,208

a) Movements in Plant and Equipment

	Plant and equipment	Trucks, trailers and light vehicles	Office Equipment	Leasehold Improvements	Assets Held not ready for use	Total
Consolidated Group	$	$	$	$	$	$
Balance at 30 June 2024	19,960,670	10,341,073	232,086	4,003	3,045,376	33,583,208
Additions	5,879,352	326,273	312,933	121,398	(1,112,821)	5,527,135
Disposals	-	(44,822)	-	-	-	(44,822)
Depreciation expense	(1,529,201)	(842,341)	(85,851)	(6,337)	-	(2,463,730)
Balance at 31 December 2024	24,310,821	9,780,183	459,168	119,064	1,932,555	36,601,791

NOTE 9: INTANGIBLE ASSETS

	31-Dec-24	30-Jun-24
	$	$
Patents	7,906	8,514
Other Intangible Assets	1,754,299	975,466
Goodwill	43,320,257	2,409,334
Total	**45,082,462**	**3,393,314**

NOTE 10: SHARE CAPITAL

	31-Dec-24	30-Jun-24
(a) Share Capital	$	$
527,444,829 (30 June 24: 408,622,529) fully paid ordinary shares	61,651,251	20,024,837
Consisting of		
	No.	$
Opening Balance 1 July 2023	*405,289,196*	*20,024,837*
12-Sep-23 Performance Rights vested during the period	*3,333,333*	*-*
Closing Balance 30 June 2024	408,622,529	20,024,837
02-Jul-23 Exercise of Managing Director Options (Note 12)	10,000,000	750,000
27-Aug-24 Exercise of Performance Rights (Note 12)	3,333,335	-
19-Sep-24 Capital raising	95,488,965	38,195,586
01-Dec-24 Issue of Consideration Shares to the Vendors of CMP Consulting Group Pty Ltd (Note 14)	10,000,000	4,450,000
Less: Share-issue costs, net of tax	-	(1,769,172)
Closing Balance 31 December 2024	527,444,829	61,651,251

NOTE 11: RESERVES

	31-Dec-24	30-Jun-24
(a) Share Based Payment Reserve	$	$
Nil options on issue (30 June 2024: 10,000,000) and nil performance rights on issue (30 June 2024: 3,333,334)		
30,000,000 Deferred (contingent) Consideration Shares (30 June 2024: nil)	5,438,889	799,775

(b) Movement in Share Based Payment Reserve

Opening balance at 1 July 2024	$
Options on issue at the beginning of the period	799,775
Transfer to retained earnings upon exercise of options and performance rights	(799,775)
CMP Consulting Group Pty Ltd Deferred Consideration shares (Note 14)	5,438,889
Total	5,438,889

NOTE 12: SHARE BASED PAYMENTS

Share Issue

3,333,335 performance rights were converted to fully paid ordinary shares and issued to Executive Directors as part of Tranche 3 of the Performance Rights Incentive. These performance rights had been expensed in full in the prior periods. Upon conversion, the Company transferred the cumulative amount expensed in relation to all Performance Rights ($575,000) to Retained Earnings.

10,000,000 Acquisition Shares and 30,000,000 Deferred (contingent) Consideration Shares were issued to the vendors of CMP Consulting Group Pty Ltd, as part of the Company's acquisition during the half year ended 31 December 2024. Refer to Note 14 for further details

Options

No options were issued during the half-year ended 31 December 2024.

As per the ASX announcement on 4 July 2024, Mr James Clement exercised his 10,000,000 options through the use of the Director Loan. Refer to Note 5 for further information.

Upon their exercise, the cumulative amount expensed in relation to these options was transferred to Retained Earnings.

Performance Rights

During the six-month period ended 31 December 2024, the Company did not issue any additional performance rights. 3,333,335 performance rights were exercised and converted to fully paid ordinary shares as the achievement of the vesting conditions had been met.

No expense has been recognised in the period (31 December 2023: $20,850) for the re-assessment of the probability of the performance rights vesting.

Upon their exercise, the cumulative amount expensed in relation to all historical Performance Rights was transferred to Retained Earnings.

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.

Waste Water Services Pty Ltd is an Australian company. 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:

	31-Dec-24 $
a) Purchase Consideration	
Cash paid (net of working capital adjustments)	6,602,916
Total consideration paid	6,602,916
b) Fair Value of Net Tangible Assets	
Trade receivables	1,164,786
Other current assets	599,026
Plant and equipment	2,114,820
Other non-current Assets	368,191
Trade and other payables	(1,025,922)
Other current liabilities	(950,749)
Provisions	(256,587)
Deferred tax liability	(340,650)
Total	1,672,915
c) Goodwill	
Excess of consideration over fair value of net assets acquired	4,930,001

(i) The goodwill on acquisition comprises over 25 years of waste water treatment designs of manufactured specialised products, installation and maintenance of wastewater, aswell as synergies from joining the broader Vysarn group in water and infrastructure services. Goodwill is not deductible for tax purposes.

(ii) Acquisition-related costs of $95,280 are recognised in profit or loss, and are included in Administration and corporate expense.

(iii) Since the acquisition date, WWS has contributed revenue of $5,940,376 and profit before tax of $1,748,289 which is included in the consolidated statement of comprehensive income.

NOTE 14: 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.

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

CMP is an Australian company. 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, 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:

	31-Dec-24 $
d) Purchase Consideration	
Cash paid (net of working capital adjustments)	23,059,013
*Acquisition Shares	4,450,000
*Deferred Consideration Shares (iv)	9,236,302
*Additional Deferred Consideration Shares (v)	1,483,333
Fair value consideration	38,228,648
e) Fair Value of Net Tangible Assets	
Trade receivables	1,858,630
Other current assets	3,626,047
Plant and equipment	261,550
Deferred tax assets	473,860
Other non-current Assets	121,398
Trade and other payables	(765,994)
Other current liabilities	(2,028,656)
Provisions	(1,299,109)
Total	2,247,726
f) Goodwill	
Excess of consideration over fair value of net assets acquired	35,980,922

* 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.

(i) The CMP Transaction has been provisionally accounted for as at 31 December 2024. The CMP Transaction achieved practical completion in December 2024. The Group is continuing to assess the fair value of assets acquired and liabilities assumed.

(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.

NOTE 14: ACQUISITION OF CMP CONSULTING GROUP PTY LTD (CONTINUED)

(iii) Acquisition-related costs of $291,597 are recognised in profit or loss, and are included in Administration and corporate expense.

(iv) Since the acquisition date, CMP has contributed revenue of $2,122,729 and profit before tax of $529,037 which is included in the consolidated statement of comprehensive income.

(v) 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 has 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 has initially recognised this liability at fair value, and subsequently will remeasure it's fair value at each reporting period with changes recognised in the Statement of Profit or Loss. $5,280,746 was recognised as Contingent Consideration Payable on acquisition in relation to these shares granted.

The contingent consideration associated with Year 1 and the Cumulative EBITDA Earn Out Period has been accounted for as an equity transaction. $5,438,889 was recognised within the Share Based Payment Reserve in relation to these shares granted. Refer to Note 12 for further information.

NOTE 15: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

Previously, the Group identified 5 reportable segments consistent. As at 31 December 2024 the Group had three reportable segments as outlined below:

- Industrial;
- Technologies; and
- Advisory

The Group has identified these reportable segments based on 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. The change in operating segments from that reported at 30 June 2024 is as a direct result of it's WWS Transaction and CMP Transaction.

The major results of the Group's operating segments are consistent with the presentation of these consolidated financial statements.

REPORTABLE SEGMENTS

	31-Dec-24	31-Dec-23
1. Segmented external revenues	$	$
Industrial	26,037,367	30,519,055
Technologies	10,355,154	5,811,576
Advisory	4,600,320	2,504,582
Other [1]	24,129	48,352
Total	41,016,970	38,883,565

Note 1 Other revenue comprises of Vysarn's Joint venture.

	31-Dec-24	31-Dec-23
2. Segmented net profit before tax		
Industrial	2,513,861	5,074,542
Technologies	3,237,396	1,896,397
Advisory	899,790	412,586
Other [2]	(1,406,836)	(1,375,465)
Total	5,244,211	6,008,060

Note 2 Inclusive of Vysarn Limited's and Vysarn Asset Management's corporate overhead.

3. Segmented assets	31-Dec-24	30-Jun-24
	$	$
Industrial	53,598,063	53,178,475
Technologies	17,356,686	6,356,330
Advisory	43,158,642	1,120,459
Other	13,695,348	5,067,631
Total	127,808,739	65,722,895

NOTE 15: OPERATING SEGMENTS (CONTINUED)

4. Segmented liabilities	31-Dec-24 $	30-Jun-24 $
Industrial	20,303,460	19,577,559
Technologies	5,720,507	2,776,498
Advisory	3,309,693	736,605
Other	6,788,667	1,574,438
Total	36,122,327	24,665,100

NOTE 16: 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-24	30-Jun-24
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%	-
CMP Consulting Group Pty Ltd	Australia	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 2024.

NOTE 17: 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 2 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.

NOTE 18: CONTINGENT LIABILITIES

The Group has no known commitments or contingent liabilities as at 31 December 2024 or at the date of this report (31 December 2023: nil).

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

As announced to the ASX on 14 February 2025, Shane McSweeney and Steve Dropulich were appointed to the Board of Directors of the Company, effective from 10 February 2025.

There were no other matters or circumstance that have arisen since 31 December 2024 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

VYSARN

In the opinion of the Directors of Vysarn Limited:

1. The financial statements and notes, as set out on pages 6-22 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 2024 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:

James Clement
Managing Director
Dated 27 February 2025

PITCHER PARTNERS

VYSARN LIMITED
ABN 41 124 212 175

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 2024, 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 2024 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.

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 2024 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

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MICHAEL LIPRINO
Executive Director
Perth WA, 27 February 2025

Pitcher Partners BA&A Pty Ltd
An independent Western Australian Company ABN 76 601 361 095.
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Registered Audit Company Number 467435.
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