

ASX ANNOUNCEMENT

VYSARN FINANCIAL RESULTS FOR FY2025

Vertically integrated water services and infrastructure provider Vysarn Limited (ASX:VYS) (Vysarn) (Company) announces its financial results for the twelve (12) months to 30 June 2025 (FY2025).

Summary of group results for FY2025:

- Revenue from Operations \$106.55 million
- EBITDA \$21.33 million
- NPBT \$15.03 million
- NPAT \$10.69 million
- Net Tangible Assets \$53.60 million
- Operational Cashflow \$17.16 million

FY2025 Results Commentary

Vysarn's revenue from operations to 30 June 2025 of \$106.55 million exceeded previous corresponding period revenue from operations by \$30.64 million.

CMP Consulting Group Pty Ltd (CMP) and Waste Water Services Pty Ltd (WWS) were wholly acquired by the Company during FY2025. Revenue from operations in FY2025 represents a seven month operational contribution from CMP, a ten month operational contribution from WWS, and a full twelve month operational contribution from all other Company wholly owned subsidiaries across consultancy, hydrogeological drilling, test pumping and managed aquifer recharge.

FY25 Key Financial Metrics	FY25	FY24	Variance	Variance
Segments	\$	\$	\$	%
Operational Revenue	106,526,209	75,885,416	30,640,793	40%
EBITDA	21,327,261	16,322,531	5,004,730	31%
NPBT	15,028,343	11,060,393	3,967,950	36%
NPAT	10,693,410	7,960,510	2,732,900	34%
Operational Cashflow	17,164,126	10,213,381	6,950,745	68%

Net Profit Before Tax (NPBT) was \$15.03 million and Net Profit After Tax (NPAT) was \$10.69 million for the 12 months to 30 June 2025.

Key Financial Metrics	Operational Revenue			EBITDA			EBT		
	FY25	FY24	Percentage Change	FY25	FY24	Percentage Change	FY25	FY24	Percentage Change
Segments	(\$)	(\$)	(%)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Industrial	60,497,235	59,256,288	2.1%	13,057,925	14,419,862	(9.4%)	7,808,682	9,644,944	(19.0%)
Technology	25,984,333	11,807,293	120.1%	7,495,895	4,090,322	83.3%	7,140,366	4,081,670	74.9%
Advisory	20,015,446	4,771,061	319.5%	4,168,969	1,044,954	299.0%	3,833,104	956,737	300.6%
Other	29,195	50,774	(42.5%)	(3,395,528)	(3,232,606)	(5.0%)	(3,753,809)	(3,622,957)	(3.6%)
Group Total	106,526,209	75,885,416	40.4%	21,327,261	16,322,531	30.7%	15,028,343	11,060,394	35.9%

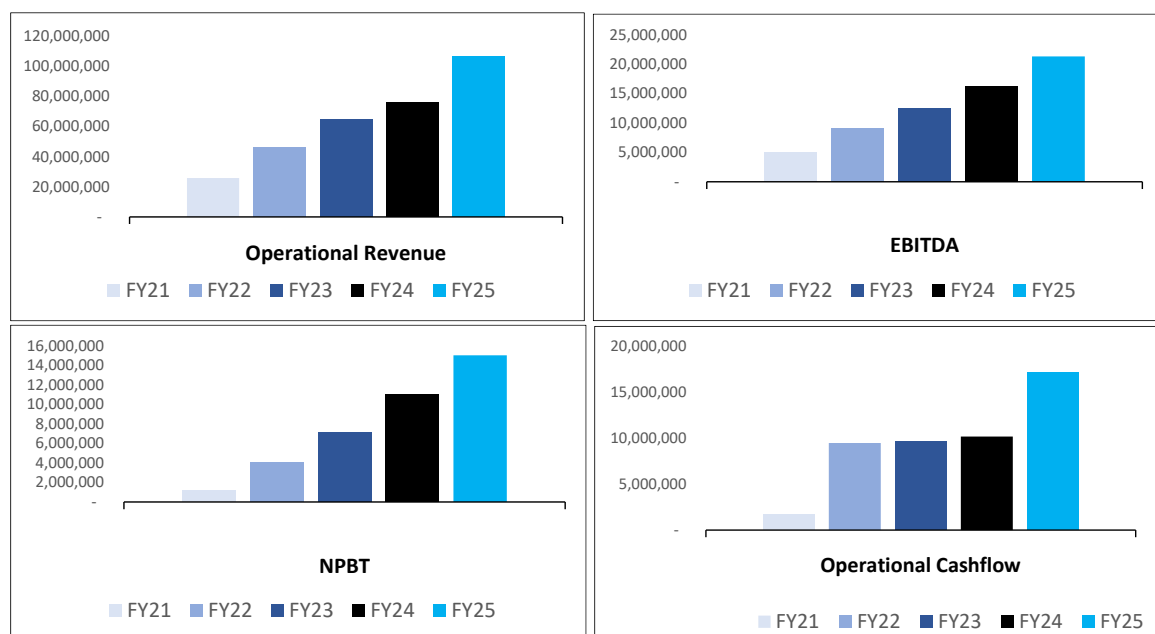
NPBT is inclusive of one off CMP and WWS acquisition costs of \$0.43m and non cash costs of \$0.56m relating to the issue and subsequent expensing of Company performance rights.

The increase in corporate expenditure was a continuation of investment to expand the executive leadership capability in anticipation of growth initiatives as well as the progression of Vysarn group water ownership projects.

Operational Cashflow was \$17.16 million. While the increase in the conversion of earnings to Operational Cash Flow compared to the previous corresponding period was pleasing, further upside to cash flow conversion was not realised because of the retention of due payments by Tier 1 debtors and the delivery of a material MAR project in late June FY2025.

The Company has Net Tangible Assets (NTA) of \$53.60 million, Net Current Assets of \$24.52 million, Cash and Cash Equivalent position was \$12.96 million and Net Cash was \$12.01 million as at 30 June 2025.

Key Financial Metrics



Operations and Outlook

In FY2025 Vysarn continued to execute its strategy of becoming one of Australia's leading vertically integrated water services and infrastructure providers. The Company maintained its trend of material year on year earnings growth underpinned by the performance of its established water services across consultancy, hydrogeological drilling, test pumping and managed aquifer recharge (MAR) combined with the additional earnings contributions from the new acquisitions in CMP and WWS during the FY2025 period.

To acquire CMP and WWS the Company conducted a successful and heavily oversubscribed capital raising in September 2025 which raised a total of \$38.2m before costs via the issue of 95.49m shares at 40c per share to new institutional and retail shareholders.

The acquisition of CMP in FY2025 provided Vysarn with further diversification and a strategic beachhead on the eastern seaboard of Australia to access what the Company considers a generational spend in water infrastructure by state governments and water authorities addressing population growth, population dispersion, aging infrastructure and evolving environmental standards. In hand with access to this material water infrastructure opportunity, CMP provides the Company with the immediate brand, relationships and geographic footprint to pursue potential cross-selling opportunities from west to east.

The acquisition of WWS in FY2025 provided Vysarn with immediate expertise in wastewater treatment in the design and installation of modularised treatment plants. The entry into the treatment of wastewater is a further extension of the Company's strategy to build capability across the breadth of water services. While WWS plants have primarily targeted Tier 1 Western Australian (WA) mining clients, the technology and capability will provide opportunities in time to cross over into regional and metropolitan municipal projects.

During the period the Company also progressed its strategy to own and develop groundwater resources for the potential supply of water to consumers in regional WA.

While the first half of FY2025 operations was impinged by what appeared to be a pause in project spending by the Company's iron ore clients, the subsequent commitment in the second half of FY2025 by clients to the commissioning of new mines and the expansion of current mines has created a supply demand dynamic that appears to be tightening.

While Vysarn anticipates that short term growth will continue to be underpinned by the iron ore sector in WA, the Company will continue actively pursuing various diversified growth opportunities across other sectors and geographies.

The board and management are of the opinion that the domestic multi-sectorial water and environment thematic is continuing to evolve and strengthen, and that the Company's strategy to methodically build out a vertically integrated water service and infrastructure capability will have Vysarn well positioned to benefit in future years.

Advisory

The WA focussed advisory service offering experienced another solid year of operational and financial performance despite an element of first half contagion across mining clients associated with the slowdown in the iron ore sector in the first half of the financial period.

New advisory work from mining clients in the first half of the financial period effectively ceased, with a number of long-term projects and deliverables continuing to provide a reduced baseload of work. Management responded by prudently reducing and reshaping headcount across the mining team to service work in hand but also to reset and prepare for what was anticipated to be a second half turn around in demand. As expected, second half demand from mining clients reemerged with earnings growth following suit.

In comparison, Urban advisory work in WA was exceptionally strong throughout FY2025 with demand outstripping available capacity at regular intervals during the period. Management responded by increasing headcount in this part of the division to not only meet the demand experienced in FY2025, but for what is expected to be a continuation of work from the urban sector in FY2026.

The catalyst for the advisory division's earnings expansion in FY2025 was the acquisition of CMP in Melbourne, Victoria (VIC). CMP is one of Australia's largest water only focussed engineering consulting practices bringing upwards of 90 engineers and support staff into Vysarn and a dominant position in the Victorian market servicing the majority of the metropolitan and regional water authorities in the state.

While the Company acquired CMP to expand its advisory capacity and sectorial diversification, the driving motivation was a strategic rationale centred on an east coast expansion of Vysarn and its services using CMP's brand and reach. CMP provides Vysarn with a launching pad to pursue a national presence as well as direct access to the material committed spend by the VIC, New South Wales (NSW) and Queensland (QLD) state governments to upgrade water infrastructure.

In its first seven months of ownership CMP's integration into the broader group ran behind a self-imposed schedule primarily due to the demands of the wider business and in turn produced an earnings run rate that was below expectations set during the acquisition due diligence phase.

As CMP enters FY2026 the final phase of business system integration has now been completed. The dominant position the business enjoys in Victoria has been consolidated with new contracts entered into with established key and new clients, and the team is successfully executing its first scope of work with a new major client in Sydney Water.

The geographical expansion of CMP has already progressed beyond NSW and Sydney Water, with a new CMP office and presence established in WA to pursue mining and local water authority work, as well as early discussions being held to open an office in New Zealand and QLD.

The outlook for domestic advisory services is promising. While the division is focussed on converting the visible pipeline of work, in turn establishing higher utilisation rates and earnings growth, the Company is targeting opportunities to expand advisory capability in other geographies. This is not only a function of where the Company sees opportunities for material increases in diversification, business scale and earnings, but helps activate Vysarn's strategy to cross sell its wider portfolio of water services into new markets.

Industrial

Industrial division earnings were down year on year primarily due to a sudden operational slow down across all Company iron ore clients in the first half of the financial period. Consistent messaging from clients cited concerns regarding short term geopolitical and global macro issues meaning budgeted spends in hydrogeological drilling and test pumping were being delayed until the second half.

Significant demand returned in the second half of the financial period with the entire iron ore sector looking for available equipment. On a positive note, the rapid slow down and then subsequent ramp up of activity from the iron ore miners enabled the Company to reallocate equipment across



all of the major WA iron ore producers mitigating concentration risks, target increases in return on assets, as well as sweating assets harder with the demand providing opportunities to double shift more of the drill rig fleet. This supply demand dynamic saw the Company delivering a peak of 15 shifts from 11 drill rigs (fleet of 12 drill rigs) in the second half. This run rate was a new high for the business.

While test pumping services experienced a similar demand dynamic to that of hydrogeological drilling in FY2025, it was a major injection testing program delivered for a new iron ore client in the second half that ultimately drove operational and financial performance in the financial period. This project was delivered via the Company's new service offering in aquifer injection testing.

This broad and rapid increase in activity across the entire industrial division produced a material second half skew in earnings. At this juncture, management is anticipating a continuation in this demand providing opportunities to sustain this utilisation and earnings run rate into FY2026.

With what appears to be a further tightening in the supply demand dynamic, Vysarn is revisiting a strategy to increase the size of the industrial fleet as well as continuing to shape rig fleet mix to be skewed towards primarily owning and operating dual rotary rigs which the Company believes will continue to provide the industrial division with a strong competitive moat.

The Company has already identified and is negotiating access to quality dual rotary rig assets for sale in international jurisdictions and has also identified an opportunity to rebuild a Company owned rig to a new client's specifications that would enable long term deployment and a strong return on assets.

Technology

In FY2025 the technology division didn't replicate the MAR unit sales established in the previous financial year. MAR unit sales were again underpinned by the Tier 1 iron ore miners and their continued adoption of MAR technology as the preferred methodology for the sustainable disposal of water.

The first half slowdown in iron ore client spend impacted orders and consequently the forecast delivery of MAR units. Due to capacity constraints, this in turn affected the Company's ability to meet any extra production required to help reach full year forecast in the second half. Despite this, second half sales of MAR units into the iron ore sector produced a historically strong earnings contribution for the division.

While the WA iron ore sector in the short term will continue to be the primary contributor to MAR unit sales, the Company is actively pursuing opportunities in MAR across alternative domestic and international markets. In addition to developing new markets for MAR the Company is also developing an expansion in its breadth of product and service offerings in water abstraction, downhole monitoring and the installation, operations and maintenance of Company provided equipment.

The addition of WWS to Vysarn's technology division in the financial period not only rounded out the Company's vertically integrated water solution by providing capability in wastewater treatment, but in turn helped provide a material earnings contribution in its first ten months of operations.



WWS was successfully integrated into the wider business in a short time frame and produced revenue and earnings that exceeded initial targets set during the acquisition due diligence phase. This was driven by a combination of successfully executing repeat work from long standing blue chip clients as well as growing the rental assets. The rental asset growth also helped bolster long-term recurring contract revenue.

The Company sees a clear opportunity for WWS to replicate earnings in FY2026 by simply continuing to service a pipeline of visible projects for current mining clients that are either going through a capital replacement cycle of wastewater treatment plants or are installing new wastewater treatment plants at camps associated with new mine commissioning in the Pilbara WA. In hand with this baseline level of work, the Company is actively pursuing new mining clients as well as municipal clients both in WA and on the eastern seaboard.

In targeting new mining and municipal clients the Company's balance sheet strength will enable WWS to propose a choice of a traditional turnkey plants for a straight supply and sale, the provision of smaller rental plants, or the supply, installation and operation of plants under a Build Own Operate Maintain (BOOM) model. This strategic approach will focus on finding a balance between each option in order to prevent the potential cannibalisation of higher margin earnings from a straight plant sale versus the capital intensity, yet recurring revenue, of a rental or BOOM offering.

It is envisaged that the approach to the east coast municipal sector for wastewater treatment plants will focus on regional opportunities where new and/or replacement plants are in demand but from councils and water authorities that don't necessarily have the funding at hand. Providing rental and BOOM offerings in this segment gives WWS an ability to compete from the outset in a crowded market by providing a treatment solution that has been refined over twenty years, provides a clear point of difference in provision, operation and funding, as well as being supported by a leading water infrastructure consulting engineering firm in CMP.

Asset Management

During FY2025 the asset management team continued to methodically progress the Company's first water ownership project, the Kariyarra Water Scheme (KWS), in partnership with the Kariyarra Aboriginal Corporation (KAC).

The financial year saw a continuation of relevant stakeholder engagement as well as the execution of the first phase of the drilling and testing program of the KWS water resource. The Company continues to be encouraged by the level of strong engagement and support from state and federal ministers, WA government agencies and departments, traditional owners, potential water off takers, potential infrastructure funders, and shareholders.

While the start of the drilling and testing program targeted for late CY2024 was delayed until late FY2025, phase 1 of the program has now been successfully completed discovering encouraging underlying geology and well development water volumes. Initial statements from the Company in July 2025 outlined the encounter of a range in water quality of 800–1200ppm salinity which is not only suitable for direct industrial bulk supply but also likely to be suitable for bulk potable water supply subject to minor treatment.

Since the July 2025 statement, further and more detailed investigations have been conducted which are now indicating the average water quality is in the range of 600-800ppm which is superior to initial expectations.

Data gathered during the drilling and test pumping program will form part of the H3 hydrogeological assessment for the commercial development and approval process for an associated 5C groundwater license that will determine the viability of the aquifer for the offtake of up to 10GL of water per annum. The Company is on track to have the H3 assessment lodged with the Department of Water and Environmental regulation (DWER) by the end of CY2025.

Subject to a successful H3 assessment by DWER for the issue of a 5C groundwater license as well as other associated regulatory requirements, the Company is of the opinion that the early results from the drilling and testing program support a commercial water supply project.

Group

The Company entered FY2025 focussed on identifying and executing opportunities for further geographic and sectorial diversification, as well as the establishment of the foundations for a national footprint.

The acquisitions of CMP and WWS not only delivered further diversification across the vertical service offering but shifted the Company away from being solely WA and resource centric to a Company with an east coast presence and access to new growth sectors and markets.

The combined earnings from CMP and WWS were highly accretive which in turn contributed to material year on year earnings growth while also providing insulation for the Company from the operational and financial risks associated with a single market, sector and service model.

While Vysarn remains acquisitive, the board and management still see opportunities for material organic growth in FY2026 by focussing on the ongoing integration and optimisation of CMP and WWS, as well as targeting new organic growth opportunities across the more mature industrial and technology divisions.

Vysarn is well positioned and funded as it enters FY2026. The Company has solid cash reserves, anticipates a continuation in strong operational cashflow, is underleveraged, has access to material acquisition and growth debt facilities, and has identified multiple acquisition growth targets that have the potential to provide further scale and diversification.

In executing this strategy, the Company's board and management will continue with their strict focus on capital allocation, building scale through diversification, and delivering long term and sustainable value for its shareholders.

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