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ANNUAL REPORT

2025



Vysarn Limited (ABN 41 124 212 175) and incorporated entities
Annual Report for the Financial Year Ending 30 June 2025

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OVERVIEW



About Vysarn

Vysarn Limited (ASX: VYS) is an integrated multi-disciplined water solutions provider delivering sustainable, impactful outcomes for clients, communities and investors.

Vysarn focuses on turning complex water and environmental challenges into tomorrow's opportunities and assets through expert services in water management, environmental planning and engineering.

We are building a team of over 360 talented individuals across the country with the skills, experience and capacity to deliver our expanded service offering across multiple industries and regions.

We want to be a Company where:

- People are proud to come and work and grow with us;
- Customers understand who we are and trust us with their business challenges; and
- Investors understand our value creation proposition.

Vysarn offers a range of services through its subsidiaries, which include:

■ **Advisory Division**

- **Pentium Water:** Groundwater, surface water and environmental planning and management consultancy.
- **CMP Consulting:** Water infrastructure engineering consultancy.

■ **Industrial Division**

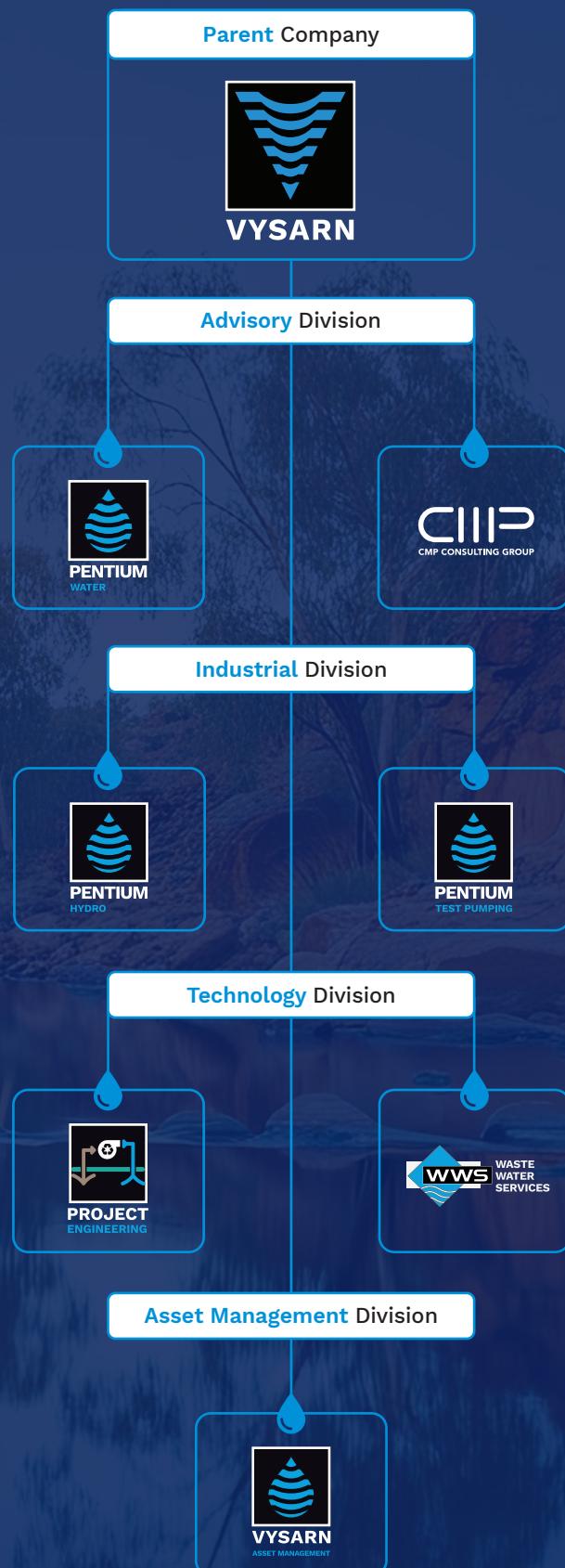
- **Pentium Hydro:** A major hydrogeological drilling and dewatering contractor.
- **Pentium Test Pumping:** Aquifer testing and injection services.

■ **Technology Division**

- **Project Engineering:** Designs, constructs and installs Managed Aquifer Recharge (MAR) systems.
- **Waste Water Services:** Designs, constructs and operates custom wastewater treatment plants.

■ **Asset Management Division**

- **Vysarn Asset Management:** Develops and invests in water infrastructure projects.



Our Vision



“ To become Australia’s leading water infrastructure and services provider. ”

Our Values

At Vysarn, our core values define how we operate, interact and deliver results. They guide our decisions, shape our culture and reflect the standards we uphold every day. From prioritising safety and showing mutual respect, to taking ownership, acting with agility, collaborating as a team and communicating openly, our values underpin the outcomes we deliver for our people, our clients and our communities.



Our Markets

Vysarn delivers specialist water solutions across diverse markets. In WA's Pilbara, we provide end-to-end groundwater and surface water services including engineering, drilling and MAR operations. On the East Coast, we offer integrated water infrastructure and land rehabilitation. We also support agriculture, domestic utilities and government with tailored water management expertise.



CORPORATE DIRECTORY

Directors

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

Company Secretary

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

Level 1
640 Murray Street,
West Perth, WA 6005

Phone: +61 8 6144 9777

Email: info@vysarn.com.au

www.vysarn.com.au

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 Tce
Perth, WA 6000

Bankers



National Australia Bank

Level 14
100 St Georges Tce
Perth, WA 6000

Securities Exchange Listing



ASX Limited

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

ASX Code: VYS

CHAIRMAN'S REPORT

Dear Shareholders

It is with great pleasure that I present the 2025 Annual Report for Vysarn Limited (Vysarn) and the financial results for the company. The 2025 financial year was one where the company expanded its suite of water services into engineering consulting and wastewater treatment, and in doing so established a national footprint with new operations on the eastern seaboard in Melbourne, Victoria.

Vysarn acquired CMP Consulting Group Pty Ltd (CMP) and Waste Water Services Pty Ltd (WWS) in the period which was underpinned by a successful capital raising that was well supported by both institutional and retail shareholders. Thanks must go to our team of advisers in Candour Advisory, United Capital Partners, Morgans Corporate, RSM and Peloton Legal who assisted us through the capital raising process.

The company delivered material earnings growth again in 2025 on the back of solid contributions from Vysarn's wholly owned subsidiaries across water and environmental consultancy, hydrogeological drilling, test pumping and aquifer injection, in hand with the acquisitions and subsequent earnings contributions from CMP and WWS.

Vysarn Asset Management and our partners in the Kariyarra Aboriginal Corporation (KAC) continued to carefully and successfully progress the partnership's first water project, the Kariyarra Water Scheme (KWS). The initial phase of drilling and testing of the groundwater asset encountered encouraging water volumes and quality. These results, in parallel with ongoing constructive negotiations with government agencies, potential water off-takers and infrastructure funders, continue to indicate that the optionality provided by the KWS has the potential to create future value for Vysarn shareholders and the KAC if successful.

Of note in the 2025 financial result was the step change in Vysarn's second half earnings performance that was driven by a combination of strong trading conditions and the full half contribution from the new acquisitions. The board and executive team are aiming to repeat that performance rate in financial year 2026. If successfully executed the Company will be in a position to produce another year of meaningful earnings growth.

The consolidated Vysarn group produced earnings before interest tax and depreciation of \$21.33 million, net profit before tax of \$15.03 million, net profit after tax of \$10.69 million, with a balance sheet showing net tangible assets of \$56.25 million of which \$12.96 million was cash and cash equivalents as at 30 June 2025.

As Vysarn enters the new financial year the company is well funded with a healthy cash balance and access to material acquisition and growth debt facilities. The board and executive intend to focus on the optimisation of the recent acquisitions, on the continued organic growth from the mature subsidiaries, as well as remaining acquisitive for opportunities that have the potential to continue the building out of our vertically integrated water services model, contemporaneously driving earnings growth and value for our shareholders.

I'd like to thank management and staff again for their efforts in 2025 in delivering the financial performance. The company's success to date has been built on the calibre of our people and their sustained efforts. Our talented staff headcount is now more than 360 people across the group who are ably supported by an expanded executive team after the appointments of Steve Dropulich and Shane McSweeney as executive directors in the 2025 financial period.

On behalf of the Board, I would like to take this opportunity to thank shareholders again for their ongoing support as well as welcoming new shareholders that came on to the register via the capital raising.

Sincerely,



Peter Hutchinson
Chairman

15 October 2025

MANAGING DIRECTOR'S REPORT

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

Segments	FY25 (\$)	FY24 (\$)	Variance (\$)	Variance %
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.

Group Summary

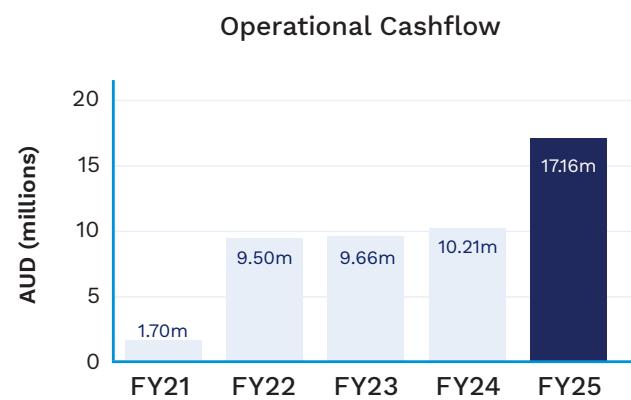
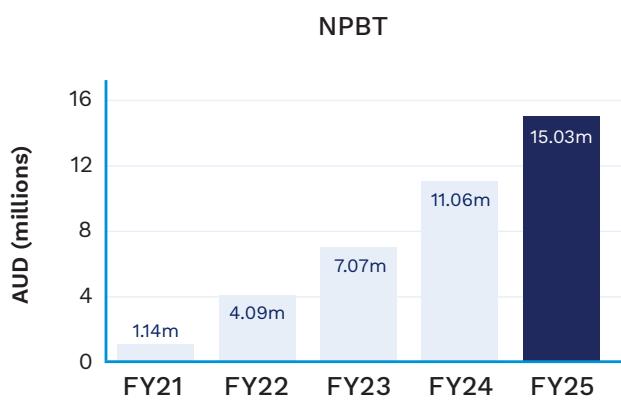
Segments	Operational Revenue			EBITDA			NPBT		
	FY25 (\$)	FY24 (\$)	Percentage Change	FY25 (\$)	FY24 (\$)	Percentage Change	FY25 (\$)	FY24 (\$)	Percentage Change
Industrial	60,497,235	59,256,288	2.1%	13,057,925	14,419,862	(9.4%)	7,808,682	9,644,944	(19.0%)
Technology	25,984,333	11,807,293	120.1%	7,495,895	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%

The Company maintained corporate overhead expenditure at a steady rate, increasing only 3.6% despite one-off acquisition costs of \$0.43m (CMP and WWS) and \$0.56m in non-cash performance rights expenses. Investment continued in strengthening executive leadership to support growth initiatives and 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.

Year on Year Performance





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 2024 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.

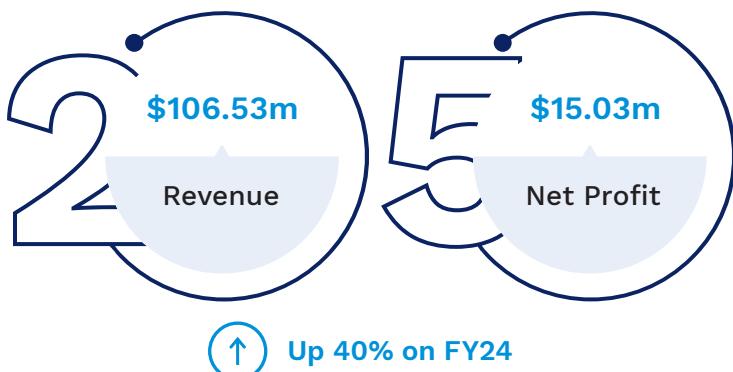
While the first half of FY2025 operations was impinged by what appeared to be a pause in project spending by the Company's iron ore clients, the subsequent commitment in the second half of FY2025 by clients to the commissioning of new mines and the expansion of current mines has created a supply demand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

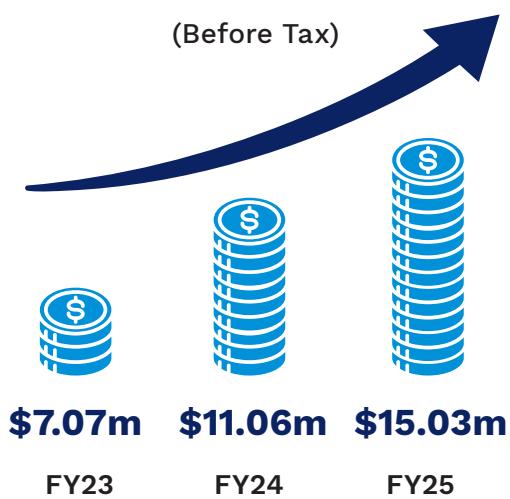
The board and management are of the opinion that the domestic multi-sectorial water and environment thematic is continuing to evolve and strengthen, and that the Company's strategy to methodically build out a vertically integrated water service and infrastructure capability will have Vysarn well positioned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

FY25 Market Highlights

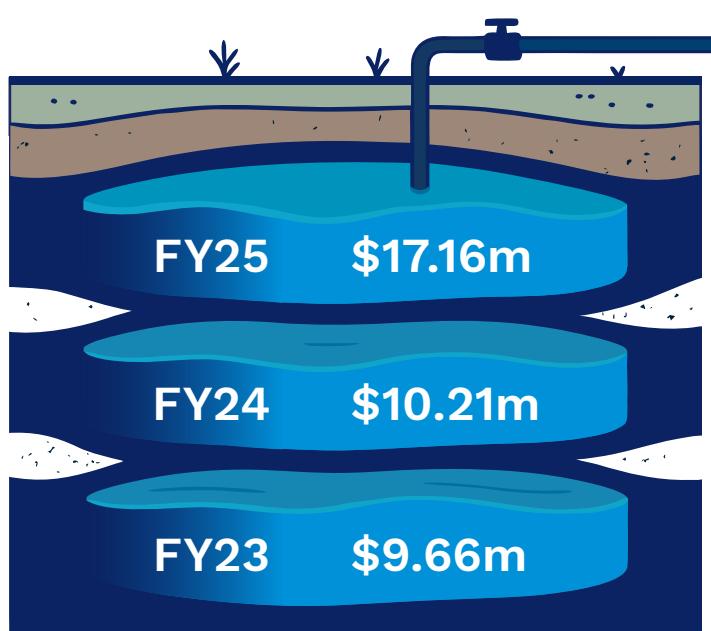
Operational Revenue



Net Profit Growth



Operational Cashflow



Key ASX Milestones

- \$38.20m Capital Raise**
Placement to raise A\$38.20 million Sept 2024
- 95.49m Shares Issued**
Allotment of shares issued at A\$0.40 per new share Sept 2024
- Waste Water Services**
Completed acquisition of Waste Water Services Nov 2024
- CIIP**
Completed acquisition of CMP Consulting Group Dec 2024

“ Urban advisory work in WA was exceptionally strong throughout FY2025 with demand outstripping available capacity at regular intervals during the period... ”



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.

“ Broad and rapid increase in activity across the entire industrial division produced a material second half skew in earnings. ”



“ Second half sales of MAR units into the iron ore sector produced a historically strong earnings contribution for the division. ”



Technology

In FY2025 the technology division didn't replicate the Managed Aquifer Recharge (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 Kariyarr Water Scheme (KWS), in partnership with the Kariyarr 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 developed 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.

“ The Company is of the opinion that the early results from the drilling and testing program support a commercial water supply project. ”



“ Vysarn is well positioned and funded as it enters FY2026. The Company has solid cash reserves [and] anticipates a continuation in strong operational cashflow... ”



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.

James Clement
Managing Director and
Chief Executive Officer

Dated 21 August 2025

Key Takeaways

Driving the KWS Forward



In Partnership with the KAC and VAM, the KWS commenced the drilling and testing program to assess the viability of a potential commercial water supply project.

Diversification Achieved



Expansion from WA resource focus to a national, multi-sector presence.

Strategic Acquisitions Driving Growth



CMP and WWS acquisitions were earnings-accretive and reduced single-sector risk.

National Footprint Established



East coast entry opens access to new markets and industries.

Strong Financial Position



Solid cash reserves, strong cashflow, and low leverage underpin future growth.

FY26 Focus: Integration + Organic Growth



Continued optimisation of CMP and WWS, with growth in industrial and technology divisions.

Future Growth Pipeline



Multiple acquisition targets identified to further enhance scale and diversification.

Disciplined Capital Management



Ongoing focus on sustainable value creation for shareholders.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors present their report together with the consolidated financial statements of Vysarn Limited ("Vysarn" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2025 and auditor's report thereon.

1. Directors

The names and the particulars of the Directors of the Company during the year and to the date of this report are:

Name	Status	Appointed
Peter Hutchinson	Chairman	27 October 2017
James Clement	Managing Director & CEO	3 February 2020
Sheldon Burt	Executive Director	15 May 2019 to 1 November 2024
	Non-Executive Director	1 November 2024
Shane McSweeney	Executive Director	10 February 2025
Steve Dropulich	Executive Director	10 February 2025

2. Significant Changes in State of Affairs

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.

The Company completed the acquisitions of Waste Water Services Pty Ltd ("WWS") and CMP Consulting Group Pty Ltd ("CMP") during the year. 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 and establishing the Company as a national water services and infrastructure provider.

The Group continued to execute its strategy to be Australia's leading water infrastructure and services provider as detailed in the review of operations. In the opinion of the Directors, other than as outlined in this report, there were no other significant changes in the state of affairs of the Group that occurred during the financial year.

3. Dividends Paid or Recommended

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

4. Review of Operations

The Group's Operations:

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

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

1. Industrial

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

2. Technology

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

3. Advisory

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

4. Infrastructure

- Vysarn Asset Management Pty Ltd ("VAM")

Investment was made in expanding the Company's executive management depth and breadth, having appointed new Executive Directors and General Managers to provide greater levels of experience and governance and help support the Company's next stage of growth. The Group continues to make significant investment in business operating systems that facilitate the integration of business units across disparate regions and sectors.

Industrial

Pentium Hydro, the Company's foundation asset in hydrogeological drilling, continued to service primarily Tier 1 iron ore miners under a strategy to facilitate long term opportunities for full asset utilisation on improved terms. PTP expanded the Company's test pumping division via its growth in injection testing.

Technology

Project Engineering continued to see growing demand for its leading managed aquifer recharge technology in the resources sector and WWS remained a leading provider of wastewater treatment plants and pumping stations to the resource and regional utility sectors.

Advisory

Pentium Water continued to build a highly credible and diverse water advisory team in water resource engineering, urban water and mine water and continued to provide Vysarn with an exceptional line of sight and entry opportunities in broader water services opportunities. CMP provided end-to-end water focused consultancy services for public and private sector clients predominantly in the Victorian market.

Infrastructure

VAM partnered with key stakeholders with the objective to sustainably control, convey and supply material quantities of water to meet significant unmet demand in the Pilbara region. Via the Company's Joint Resource Agreement with Kariyarr Aboriginal Corporation, VAM progressed the development of a groundwater resource (and associated infrastructure) with the potential to address unmet significant industrial and municipal water demand in the Pilbara region of Western Australia.

The Group's Business and Strategy

Vysarn is focused on the integration and development of water specialised services and technologies. Vysarn's vertically integrated model provides water services to various sectors, including resources, urban development, government and utilities. The efficient and environmentally responsible management of water is a critical and growing issue that the Company anticipates will continue to present significant growth opportunities, both vertically and horizontally.

The recent acquisitions of WWS and CMP enhance the Group's scale and diversified capabilities, delivering a platform for national growth of Vysarn's Technology and Advisory divisions.

5. Likely Developments

The Group will continue to pursue new contract opportunities in Australia for its hydrogeological drilling, test pumping, reinjection and water consultancy focused business activities.

6. Financial Performance

The profit for the Group after providing for income tax amounted to \$10,693,410 (30 June 2024: \$7,960,510). Working capital, represented by current assets less current liabilities, was \$24,526,663 (30 June 2024: \$11,240,070). The Company had positive cash flow from operating activities for the year amounting to \$17,164,126 (2024: \$10,213,381). Operational revenue for the year ended 30 June 2025 was \$106,526,209 (2024: \$75,885,416).

The table below provides a comparison of the key results for the year ended 30 June 2025 to the preceding year ended 30 June 2024:

Statement of Profit or Loss	30 June 25	30 June 24
	(\$)	(\$)
Revenue from operations	106,526,209	75,885,416
Reported profit / (loss) after tax	10,693,410	7,960,510
Statement of Financial Position	30 June 25	30 June 24
	(\$)	(\$)
Net assets	99,373,429	41,057,576
Total assets	138,705,643	65,722,895
Cash and cash equivalents	12,957,391	3,731,180

7. Principal Activities

The Group currently operates hydrogeological drilling, test pumping, reinjection water services, water consultancy and waste water businesses.

The Group aims to become a significant provider of production critical water services and solutions to industry in Australia.

8. Event Subsequent To Reporting Date

The Company released the following material ASX announcement post 30 June 2025:
Hazen Heads of Agreement.

On 25 July 2025, the Group announced CMP had entered into a Heads of Agreement ("HOA") with Hazen and Sawyer D.P.C.

Under the terms of the HOA, CMP and Hazen will work collaboratively to identify and deliver water infrastructure projects within Australia. The HOA also provides for reciprocal opportunities for CMP to subcontract engineering consulting services to Hazen for delivery of United States domiciled water infrastructure projects.

There were no other matters or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Company's state of affairs in future financial years.

9. Industry and Geographic Exposures

The Group is exposed to the Australian mining industry, government, municipalities, utilities and the large scale domestic urban development sector. On a geographic basis, the Group's operations are predominantly exposed to Western Australia and Victoria.

10. Environmental Regulation

In the normal course of business, there are no specific environmental regulations or requirements that the Group is currently subject to.

11. Information on Directors & Company Secretary

Peter Hutchinson	Experience and Expertise:
Chairman	
Appointed: 27 October 2017	Mr Hutchinson holds a Bachelor of Commerce (UWA) and is a Fellow of both the Australian Institute of Company Directors and Certified Practicing Accountants.
Other current listed directorships: N/A	Mr Hutchinson was a Non-Executive Director of Zeta Resources (formerly Kumarna Resources Ltd). Mr Hutchinson was the founding director of ASX listed Forge Group Ltd, floated in 2007 with a market capitalisation of \$12m and reaching over \$450m at the time of Mr Hutchinson's resignation as CEO and final sell down in July 2012. Mr Hutchinson has chaired ASX listed company Resource Equipment Ltd and was the founding shareholder and Chairman of Mareterram Ltd, both the subject of successful takeover bids at significant premiums to market prices.
Former listed directorships (last 3 years): N/A	
Interests in shares: 69,100,000 fully paid ordinary shares	
Interest in options: Nil	Mr Hutchinson has substantial experience in mergers and acquisitions, prospectus preparation, ASX listing, compliance and corporate governance, company secretarial requirements and exit strategies, and has been a Member of Audit, Remuneration and Nomination Committees, often as Chairman.
Interests in performance rights: Nil	
James Clement	Experience and Expertise:
Managing Director and CEO	
Appointed: 3 February 2020	Mr Clement holds a Master of Business Administration, a Bachelor of Science, a Graduate Diploma of Agribusiness, a Graduate Certificate in Applied Finance and is a Graduate of the Australian Institute of Company Directors. He is an experienced ASX company director with a demonstrated history of successfully managing and leading businesses.
Other current listed directorships: N/A	Prior to his appointment at Vysarn Ltd, Mr Clement was previously the Managing Director and CEO of sustainable agricultural company Mareterram Ltd. He led the cornerstone asset acquisitions, the ASX listing of the company and its subsequent successful takeover at a significant premium to the market price.
Former listed directorships (last 3 years): N/A	
Interests in shares: 28,500,000 fully paid ordinary shares	Mr Clement is currently a director of the Fremantle Football Club and is a past director and vice chairman of the Western Australia Fishing Industry Council. He also has over a decade of experience in finance and investment during his time as an institutional dealer and retail fund manager for financial service companies specialising in Western Australian small cap industrial and resource companies.
Interest in options: Nil	
Interests in performance rights: 6,000,000 performance rights	

Sheldon Burt	Experience and Expertise:
Non-Executive Director	
Appointed: 1 November 2024	Mr Burt is a Non-Executive Director of Vysarn Limited and co-founder of its subsidiary Pentium Hydro Pty Ltd. A drilling industry professional with over 35-years national and international experience, Mr Burt has held various roles over that time including field based, operational responsibilities, senior management, executive management and company proprietorship.
Executive Director	
Appointed: 15 May 2019, transitioned to Non Executive on 1 November 2024	Prior to forming Pentium Hydro and joining the Vysarn board in 2019, Mr Burt was the co-founder and Managing Director of SBD Drilling, a Perth based exploration drilling company with successful operations in Australia and West Africa from 2004 to 2011 before selling and moving on to the role of General Manager at Easternwell Minerals for 6 years between 2012 and 2018.
Other current listed directorships: N/A	Mr Burt is a Member of the Australian Institute of Company Directors
Former listed directorships (last 3 years): N/A	
Interests in shares: 11,217,315	
Interest in options: Nil	
Interests in performance rights: Nil	
Shane McSweeney	Experience and Expertise:
Executive Director	Mr Shane McSweeney is an accomplished executive leader, bringing with him 20 years' extensive experience in advisory services, strategic management, operational excellence and corporate governance, specialising in the water sector. 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.
Appointed: 10 February 2025	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 and Director of CMP, leading the Group's Advisory segment.
Other current listed directorships: N/A	
Former listed directorships (last 3 years): N/A	
Interests in shares: 426,595 fully paid ordinary shares	
Interest in options: Nil	
Interests in performance rights: 6,000,000 performance rights	
Steve Dropulich	Experience and Expertise:
Executive Director	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. He then served as Executive Director of Operations for the acquiring group.
Appointed: 10 February 2025	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, leading the Group's Industrial and Technology segments.
Other current listed directorships: N/A	
Former listed directorships (last 3 years): N/A	
Interests in shares: 75,000	
Interest in options: Nil	
Interests in performance rights: 6,000,000 performance rights	
Matthew Power	Experience and Expertise:
Company Secretary and CFO	Mr Power is a finance professional having acquired public company experience while previously employed as group financial controller for Babylon Pump & Power Limited, a Perth based ASX mining services company.
Appointed: 30 June 2021	Experienced in financial reporting and analysis, and company secretarial duties in the public company environment, Mr Power holds a Bachelor of Commerce from Curtin University (double major in Accounting & Finance), a Graduate Diploma of Chartered Accounting with the Chartered Accountants, Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.
	Previously Mr Power worked in professional insolvency and restructuring services, across a variety of industry sectors including resources and mining, mining services, agribusiness and retail.

12. Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each Director is set out below:

Segments	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Peter Hutchinson	11	11	2	2	1	1
James Clement	11	11	2	2	1	1
Sheldon Burt	11	11	2	2	1	1
Shane McSweeney	4	4	1	1	-	-
Steve Dropulich	4	4	1	1	-	-

Held: Represents the number of meetings held during the time the Directors held office.

Prior to the appointment of the Company's new Executive Directors on 10 February 2025, given the size of the Company, the full Board met in their capacity as Audit and Risk Committee and Remuneration and Nomination Committee ("Committees") and all matters were dealt with by the full Board in their capacity as members of the Committees. Effective from 10 February 2025, the Remuneration and Nomination Committee is made up of the Managing Director and CEO (James Clement) and the Non-Executive Directors (Peter Hutchinson and Sheldon Burt).

13. Indemnity and Insurance of Officers

To the extent permitted by law, the Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

14. Shares Under Option

No options were issued during the year ended 30 June 2025 (2024: NIL).

At 30 June 2025 and as at the date of this report, there are no unissued ordinary shares of the Company under option (2024: 10,000,000).

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, as approved by Shareholders at the 2023 Annual General Meeting, and subsequently varied and approved by Shareholders at the General Meeting dated 28 March 2025. Refer to Note 22 for further information.

15. Shares Under Performance Rights or Subject to Vesting Conditions

At 30 June 2025 and as at the date of this report, the unissued ordinary shares of the Company under performance rights are as follows:

Grant Date	Date of Vesting	Vesting Conditions	Number Under Performance Rights
28-Mar-25	30-Jun-27	Employment and cumulative EPS condition	6,666,667
28-Mar-25	30-Jun-28	Employment and cumulative EPS condition	6,666,667
28-Mar-25	30-Jun-29	Employment and cumulative EPS condition	6,666,666
Total			20,000,000

The vesting conditions of the above performance rights are pending assessment and as such the unissued shares under these performance rights have yet to be exercised. 3,333,335 fully paid ordinary shares were issued during the year ended 30 June 2025 upon the conversion of performance rights held by Key Management Personnel. Refer to the Remuneration Report for further information.

In addition the above, there were 30,000,000 fully paid ordinary shares on issue as "deferred consideration shares" in relation to the acquisition of CMP during the year. These deferred consideration shares will vest on achievement of certain Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") targets for earn out periods over the next three years.

16. Proceedings on Behalf of the Group

No person has applied for leave of Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company or its controlled entities is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Group was not a party to any such proceedings during the year.

17. Non-Audit Services

The Group may decide to employ the auditor on assignments in addition to their statutory audit duties where the auditor's expertise and experience with the Company are important. Non-audit services provided during the financial year by the auditor are detailed below. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

	30 June 25	30 June 24
	(\$)	(\$)
Amount paid/payable to Pitcher Partners BA&A Pty Ltd or related entities for non-audit		
Pitcher Partners Accountants & Advisors WA Pty Ltd – Taxation compliance	23,500	26,250
Total auditors' remuneration for non-audit services	23,500	26,050

In the event that non-audit services are provided by Pitcher Partners BA&A Pty Ltd or related entities, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise the auditors independence requirement of the Corporation Act 2001.

These procedures include:

- Non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor and other general principles to independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards); and
- Ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing risks and rewards.
- Decision on non-audit services were decided upon by the full Board in the absence of any audit committee meetings.

18. Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2025 has been received and can be found on page 22 of the financial report.

19. 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).

REMUNERATION REPORT (AUDITED)

FOR THE YEAR ENDED 30 JUNE 2025

The remuneration report for the year ended 30 June 2025 outlines the remuneration arrangement of the Company in accordance with the requirements of the Corporations Act 2001 (Cth), as amended (the Act) and its regulations. This information has been audited, as required by section 308(3C) of the Act.

The remuneration report is set out under the following main headings:

1. **Introduction**
2. **Remuneration Governance**
3. **Executive Remuneration Arrangement**
4. **Non-Executive Director Fee Arrangement**
5. **Details of Remuneration**
6. **Share-Based Compensation**
7. **Loans to Directors and Executives**
8. **Other Transactions and Balances with KMP and their Related Parties**
9. **Key Performance Indicators of the Company over the Last 5 years**

Details of the nature and amount of each element of the remuneration of each of the Key Management Personnel (“KMP”) of the Company (the Directors and executives) for the year ended 30 June 2025 are set out below:

Key Management Personnel covered under this report are as follows:

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
	Non-Executive Director	1 November 2024
Shane McSweeney	Executive Director	10 February 2025
Steve Dropulich	Executive Director	10 February 2025

1. Introduction

KMP have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the Directors of the Company.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given the trend in comparative companies both locally and internationally and objectives of the Company’s compensation.

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Company’s executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors (“the Board”) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Company depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performing and high-quality personnel. The Company has structured a market competitive executive remuneration framework. The reward framework is designed to align executive reward to shareholders' interests.

The Board has considered that it should seek to enhance shareholders' interests by:

- Focusing on shareholder value and returns; and
- Attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and experience;
- Reflecting a competitive reward for contribution to growth in shareholder wealth;
- Providing a clear structure for earning rewards; and
- Providing recognition for contribution.

2. Remuneration Governance

Prior to the appointment of the Company's new Executive Directors on 10 February 2025, given the size of the Company, the full Board met in their capacity as Remuneration and Nomination Committee and all matters were dealt with by the full Board in their capacity as members of the committee. Effective from 10 February 2025, the Remuneration and Nomination Committee is made up of the Managing Director and CEO (James Clement) and the Non-Executive Directors (Peter Hutchinson and Sheldon Burt). All remuneration matters are now considered by the newly formed Remuneration and Nomination Committee, in accordance with a nomination and remuneration committee charter. During the financial year, the Company did not engage any remuneration consultants.

3. Executive Remuneration Arrangement

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued to Directors subject to approval by shareholders in a general meeting.

The compensation structures take into account:

- The capability and experience of the executive;
- The executive's ability to control the relevant segment's performance; and
- The Company's performance including:
 - The Company's earnings; and
 - The growth in share price and delivering constant returns on shareholder wealth.

The short-term incentives ("STI") program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ("KPI's") being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management. The long-term incentives ("LTI") include long service leave and share-based payments. Shares are awarded to executives based on long-term incentive measures and includes an increase in shareholders' value. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

Consolidated Entity Performance and Link to Remuneration

Remuneration for certain individuals is directly linked to the performance of the Company. A portion of cash bonus and incentive payments, including performance rights, are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Voting and Comments made at the Company's 2024 Annual General Meeting ("AGM")

The Company received more than 98% of "yes" votes on its remuneration report for the 2024 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The key terms of Mr Clement, Mr McSweeney, Mr Dropulich and Mr Burt's agreements are set out below for the year ended 30 June 2025 are as follows;

James Clement, Managing Director and CEO

- a) **Term of agreement:** commencing 3 February 2020 with indefinite duration.
- b) **Remuneration:**
 - (i) a base salary of \$450,000 per annum, increasing to \$550,000 with effect from 1 January 2025, including mandatory superannuation contributions;
 - (ii) a short-term cash incentive of up to \$250,000 per annum, subject to the achievement of certain short-term incentive key performance indicators; and
 - (iii) a long-term incentive being the issue of 6,000,000 performance rights.
- c) **General termination:** the agreement can be terminated:
 - (i) by either party for no reason by giving 3 months' notice in writing to the other party; and
 - (ii) by the Company effective immediately in the event the executive Director is guilty of gross misconduct, becomes bankrupt or insolvent, is convicted of a criminal offence or other similar grounds.

Shane McSweeney, Executive Director

- a) **Term of agreement:** commencing 3 February 2025 with indefinite duration.
- b) **Remuneration:**
 - (iv) a base salary of \$300,000 per annum, including mandatory superannuation contributions;
 - (v) a short-term cash incentive of up to \$90,000 per annum, subject to the achievement of certain short-term incentive key performance indicators; and
 - (vi) a long-term incentive being the issue of 6,000,000 performance rights.
- c) **General termination:** the agreement can be terminated:
 - (iii) by either party for no reason by giving 3 months' notice in writing to the other party; and
 - (iv) by the Company effective immediately in the event the executive Director is guilty of gross misconduct, becomes bankrupt or insolvent, is convicted of a criminal offence or other similar grounds.

Steve Dropulich, Executive Director

- a) **Term of agreement:** commencing 3 February 2025 with indefinite duration.
- b) **Remuneration:**
 - (vii) a base salary of \$365,000 per annum, including mandatory superannuation contributions;
 - (viii) a short-term cash incentive of up to \$110,000 per annum, subject to the achievement of certain short-term incentive key performance indicators; and
 - (ix) a long-term incentive being the issue of 6,000,000 performance rights.
- c) **General termination:** the agreement can be terminated:
 - (v) by either party for no reason by giving 3 months' notice in writing to the other party; and
 - (vi) by the Company effective immediately in the event the executive Director is guilty of gross misconduct, becomes bankrupt or insolvent, is convicted of a criminal offence or other similar grounds.

Sheldon Burt, Executive Director (until 1 November 2024), Non-Executive Director (with effect from 1 November 2024)

- a) **Term of agreement:** commencing 15 May 2019 until 1 November 2024.
- b) **Remuneration:**
 - (i) a base salary of \$300,000 per annum, including mandatory superannuation contributions;
 - (ii) a short-term cash incentive of up to \$150,000 per annum, subject to the achievement of certain short-term incentive key performance indicators; and
 - (iii) a long-term incentive being the issue of 5,000,000 performance rights upon commencement.
- c) **General termination:** the agreement can be terminated:
 - (i) by either party for no reason by giving 3 months' notice in writing to the other party;
 - (ii) by the executive Director if the Company breaches the agreement and does not remedy the breach within 10 business days on notice of breach; and
 - (iii) by the Company effective immediately in the event the executive Director is guilty of gross misconduct, becomes bankrupt or insolvent, is convicted of a criminal offence or other similar grounds.
- d) **Termination on material diminution:** an executive Director can terminate the agreement if he suffers material diminution in his status or position in the Company. If this occurs:
 - (i) within 2 years of employment, the Company will pay the executive Director an amount equal to 3 months base salary, and 50% of the performance rights held by him shall vest subject to any restrictions the Board may impose; and
 - (ii) after 2 years of employment, the Company will pay the executive Director an amount equal to 3 months base salary, and all of the performance rights held by him shall vest subject to any restrictions by the Board may impose.

4. Non-Executive Director Fee Arrangement

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

The maximum aggregate amount of fees that can be paid to non-executive Directors is presently limited to an aggregate of \$200,000 per annum and any change is subject to approval by shareholders at the general meeting. Fees for non-executive Directors are not linked to the performance of the Company.

The table below summarises the annual fees payable to non-executive Directors for the 2025 financial year (inclusive of superannuation):

Board Fees – Per Annum	Board (\$)	Committee (\$)	Total (\$)
Chair	120,000	-	120,000
Non-Executive Director	60,000	-	60,000

Non-executive Directors may be reimbursed for expenses reasonably incurred in attending to the Company's affairs. Non-executive Directors do not receive retirement benefits. The Company or the non-executive Directors can terminate the above arrangements at any time upon written notice being provided, with no minimum notice period applicable.

5. Details of Remuneration

Details of the remuneration of key management personnel of the Company are set out in the following tables.

2025	Short Term benefits				Post Employment Benefits		Equity	Total
	Short-term Salary, fees & commissions	STI Cash Bonus	Non-Monetary Benefits	Other Employee Benefits ⁵	Post Employment Super-annuation			
					(\$)	(\$)		
<i>Chairman</i>								
Peter Hutchinson	108,108	-	-	-	12,432	-	120,540	
<i>Executive Directors</i>								
Sheldon Burt ³	40,000	-	-	-	-	-	40,000	
Executive Directors								
James Clement ^{1, 2, 4}	470,068	200,000	29,633	55,127	29,932	167,142	951,902	
Sheldon Burt ³	100,000	-	-	-	-	-	100,000	
Shane McSweeney ^{2, 6}	111,490	-	-	-	12,472	167,142	291,104	
Steve Dropulich ^{2, 6}	139,612	-	-	-	12,472	167,142	319,226	
Total	969,278	200,000	29,633	55,127	67,308	501,426	1,822,772	

¹ The amount of \$29,633 disclosed as a non-monetary benefit for Mr Clement is a salary sacrificed amount pertaining to a novated lease on a motor vehicle.

² Refer to section 6 of this remuneration report for further information pertaining to share-based payment expenses recognised for key management personnel.

³ As at 1st November 2024 Mr Burt transitioned from Executive Director to Non-Executive Director of Vysarn Limited. Mr Burt's Director fees were paid to Connada Pty Ltd, an entity controlled by Mr Burt.

⁴ Mr Clement's total remuneration increased on 1 January 2025.

⁵ Relates to benefit received by Mr Clement in the form of an interest free loan to execute his Managing Director Options. Refer to section 7 of the Remuneration Report for further information.

⁶ The remuneration summary of Mr Shane McSweeney and Mr Steve Dropulich are effective from the date they became key management personnel (KMP), being the date of the Directorship appointments on 3 February 2025.

2024	Short Term benefits			Post Employment Benefits		Equity	Total
	Short-term Salary, fees & commissions	STI Cash Bonus	Non-Monetary Benefits	Other Employee Benefits ⁵	Post Employment Super-annuation		
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>Chairman</i>							
Peter Hutchinson	108,108	-	-	-	11,892	-	120,000
<i>Executive Directors</i>							
James Clement ^{1, 2}	422,601	125,000	33,360	-	27,399	157,933	766,293
Sheldon Burt ^{2, 3}	215,884	110,000	-	-	2,283	18,631	346,798
Total	746,593	235,000	33,360	-	41,574	176,564	1,233,091

¹ The amount of \$33,360 disclosed as a non-monetary benefit for Mr Clement is a salary sacrificed amount pertaining to a novated lease on a motor vehicle.

² Refer to section 6 of this remuneration report for further information pertaining to share-based payment expenses recognised for key management personnel.

³ As at 31 July 2023 Mr Burt resigned as an employee of Vysarn Limited. \$43,167 was paid to Mr Burt during the period as an employee. From 1 August 2023, Mr Burt's Executive Director fees were paid to Connada Pty Ltd, an entity controlled by Mr Burt. \$285,000 was paid to Connada Pty Ltd during the period.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk STI		At Risk LTI	
	2025	2024	2025	2024	2025	2024
<i>Directors</i>						
Peter Hutchinson	100%	100%	-	-	-	-
James Clement	61%	63%	21%	16%	18%	21%
Sheldon Burt	100%	63%	-	32%	-	5%
Shane McSweeney	43%	-	-	-	57%	-
Steve Dropulich	48%	-	-	-	52%	-

Cash bonuses are dependent on meeting defined performance measures (e.g. minimum NPBT financial hurdles, key safety metrics, growth targets). The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings, including qualitative stretch targets and key quantitative measures. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Board.

6. Share-Based Compensation

Issue of Shares

During the year ended 30 June 2025 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.

Performance Rights

As noted above, 3,333,335 performance rights were exercised and converted to fully paid ordinary shares as the achievement of the vesting conditions had been met.

During the year ended 30 June 2025, the Company issued 20,000,000 “executive performance rights” in three tranches as performance incentives for Executive Directors and Management.

As at 30 June 2025, 20,000,000 performance rights were on issue and outstanding. Each performance right will convert on a 1:1 basis to fully paid ordinary shares upon achievement of their relevant vesting conditions (refer below).

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

Tranche	Number of Performance Rights on Issue	Condition Test Date	Vesting Condition for each respective Tranche
1	6,666,667	30 June 2027	• Employment condition, and meeting either of the;
2	6,666,667	30 June 2028	• Cumulative EPS condition; or
3	6,666,667	30 June 2029	• Volume weighted average price of shares condition

Where the:

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

Movements in Performance Rights

The movement during the reporting period in the number of performance rights in the Company held, directly, indirectly or beneficially, by each key management personnel and the top 5 senior executives of the Company, including their related parties, is as follows:

Key Management Personnel and Senior Executives	Opening Balance	Granted as Compensation	Vested and exercised during the Year	Closing Balance	Unvested and not exercisable at the end of the year
	2025	No.	No.	No.	No.
Peter Hutchinson	-	-	-	-	-
Sheldon Burt	1,666,667	-	(1,666,667)	-	-
James Clement	1,666,668	6,000,000	(1,666,668)	6,000,000	6,000,000
Shane McSweeney	-	6,000,000	-	6,000,000	6,000,000
Steve Dropulich	-	6,000,000	-	6,000,000	6,000,000
Matthew Power	-	2,000,000	-	2,000,000	2,000,000
Total	3,333,335	20,000,000	(3,333,335)	20,000,000	20,000,000

During the year ended 30 June 2025, 3,333,335 performance rights vested on 1 July 2024 and were exercised upon vesting for \$Nil consideration, resulting in the issue of 3,333,335 fully paid ordinary shares. Conditions in relation to these performance rights were successfully met in the prior period, and were expensed in full as at 30 June 2024.

Performance Rights on Issue at Year End

At 30 June 2025, the unissued ordinary shares of the Company under performance rights are as follows:

Tranche	Number Under Performance Rights	Value at Grant Date (\$)	Date of Vesting
1	6,666,666	2,252,000	30-Jun-27
2	6,666,666	2,154,000	30-Jun-28
3	6,666,668	2,152,000	30-Jun-29
Total	20,000,000	6,558,000	-

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

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

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

The executive performance rights will be brought to account over the expected vesting period to which they relate. \$557,140 in share-based payments was recorded as an expense in the statement of profit or loss and other comprehensive income during the year ended 30 June 2025 in relation to the executive performance rights (30 June 2024: \$41,700).

Options

No options were issued during the year ended 30 June 2025.

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

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

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

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

Options over Equity Instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Key Management Personnel	Opening Balance	Vested during the year	Granted as compensation	Exercised	Closing Balance
Peter Hutchinson	-	-	-	-	-
Sheldon Burt	-	-	-	-	-
James Clement	10,000,000	(10,000,000)	-	10,000,000	-
Shane McSweeney	-	-	-	-	-
Steve Dropulich	-	-	-	-	-
Total	10,000,000	(10,000,000)	-	10,000,000	-

10,000,000 fully paid ordinary shares were issued as a result of the 10,000,000 options exercised by Mr James Clement, for at an exercise price of \$0.075 per option. The exercise price for these options were funded by way of a loan to the Director. Refer to section 7 for further information.

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

30 June 2025	Opening Balance	Other	Received on exercise of options	Received on exercise of performance rights	On-market purchases	Closing Balance
Peter Hutchinson	69,100,000	-	-	-	-	69,100,000
Sheldon Burt	9,550,648	-	-	1,666,667	-	11,217,315
James Clement	16,833,332	-	10,000,000	1,666,668	-	28,500,000
Shane McSweeney	-	426,595*	-	-	-	426,595
Steve Dropulich	-	-	-	-	75,000	75,000
Total	95,483,980	426,595	10,000,000	3,333,335	75,000	109,318,910

*Shares previously held by Mr Shane McSweeney as at 10 February 2025, when he became a key management personnel.

30 June 2024	Opening Balance	Other	Received on exercise of options	Received on exercise of performance rights	On-market purchases	Closing Balance
Peter Hutchinson	69,100,000	-	-	-	-	69,100,000
James Clement	15,166,666	-	1,666,666	-	-	16,833,332
Sheldon Burt	7,883,981	-	1,666,667	-	-	9,550,648
Total	92,150,647	-	3,333,333	-	-	95,483,980

7. Loans to Directors and Executives

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	
		30-Jun-25 (\$)	30-Jun-24 (\$)	Exercised	30-Jun-24 (\$)
James Clement	Options Loan Agreement	750,000	-	642,014	-

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).

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. On 28 March 2025, shareholders approved to vary the terms of the Director Loan, which was then finalised and signed by Mr James Clement.

As a result 10,000,000 Shares (Loan Funded Shares) were issued to Mr James Clement.

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

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

The loan is interest free and repayable in 3 years from the date Mr James Clement was issued the loan funded shares (i.e. 2 July 2027). The receivable balance has therefore been recognised at amortised cost, utilising an interest rate of 8.7% per annum. This rate was determined by management to be comparable to similar equity funding arrangements available from other finance providers. During the period, an interest free loan benefit of \$55,127 was recognised as remuneration to Mr James Clement pertaining to this arrangement.

8. Other Transactions and Balances with KMPs and their Related Parties

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

Mr Sheldon Burt is currently the Chairman of Metzke Pty Ltd, a developer and manufacturer of drilling technology. Metzke Pty Ltd invoiced Pentium Hydro \$46,436 during the period for drilling consumables.

There were no other purchases from or sales to related parties during the year (2024: \$Nil).

9. Key Performance Indicators of the Company over the Last 5 years

Consolidated	30-June-25 (\$)	30-June-24 (\$)	30-June-23 (\$)	30-June-22 (\$)	30-June-21 (\$)
Revenue	106,526,209	75,885,416	64,957,156	46,297,406	25,824,506
Net profit before tax	15,028,343	11,060,394	7,075,570	4,095,180	1,137,420
Net profit after tax	10,693,410	7,960,510	3,872,558	2,856,729	344,819
Share price at start of year	0.29	0.132	0.073	0.095	0.05
Share price at end of year	0.47	0.29	0.132	0.073	0.095
Interim and final dividend	-	-	-	-	-
Basic profit per share	0.0213	0.0195	0.0098	0.0073	0.0009

REMUNERATION REPORT (END)

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.



James Clement

Managing Director and Chief Executive Officer

Dated 21 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2025



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF VYSARN LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report Vysarn Limited for the year ended 30 June 2025, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

PITCHER PARTNERS BA&A PTY LTD
PITCHER PARTNERS BA&A PTY LTD

A handwritten signature in black ink.

MICHAEL LIPRINO
Executive Director

Perth, 21 August 2025

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney

Pitcher Partners BA&A Pty Ltd
An independent Western Australian Company ABN 76 601 361 095.
Level 11, 12-14 The Esplanade, Perth WA 6000
Registered Audit Company Number 467435.
Liability limited by a scheme under Professional Standards Legislation.

Pitcher Partners is an association of independent firms.
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NETWORK MEMBER

**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

		Group	
		30 June 2025	30 June 2024
	Notes	(\$)	(\$)
Sales revenue	4	106,526,209	75,885,416
Cost of sales		(69,729,526)	(48,933,093)
Gross Profit		36,796,683	26,952,323
Other income	5	1,295,530	584,517
Administration and corporate expense	6	(5,602,651)	(3,919,312)
Employee benefits expense	6	(10,604,943)	(7,118,432)
Share-based payment expense		(557,140)	(176,564)
Depreciation and amortisation expense	6	(6,016,578)	(4,794,454)
Finance expense	6	(282,558)	(467,684)
Profit before income tax		15,028,343	11,060,394
Income tax expense	7	(4,334,933)	(3,099,884)
Profit after income tax expense		10,693,410	7,960,510
Profit after income tax expense for the year attributable to the owners of Vysarn Limited		10,693,410	7,960,510
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Vysarn Limited		10,693,410	7,960,510
 Basic earnings per share for profit attributable to the owners of Vysarn Limited	 9	 0.0213	 0.0195
Diluted earnings per share for profit attributable to the owners of Vysarn Limited	9	0.0205	0.0189

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
FOR THE YEAR ENDED 30 JUNE 2025

		30 June 2025	30 June 2024
	Notes	(\$)	(\$)
Current Assets			
Cash and cash equivalents	10	12,957,391	3,731,180
Trade and other receivables	11	21,760,800	16,586,392
Inventories	12	7,519,796	6,317,287
Other current assets	13	7,920,506	1,562,332
Total Current Assets		50,158,493	28,197,191
Non-Current Assets			
Plant and equipment	14	40,369,967	33,583,208
Right of use assets	15	1,752,290	549,182
Intangible assets	16	45,781,887	3,393,314
Other non-current assets	22	643,006	-
Total Non-Current Assets		88,547,150	37,525,704
Total Assets		138,705,643	65,722,895
Current Liabilities			
Borrowings	17	885,169	1,954,925
Trade and other payables	18	18,725,758	10,013,951
Current tax liability	7	1,858,167	2,960,109
Employee provisions	19	3,393,755	1,349,445
Lease liability	15	768,981	428,691
Contingent consideration payable	26	-	250,000
Total Current Liabilities		25,631,830	16,957,121
Non-Current Liabilities			
Borrowings	17	-	885,269
Lease liability	15	1,056,996	153,157
Employee provisions	19	297,674	130,406
Deferred tax liability	7	7,064,968	6,284,383
Contingent consideration payable	26	5,280,746	254,983
Total Non-Current Liabilities		13,700,384	7,708,198
Total Liabilities		39,332,214	24,665,319
Net Assets		99,373,429	41,057,576
Shareholders' Equity			
Issued capital	20	61,651,251	20,024,837
Reserve	21	5,996,029	799,775
Retained earnings		31,726,149	20,232,964
Shareholders' Equity		99,373,429	41,057,576

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2025

	Issued Capital (\$)	Share Based Payment Reserve (\$)	Retained Earnings (\$)	Total (\$)
Balance at 1 July 2023	20,029,354	623,211	12,271,100	32,923,665
Adjustments	-	-	1,354	1,354
Profit for the period	-	-	7,960,510	7,960,510
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	7,961,864	7,961,864
<i>Transactions with owners in their capacity as owners:</i>				
Capital raising costs	(4,517)	-	-	(4,517)
Share based payments	-	176,564	-	176,564
Total transactions with owners	(4,517)	176,564	-	172,047
Balance at 30 June 2024	20,024,837	799,775	20,232,964	41,057,576
Balance at 1 July 2024	20,024,837	799,775	20,232,964	41,057,576
Profit for the period	-	-	10,693,410	10,693,410
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	10,693,410	10,693,410
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	43,395,586	-	-	43,395,586
Capital raising costs, net of tax	(1,769,172)	-	-	(1,769,172)
Options exercised and transferred to retained earnings	-	(224,774)	224,774	-
Performance Rights exercised and transferred to retained earnings	-	(575,001)	575,001	-
Deferred (contingent) consideration shares issued (Note 26)	-	5,438,889	-	-
Share based payments (Note 22)	-	557,140	-	5,996,029
Total transactions with owners	41,626,414	5,196,254	799,775	47,622,443
Balance at 30 June 2025	61,651,251	5,996,029	31,726,149	99,373,429

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	30 June 2025	30 June 2024
		(\$)	(\$)
Cash Flows from Operating Activities			
Receipts from customers		112,643,271	76,714,775
Payments to suppliers and employees		(92,858,466)	(66,117,488)
Income tax paid		(2,973,554)	-
Interest received		635,433	83,778
Interest and other costs of finance paid		(282,558)	(467,684)
Net cash flows from operating activities	10(a)	17,164,126	10,213,381
Cash Flows from Investing Activities			
Payment for the acquisitions, net of cash acquired	25,26	(29,661,929)	-
Purchase of plant and equipment		(9,987,362)	(7,274,703)
Intangible assets		(1,478,866)	-
Proceeds from disposal of plant and equipment		357,115	1,127,075
Net cash flows used in investing activities		(40,771,042)	(6,147,628)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	1,268,060
Repayment of borrowings		(2,058,758)	(9,433,948)
Payments for principal portion of lease liabilities		(776,312)	(473,600)
Proceeds from capital raising	20	38,195,586	-
Capital raising costs		(2,527,389)	(4,517)
Net cash flows from / (used in) financing activities		32,833,127	(8,644,005)
Net increase / (decrease) in cash and cash equivalents		9,226,211	(4,578,252)
Cash and cash equivalents at the beginning of financial year		3,731,180	8,309,432
Cash and cash equivalents at the end of financial year	10	12,957,391	3,731,180

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 1: General Information

Vysarn Limited (“Vysarn” or “the Company”) is a listed public Company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity. Its registered office and principal place of business is Level 1, 640 Murray St, West Perth WA 6005.

The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company and its controlled entities (“the Group”).

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 August 2025. The Directors have the power to amend and reissue the financial statements.

Note 2: Summary of Material Accounting Policies

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (“AASBs”) (including Australian interpretations) adopted by the Australian Accounting Standard Board (“AASB”) and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”).

b) Basis of Preparation

The 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.

Critical Accounting Estimates

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in Note 2(aa) below.

c) Going Concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

The Directors have reviewed a budget/forecast and having considered the above, are of the opinion that the use of the going concern basis is appropriate and that the Company will be able to pay its debts as and when they fall due for the next 12 months.

d) Adoption of new Accounting Standards

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. There was no material impact as a result of the adoption of these Accounting Standards and Interpretations issued.

e) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

f) Trade Receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional which is considered to be fair value; none of the Group's trade receivables contain a financing component. The Group holds the trade receivables with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on share credit risk characteristics and the days past due. The expected loss rates are based on existing market conditions and forward-looking estimates at the end of each reporting period.

g) Inventories

Inventories, including raw materials and stores, work in progress and contract fulfilment costs are measured at the lower of cost and net realisable value. The cost of inventories comprises; expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition, including direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) Property, Plant & Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income / (expense) in the statement of profit or loss. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

Depreciation is a systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount is the cost of the asset, less its residual value. An asset is depreciated from the date it is ready for use, meaning the date it reaches the location and condition required for it to operate in the manner intended by management. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the fixed asset item, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives are as follows:

- Plant and equipment – 2 – 10 years;
- Computer equipment – 3 years; and
- Trucks, trailers and light vehicles – 4 – 10 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

i) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

j) Intangible Assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date. Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Capitalised Development Costs

Costs incurred in developing products and technology are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the product is considered commercialised. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, development costs are recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

k) Lease Liabilities

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

l) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating the actual draw-down of the facility, are recognised as prepayments and amortised on a straight -line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

o) Equity and Reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The share-based payment reserve records the value of share-based payments.

p) Revenue Recognition

Revenue from contracts with customers

The Group provides drilling services and hires drill rigs and related equipment to the exploration and mining industry pursuant to service contracts with a variety of clients in the sector.

The revenue associated with drilling contracts is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. Revenue from customer contracts is recognised upon satisfaction of a performance obligation under those contracts either over time in accordance with specified units of production (for example meters drilled or hours worked) or a point in time when risks and rewards pass to the customer under those contracts (for example the sale of certain items including consumables).

Dry hire revenue is recognised as the customer simultaneously receives and consumes the benefits, the Group has an enforceable right to payment and as such the performance obligation is satisfied over time.

For test pumping services provided under contract, revenue is recognised in accordance with a specified unit of production based on rates agreed to with the customer (for example activity completed or hours worked).

For consultancy services provided under contract, revenue is recognised in accordance with a specified unit of production based on rates agreed to with the customer (for example project reports completed, or hours worked).

For engineering services provided under contract, revenue is recognised in accordance with a specified unit of production based on a rate agreed to with the customer (for example MAR units delivered or hours worked). For engineering services provided under contract where services are rendered over time, revenue is recognised over time based on the percentage of costs incurred to date relative to total expected costs. This approach is used when the contract outcome can be reliably measured and the customer simultaneously receives and consumes the benefits as the Company performs (for example waste water treatment plant delivered and installed).

The Group has no material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Contract Assets and Liabilities

AASB 15 uses the terms "contract asset" and "contract liability" to describe what is commonly known as "accrued revenue" and "deferred revenue." Accrued revenue arises where work has been performed however is yet to be invoiced. Deferred revenue arises where payment is received prior to work being performed and is allocated to the performance obligations within the contract and recognised on satisfaction of the performance obligation.

Contract Fulfilment Costs

Costs generally incurred prior to the commencement of a contract may arise due to mobilisation/site setup costs as these costs are incurred to fulfil a contract. Where the costs are expected to be recovered, they are capitalised and expensed over the period of revenue recognition. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue.

Contract fulfilment costs are capitalised as an asset when all the following are met:

- (i) the costs relate directly to the contract or specifically identifiable proposed contract;
- (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and
- (iii) the costs 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.

q) Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

r) Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Superannuation

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

Short-Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

s) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

t) Share-Based Payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Share-based payment transactions are recognised in equity if the goods or services were received in an equity-settled share-based payment transaction, or as a liability if the goods and services were acquired in a cash settled share-based payment transaction. The fair value of options and performance rights are determined using a Black-Scholes, Hoadley, Monte Carlo Simulation, or other appropriate pricing models. The number of share options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The probability of achieving non-market based vesting conditions of performance rights is assessed at each reporting period.

The Company has applied judgement in assessing the likelihood of achieving the performance milestones in relation to the performance rights issued in the period.

u) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax Consolidation

The Group and its wholly owned Australian resident entity formed a tax-consolidated group effective 28 August 2019. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Vysarn Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the “separate taxpayer within group” approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Group as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Group as an equity contribution or distribution.

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

v) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the assets (i.e. trade date accounting is adopted).

Classification and Subsequent Measurement

Financial Liabilities

Financial instruments are subsequently measured at amortised cost using the effective interest methods. For contingent consideration, it is measured at fair value through profit or loss.

Financial Assets

Financial assets are subsequently measured at amortised cost.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expire, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

w) Impairment of Non-Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

x) Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

y) 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).

z) New Accounting Standards Not Yet Adopted

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2025.

The Group's assessment of the impact of these new or amended Accounting Standards and interpretations, most relevant to the Group, are 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.

The key presentation and disclosure requirement are:

- 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;
- the disclosure of management-defined performance measures; and
- 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.

aa) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective Notes) within the next financial year are discussed below.

Allowance for Expected Credit Losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed below, is calculated based on the information available at the time of preparation as detailed in Note 23. The actual credit losses in future years may be higher or lower.

Income Tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made as detailed in Note 7.

Share-Based Payments

The Company measures the cost of equity-settled transactions with suppliers and employees by reference to the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted. The fair value of the equity instruments granted is determined using the Black-Scholes, Hoadley, Monte Carlo Simulation, or other appropriate option pricing model taking into account the terms and conditions upon which the instruments were granted as detailed in Note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from Contracts with Customers

The Company has applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Revenue from customer contracts is recognised upon satisfaction of a performance obligation under those contracts over time. For drilling services provided under contract, revenue is recognised in accordance with a specified unit of production based on rates agreed to with the customer (for example meters drilled or hours worked). For test pumping services provided under contract, revenue is recognised in accordance with a specified unit of production based on rates agreed to with the customer (for example activity completed or hours worked).

For consultancy services provided under contract, revenue is recognised in accordance with a specified unit of production based on rates agreed to with the customer (for example project report completed or hours worked).

For engineering services provided under contract where services are rendered over time, revenue is recognised over time based on the percentage of costs incurred to date relative to total expected costs. This approach is used when the contract outcome can be reliably measured and the customer simultaneously receives and consumes the benefits as the Company performs (for example waste water treatment plant delivered and installed).

Dry Hire revenue is also recognised over a period of time based on set day rates for supply, as the customer simultaneously receives and consumes the benefits provided by the Company.

The sale of goods (consumables) is recognised at a point in time when control of the goods passes to the customer under those contracts (for example the sale of certain items including consumables).

Mobilisation/demobilisation revenue are distinct, separately identifiable contractual performance obligations and are recognised as revenue upon completion of the mobilisation/demobilisation event, once this performance obligation has been satisfied.

Estimation of Useful Lives of Assets

The Group determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or other events. The depreciation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets have been abandoned or sold will be written off or written down.

Business Combinations

The Group has determined that the acquisitions of Waste Water Services Pty Ltd and CMP Consulting Group Pty Ltd constitutes a business combination in accordance with the definitions and guidance provided by AASB 3 Business Combinations ("AASB 3") and has provisionally accounted for the acquisitions in accordance with that standard at 30 June 2025.

Impairment of Goodwill and Other Intangible Assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are tested annually for impairment, or more frequently if events or circumstances indicate that the asset may be impaired.

Goodwill is allocated to a cash generating unit or units (CGU's) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. The recoverable amount of a CGU is based on value in use calculations.

Impairment of Non-Financial Assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined. Management has determined there is no impairment indicators for the year ended 30 June 2025.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Note 3: Operating Segments

Identification of Reportable Segments

The Group has identified 4 reportable segments as described below:

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

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

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

Reportable Segments

	30-June-25 (\$)	30-June-24 (\$)
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1. Segmented External Revenues

Industrial	60,497,235	59,256,288
Technology	25,984,333	11,807,293
Advisory	20,015,446	4,771,061
Other	29,195	50,774
Total	106,526,209	75,885,416

2. Segmented Net Profit Before Tax

Industrial	7,808,682	9,644,944
Technology	7,140,366	4,081,670
Advisory	3,833,104	956,737
Other ¹	(3,753,809)	(3,622,957)
Total	15,028,343	11,060,394

Note¹: Inclusive of Vysarn Limited's and Vysarn Asset Management's corporate overhead.

3. Segmented Depreciation and Amortisation

Industrial	5,153,286	4,539,329
Technology	319,172	7,556
Advisory	307,644	81,205
Other	236,476	166,364
Total	6,016,578	4,794,454

4. Segmented Assets

Industrial	58,833,375	44,509,037
Technology	20,631,096	10,302,418
Advisory	42,703,846	1,120,459
Other	16,537,326	5,067,631
Total	138,705,643	65,722,895

5. Segmented Liabilities

Industrial	11,509,676	19,577,559
Technology	6,518,756	2,776,498
Advisory	3,684,184	736,823
Other	17,619,598	1,574,439
Total	39,332,214	24,665,319

Note 4: Revenue from Contracts with Customers

	30-June-25 (\$)	30-June-24 (\$)
Revenue recognised over a period of time from contracts with Australian customers:		
Drilling services and Test Pumping services	48,046,260	48,028,407
Engineering services	25,978,160	11,766,161
Consultancy services	19,444,974	4,498,190
Hire revenue	1,300,945	1,001,100
Joint Venture income	24,129	88,248
Sub-total	94,794,468	65,382,106
Revenue recognised at a point in time from contracts with Australian customers		
Sale of goods (consumables)	11,123,038	10,311,285
Mobilisation / demobilisation	608,703	192,025
Sub-total	11,731,741	10,503,310
Total Revenue	106,526,209	75,885,416

Note 5: Other Income

	30-June-25	30-June-24
	(\$)	(\$)
Interest income	635,433	83,778
Fuel tax rebate	22,697	13,889
Other revenue	565,952	32,005
Net gain on disposal of assets	71,448	454,845
Total	1,295,530	584,517

Note 6: Expenses

	30-June-25	30-June-24
	(\$)	(\$)
<i>Breakdown of expenses by nature:</i>		
Administration and corporate expense		
Office expenses	2,669,879	1,676,695
Corporate costs and compliance	2,695,164	2,167,268
Other expenses	237,608	75,349
Total	5,602,651	3,919,312
Employee benefits expense		
Wages and salaries	7,654,273	5,127,476
Superannuation	704,573	488,358
Employment related taxes	2,143,840	1,401,720
Share-based payment expense	557,140	176,564
Other employment related expenses	102,257	100,878
Total	11,162,083	7,294,996
Depreciation and Amortisation Expense		
Plant and equipment depreciation	5,312,754	4,365,349
Land and buildings lease amortisation	703,824	429,105
Total	6,016,578	4,794,454
Finance Costs		
Interest - borrowings	103,984	285,289
Interest - leases	75,797	33,427
Bank fees	102,777	148,968
Total	282,558	467,684

Note 7: Income Tax Expense

	30-June-25 (\$)	30-June-24 (\$)
a) Components of Income Tax Expense		
Current tax	2,720,327	2,960,110
Deferred tax	1,548,591	431,523
Under / (over) provision in prior period	66,015	(291,749)
Revaluation of deferred tax position due to change in tax rate	-	-
Income Tax Expense	4,334,933	3,099,884
b) Prima Facie Tax Payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30% (2024: 30%)	4,508,503	3,318,118
Add / (Less) Tax Effect of:		
Entertainment	31,200	20,546
Plant and equipment	72,184	-
Share based payments	216,076	52,969
Income tax benefit from acquisitions	(687,917)	-
Other non-deductible expenses	128,872	-
Under / (over) provision in prior period	66,015	(291,749)
Revaluation of deferred tax position due to change in tax rate	-	-
Income Tax Expense Attributable to Profit	4,334,933	3,099,884
c) Current Tax Liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	2,960,110	-
Income tax	2,581,353	2,960,110
Under / (over) provision in prior period	13,443	-
Instalments paid	(3,696,739)	-
	1,858,167	2,960,110
d) Deferred Tax		
Deferred tax relates to the following:		
Deferred Tax Assets Balance Comprises:		
Plant and equipment under lease	22,106	9,800
Accruals	921,925	361,242
Provisions - annual and long service leave	827,650	250,868
Borrowing costs	7,604	-
Capital raising costs	608,708	3,735
Business related costs	249,000	-
	2,636,993	625,645

	30-June-25 (\$)	30-June-24 (\$)
Deferred Tax Liabilities Balance Comprises:		
Prepayments	(128,681)	(63,449)
Accrued income	(1,753,411)	(1,357,414)
Plant and equipment	(6,214,175)	(5,489,165)
Intangible assets	(443,599)	-
Contract fulfillment costs	(1,162,095)	-
	<u>(9,701,961)</u>	<u>(6,910,028)</u>
Net Deferred Tax	(7,064,968)	(6,284,383)
e) Deferred Income Tax Related to Items Charged or Credited Directly to Equity		
Decrease / (increase) in deferred tax assets	758,217	1,355
	<u>758,217</u>	<u>1,355</u>
f) Deferred Income Tax (Revenue)/Expense Included in Income Tax Expense Comprises:		
(Increase) / decrease in deferred tax assets	(269,854)	1,120,750
Increase / (decrease) in deferred tax liabilities	1,818,445	(689,227)
Under / (over) provision in prior period	66,015	(291,749)
	<u>1,614,606</u>	<u>139,774</u>

Note 8: Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	30-June-25 (\$)	30-June-24 (\$)
Remuneration of the auditor of the Company (Pitcher Partners BA&A Pty Ltd and its related entities) for:		
Auditing or reviewing the financial reports	100,000	73,506
Non-audit services – tax compliance	23,500	26,250
Total	123,500	99,756

Note 9: Earnings Per Share

	30-June-25 (\$)	30-June-24 (\$)
Earnings per share for profit / (loss)		
Profit / (loss) after income tax attributes to the owners of Vysarn Limited	10,693,410	7,960,510
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share		
	501,365,056	407,957,684
Adjustments for the effects of dilutive potential ordinary shares:		
Effect of shares issued on exercise of performance rights	20,000,000	3,333,335
Effect of shares issued on exercise of options	-	10,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	521,365,056	421,291,019
Basic earnings / (loss) per share	0.0213	0.0195
Diluted earnings / (loss) per share	0.0205	0.0189

Accounting Policy for Earnings Per Share**Basic Earnings Per Share**

Basic earnings or loss per share is calculated by dividing the profit or loss attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 10: Cash and Cash Equivalents

	30-June-25 (\$)	30-June-24 (\$)
Cash at bank	12,957,391	3,731,180
Total	12,957,391	3,731,180

Accounting Policy for Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions with a short maturity period of 90 days or less.

a) Cash Flow Information

	30-June-25 (\$)	30-June-24 (\$)
Profit after income tax expense for the year	10,693,410	7,960,510
Non-Cash Flows in Result from Continuing Activities:		
Share based payments expense / (benefit)	557,140	176,564
Depreciation and amortisation	6,016,578	4,794,454
(Profit)/ loss on disposal of Plant and Equipment	(71,488)	(454,845)
Tax expense / (benefit)	4,334,933	3,099,884
Changes in Assets and Liabilities:		
(Increase) / decrease in inventories	(1,202,510)	(2,035,320)
(Increase) / decrease in trade and other receivables	(5,174,407)	(6,190,606)
Increase / (decrease) in employee entitlements	2,211,578	222,015
Increase / (decrease) in trade and other payables	8,711,805	2,066,611
Increase / (decrease) in other assets and liabilities	(8,912,953)	1,883,922
Net Cash Provided by Operating Activities	17,164,126	10,213,381

b) Non Cash Investing and Financing Activities

During the year, the Group issued 10,000,000 fully paid ordinary shares upon exercise of Managing Director Options, 3,333,335 fully paid ordinary shares upon exercise of vested performance rights, 10,000,000 fully paid ordinary shares as consideration shares to the vendors of CMP, and a further 30,000,000 fully paid ordinary shares as deferred (contingent) consideration to the vendors of CMP. Refer to Note 20 for further information.

c) Reconciliation of Liabilities Arising from Financing Activities

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the statement of cash flows. Changes in the carrying amounts of such liabilities, which comprise banks loans, deferred consideration for the acquisition of assets and lease liabilities, are summarised below:

	Bank Loans (\$)	Contingent Consideration (\$)	Lease Liabilities (\$)
Carrying amount at 1 July 2023	9,702,427	504,983	332,372
Net cash flows during the year	(8,165,888)	-	(473,600)
Non-cash changes	1,303,655	-	723,076
Carrying amount at 30 June 2024	2,840,194	504,983	581,848
Net cash flows during the year	(2,058,758)	-	(776,312)
Non-cash changes	103,733	4,775,763	2,020,441
Carrying amount at 30 June 2025	885,169	5,280,746	1,825,977

Note 11: Trade and Other Receivables

	30-June-25 (\$)	30-June-24 (\$)
Trade receivables	21,760,800	16,586,392
Total	21,760,800	16,586,392

For further information regarding trade and other receivables see Note 23.

Impairment and Risk Exposure

No impairment provision was recorded at 30 June 2025 based on management's assessment.

Information about the impairment of trade receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 23.

Note 12: Inventories

	30-June-25 (\$)	30-June-24 (\$)
Consumables and spare parts – at cost	7,519,796	6,317,287
Total	7,519,796	6,317,287

Note 13: Other Current Assets

	30-June-25 (\$)	30-June-24 (\$)
Contract fulfilment costs	2,793,590	635,199
Contract Assets	3,209,129	46,156
Other current assets	1,917,787	880,977
Total	7,920,506	1,562,332

Note 14: Plant and Equipment

	30-June-25	30-June-24
	(\$)	(\$)
<i>Plant and equipment</i>		
Cost	43,070,255	32,718,202
Accumulated depreciation	(15,398,794)	(12,757,532)
Net Carrying Amount	27,671,461	19,960,670
<i>Trucks, trailers and light vehicles</i>		
Cost	18,238,978	16,488,410
Accumulated depreciation	(8,093,215)	(6,147,337)
Net Carrying Amount	10,145,763	10,341,073
<i>Office equipment</i>		
Cost	1,597,121	601,383
Accumulated depreciation	(1,129,836)	(369,297)
Net Carrying Amount	467,285	232,086
<i>Leasehold improvements</i>		
Cost	156,080	21,214
Accumulated depreciation	(58,776)	(17,211)
Net Carrying Amount	97,304	4,003
<i>Assets held not ready for use</i>		
Cost	1,988,154	3,045,376
Net Carrying Amount	1,988,154	3,045,376
Total Plant and Equipment		
Cost	65,050,588	52,874,585
Accumulated depreciation	(24,680,621)	(19,291,377)
Net Carrying Amount	40,369,967	33,583,208

Consolidated Group	Plant and equipment	Trucks, trailers and light vehicles	Office Equipment	Leasehold Improvements	Assets Held Not Ready for Use	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Carrying amount at 30 June 2023	20,026,658	8,927,986	169,027	4,208	2,218,204	31,346,083
Additions	3,264,328	2,957,207	220,940	5,056	827,172	7,274,703
Disposals	(651,980)	(7,065)	(13,184)	-	-	(672,229)
Depreciation expense	(2,678,336)	(1,537,055)	(144,697)	(5,261)	-	(4,365,349)
Balance at 30 June 2024	19,960,670	10,341,073	232,086	4,003	3,045,376	33,583,208
Carrying amount at 30 June 2024	19,960,670	10,341,073	232,086	4,003	3,045,376	33,583,208
Additions	8,266,193	1,547,242	173,927	-	-	9,987,362
Transfers	1,057,222	-	-	-	(1,057,222)	-
Assets acquired on acquisition	1,848,927	126,818	261,550	121,398	-	2,358,693
Disposals	(144,386)	(141,280)	-	-	-	(285,666)
Depreciation expense	(3,317,165)	(1,728,090)	(200,278)	(28,097)	-	(5,273,630)
Balance at 30 June 2025	27,671,461	10,145,763	467,285	97,304	1,988,154	40,369,967

- (i) Several items of plant and equipment were sold during the period resulting in a gain on disposal of assets of \$71,448.
- (ii) Assets Held Not Ready for Use represent several assets of plant and equipment that are currently in the process of being upgraded or built and are not yet ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 15: Right-of-Use Assets and Lease Liability

	30-June-25	30-June-24
	(\$)	(\$)
Right-of-use assets		
Balance at the beginning of the year	549,182	149,041
Additions	1,955,619	762,733
Depreciation	(741,733)	(369,768)
Modification to lease terms	(10,779)	7,176
Balance at the end of the year	1,752,290	549,182
Lease liability		
Balance at the beginning of the year	581,848	186,616
Additions	1,955,619	762,733
Interest expense	75,797	32,516
Modification to lease terms	(10,975)	7,176
Lease payments	(776,312)	(407,192)
Balance at the end of the year	1,825,977	581,848
<i>Represented as:</i>		
Current lease liability	768,981	428,691
Non-current lease liability	1,056,996	153,157
	1,825,977	581,848

During the year, the Group renewed its lease for workshop and warehouse facility located in Henderson, Western Australia. The lease term was respectively for an initial period of 4 years with an option to extend for a further 4 years.

The Company also renewed its corporate office located in West Perth for an initial period of 3 years with an option to extend for a further 3 years. The Group does not have an option to purchase any properties at the end of the lease term.

The Company also renewed its corporate office located in Melbourne for an initial period of 3 years with an option to extend for a further 4 years. The Group does not have an option to purchase any properties at the end of the lease term.

Interest expense is recognised within finance costs. Refer to Note 6.

Note 16: Intangible Assets

	Notes	30-June-25	30-June-24
		(\$)	(\$)
Patents		7,298	8,514
Kariyarra Water Scheme ⁽¹⁾		2,454,332	975,466
Goodwill – Project Engineering		2,409,334	2,409,334
Goodwill – WWS	25	4,930,001	-
Goodwill – CMP	26	35,980,922	-
Total		45,781,887	3,393,314

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

Project Engineering

The recoverable amount of Project Engineering has been determined on a value-in-use basis, using cash flow forecasts from budgets approved by management covering a 5-year period, extrapolated cash flow projections beyond the 5-year budget period using an average growth rate in revenues and costs of 8% (2024: 10%) that approximates the long term average growth rate for the sector, and a pre-tax discount rate of 11.3% (2024: 9.3%).

Based on this determination, management concluded that the recoverable amount of Project Engineering was greater than its carrying amount at 30 June 2025 and accordingly no impairment loss was identified.

WWS

The recoverable amount of WWS has been determined on a value-in-use basis, using cash flow forecasts from budgets approved by management covering a 5-year period, extrapolated cash flow projections beyond the 5-year budget period using a growth rate in revenues and costs of 10% (2024: N/A) that approximates the long term average growth rate for the sector, and a pre-tax discount rate of 11.3% (2024: N/A).

Based on this determination, management concluded that the recoverable amount of WWS was greater than its carrying amount at 30 June 2025 and accordingly no impairment loss was identified.

CMP

The recoverable amount of CMP has been determined on a value-in-use basis, using cash flow forecasts from budgets approved by management covering a 5-year period, extrapolated cash flow projections beyond the 5-year budget period using an average growth rate in revenues and costs of 7% (2024: N/A) that approximates the long term average growth rate for the sector, and a pre-tax discount rate of 11.3% (2024: N/A).

Based on this determination, management concluded that the recoverable amount of CMP was greater than its carrying amount at 30 June 2025 and accordingly no impairment loss was identified.

Note 17: Borrowings

	30-June-25	30-June-24
	(\$)	(\$)
Current		
Asset finance facilities (a) – at amortised cost	885,169	1,954,925
<i>Sub-total</i>	885,169	1,954,925
Non-Current		
Asset finance facilities (a) – at amortised cost	-	885,269
<i>Sub-total</i>	-	885,269
Total	885,169	2,840,194

a) Asset Finance Facilities

The asset finance facilities bear fixed interest at fixed prevailing market rates (ranging from 3.95% to 6.5%) and are primarily repayable over 2 to 4 years. The asset finance facilities are secured via a registered GSA over plant and equipment which were purchased under the relevant agreements.

The Group has also provided a general security agreement to the bank in respect of the Group's existing and future assets.

Note 18: Trade and Other Payables

	30-June-25	30-June-24
	(\$)	(\$)
Trade payables		
Trade payables	14,285,296	7,725,073
GST liability	1,376,115	726,387
Accruals	1,711,193	806,070
 Deferred revenue	 154,663	 162,539
Other payables	1,198,491	593,882
Total	18,725,758	10,013,951

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 23 below.

Note 19: Employee Provisions

	30-June-25	30-June-24
	(\$)	(\$)
Current		
Provision for annual leave	1,682,937	705,818
Provision for long service leave	778,224	-
Superannuation liability	886,560	643,627
Payroll liability	46,034	-
<i>Sub-total</i>	3,393,755	1,349,445
Non-Current		
Provision for long service leave	297,674	130,406
<i>Sub-total</i>	297,674	130,406
Total	3,691,429	1,479,851

Note 20: Share Capital

a) Share Capital

	30-June-25	30-June-24
	(\$)	(\$)
527,444,829 fully paid ordinary shares (30 June 2024: 408,622,529).	61,651,251	20,024,837

Ordinary Shares

During the 12-month period ended 30 June 2025, the Group issued 118,822,300 ordinary shares (30 June 2024: 3,333,333). All issued shares are fully paid.

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.

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.

95,488,965 shares were issued as part of the Company's capital raising to help fund the WWS and CMP acquisitions.

10,000,000 Acquisition Shares and 30,000,000 Deferred (contingent) Consideration Shares were issued to the vendors of CMP, as part of the Company's acquisition during the year ended 30 June 2025. Refer to Note 26 for further details.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

b) Movement in Ordinary Capital

	30-June-25	30-June-25	30-June-24	30-June-24
	No.	(\$)	No.	(\$)
Ordinary Shares				
At the beginning of the reporting period	408,622,529	20,024,837	405,289,196	20,029,354
02-Jul-24 Options exercised during the period	10,000,000	750,000	-	-
27-Aug-24 / 12-Sep-23 Performance rights vested during the period	3,333,335	-	3,333,333	-
19 Sep-24 Capital raising	95,488,965	38,195,586	-	-
01-Dec-24 Issue of Consideration Shares to the vendors of CMP	10,000,000	4,450,000	-	-
Transaction costs	-	(1,769,172)	-	(4,517)
Total	527,444,829	61,651,251	408,622,529	20,024,837

Note 21: Reserves**a) Share Based Payment Reserve**

	30-June-25	30-June-24
	(\$)	(\$)
Nil options on issue (30 June 2024: 10,000,000) and 20,000,000 performance rights (30 June 2024: 3,333,334) on issue	557,140	799,775
30,000,000 Deferred (contingent) Consideration Shares (30 June 2024: nil)	5,438,889	-

b) Movement in Share Based Payment Reserve

	30-June-25	30-June-24
	(\$)	(\$)
Share Based Payment Reserve		
At the beginning of the period	799,775	623,211
Transfer to retained earnings upon exercise of options and performance rights	(799,775)	-
CMP Deferred Consideration shares (Note 26)	5,438,889	-
Share based payments	557,140	176,564
Total	5,996,029	799,775

The share-based payment reserve is used to record increases in equity arising from equity-settled share-based payment arrangements.

Refer to Note 22 below which outlines the movement in the current period's share-based payment expense.

Note 22: Share Based Payments

During the year ended 30 June 2025 the Company recorded the following share-based payments:

Share Issue

10,000,000 shares were issued on the exercise of Mr James Clement's options.

During the year ended 30 June 2025 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.

10,000,000 Acquisition Shares and 30,000,000 Deferred (contingent) Consideration Shares were issued to the vendors of CMP, as part of the Company's acquisition during the year ended 30 June 2025. Refer to Note 26 for further information.

No further shares were issued during the year ended 30 June 2025.

Options

No options were issued during the year ended 30 June 2025 (2024: NIL).

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

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

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

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

The Loan is interest free and repayable in 3 years from the date Mr James Clement was issued the Loan Funded Shares (i.e. 2 July 2027). The receivable balance has therefore been recognised at amortised cost, utilising an interest rate of 8.7% per annum. This rate was determined by management to be comparable to similar equity funding arrangements available from other finance providers. During the period, an interest free loan benefit of \$55,127 was recognised as remuneration to Mr James Clement pertaining to this arrangement. As at 30 June 2025, the carrying amount of the Loan receivable was \$643,006.

Options Over Equity Instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

30 June 2025

Key Management Personnel	Opening Balance	Vested during the year	Granted as compensation	Exercised	Closing Balance
Peter Hutchinson	-	-	-	-	-
Sheldon Burt	-	-	-	-	-
James Clement	10,000,000	10,000,000	-	(10,000,000)	-
Shane McSweeney	-	-	-	-	-
Steve Dropulich	-	-	-	-	-
Total	10,000,000	10,000,000	-	(10,000,000)	-

30 June 2024

Key Management Personnel	Opening Balance	Vested during the year	Granted as compensation	Exercised	Closing Balance
Peter Hutchinson	-	-	-	-	-
Sheldon Burt	-	-	-	-	-
James Clement	10,000,000	-	-	-	10,000,000
Shane McSweeney	-	-	-	-	-
Steve Dropulich	-	-	-	-	-
Total	10,000,000	-	-	-	10,000,000

The weighted average share price in relation to the above options exercised as at the date they were exercised, was \$0.28 per share.

Performance Rights

During the year ended 30 June 2025, 3,333,335 performance rights vested on 1 July 2024 and were exercised upon vesting for \$Nil consideration, resulting in the issue of 3,333,335 fully paid ordinary shares. The conditions for Tranche 3 of the prior period performance rights were successfully met and expensed in full in prior period.

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

During the year ended 30 June 2025, the Company issued 20,000,000 "executive performance rights" in three tranches as performance incentives for Executive Directors and Management.

As at 30 June 2025, 20,000,000 performance rights were on issue and outstanding. Each performance right will convert on a 1:1 basis to fully paid ordinary shares upon achievement of their relevant vesting conditions (refer below).

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

Tranche	Number of Performance Rights on Issue	Condition Test Date	Vesting Condition for each respective Tranche
1	6,666,667	30 June 2027	• Employment condition, and meeting either of;
2	6,666,667	30 June 2028	• Cumulative EPS condition; or
3	6,666,667	30 June 2029	• Volume weighted average price of shares condition

Where the:

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

Movements in Performance Rights

The movement during the reporting period in the number of performance rights in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

30 June 2025

Key Management Personnel	Opening balance	Granted as compensation	Vested and exercised during the year	Closing Balance	Unvested and not exercisable at the end of the year
					No.
2025	No.	No.	No.	No.	No.
Peter Hutchinson	-	-	-	-	-
Sheldon Burt	1,666,667	-	(1,666,667)	-	-
James Clement	1,666,668	6,000,000	(1,666,668)	6,000,000	6,000,000
Shane McSweeney	-	6,000,000	-	6,000,000	6,000,000
Steve Dropulich	-	6,000,000	-	6,000,000	6,000,000
Matthew Power	-	2,000,000	-	2,000,000	2,000,000
Total	3,333,335	20,000,000	(3,333,335)	20,000,000	20,000,000

30 June 2024

Key Management Personnel	Opening balance	Granted as compensation	Vested and exercised during the year	Closing Balance	Vested during the year	Vested and exercisable at the end of the year
2024	No.	No.	No.	No.	No.	No.
Peter Hutchinson	-	-	-	-	-	-
James Clement	3,333,334	-	1,666,666	1,666,668	1,666,668	1,666,668
Sheldon Burt	3,333,334	-	1,666,667	1,666,667	1,666,667	1,666,667
Total	6,666,668	-	3,333,333	3,333,335	3,333,335	3,333,335

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

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

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

The executive performance rights will be brought to account over the expected vesting period to which they relate. As a result, \$557,140 in share-based payments was recorded as an expense in the statement of profit or loss and other comprehensive income during the year ended 30 June 2025 in relation to performance rights (30 June 2024: \$41,700).

Share Based Payments Expense

Share based payment expense is comprised as follows:

	30-June-25	30-June-24
	(\$)	(\$)
Options	-	134,864
Performance rights	557,140	41,700
Total Share-Based Payments Expense	557,140	176,564

Note 23: Financial Instruments & Fair Value Measurement

Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

(i) Fair Value of Financial Instruments

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.

(ii) Fair Value Hierarchy

Financial instruments carried at fair value are determined by valuation level, as determined in accordance with the relevant accounting standard. The different levels have been defined as:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels during the current or prior year.

With respect to specific financial assets and liabilities, the following valuation methods have been used:

- Contingent consideration payable is carried at fair value and has been determined by discounting the cash flows, at market rates of similar borrowings, to their present value. 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.

All financial assets and liabilities carried at fair value are level 3 within the fair value hierarchy. Other assets and other liabilities approximate their carrying value. The carrying amount of all financial assets and financial liabilities approximate their fair value at reporting date.

The table below illustrates the impact on profit before tax based upon expected volatility of the Company's share price on the fair value of CMP's deferred consideration.

+/- 5% share price movement	30-June-25	30-June-24
	(\$)	(\$)
Impact on profit after tax	(264,927)	-
Impact on equity	(264,787)	-

Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed.

This Note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Due to the size of the Group, and its low nature of risk with respect to financial risk management, the Board is of the opinion that there is no need to establish a Risk Management Committee for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Currency Risk

The Company is not exposed to any significant foreign currency risk. The Group is exposed to currency risk on administration costs, purchases of spare parts and plant and equipment that are denominated in New Zealand dollars (NZD) and US dollars (USD). The Group does not use currency hedging for administration expenses as the receipts in NZD and USD are used to meet the liability obligations of the Group entities denominated in NZD and USD.

The use of currency hedging for exposures relating to spare parts and plant and equipment purchases are assessed on a case by case basis. As at 30 June 2025, the Group is exposed to currency risk on administration costs, purchases of spare parts and plant and equipment that are denominated in New Zealand dollars (NZD) and US dollars (USD). During the financial year ended 30 June 2025, the Group did not enter into any forward foreign currency contracts.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments which primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents. The Group manages its exposure to changes in interest rates on borrowings by using a mix of fixed and floating rate debt. The Group is exposed to movements in market interest rates on short term deposits. The Directors monitor the Group's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest.

The Company's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

Profile

At the reporting date the interest rate profile of the Group's variable interest-bearing financial instruments was:

Variable rate instruments	Carrying Amount	
	30-June-25 (\$)	30-June-24 (\$)
<i>Financial assets</i>		
Cash at bank	12,957,391	3,731,180
<i>Financial liabilities</i>		
Borrowings	-	(100)
Total	12,957,391	3,731,080

The table below illustrates the impact on profit before tax based upon expected volatility of interest rates using market date and analysis forecasts.

+/- 50 basis points	30-June-25 (\$)	30-June-24 (\$)
Impact on profit after tax	64,787	18,655
Impact on equity	64,787	18,655

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the competency of personnel, adequacy of controls and risk management procedures to address the risks identified;
- Training and professional development;
- Ethical and business standards; and
- Risk mitigation, including insurance where this is effective.

Capital Management

The Board's policy is to maintain adequate capital so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's debt and capital structure includes ordinary share capital and loans and borrowings. The Group is not subject to externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group's debt-to-adjusted capital ratio at the end of the reporting period was as follows:

Capital Management	30-June-25 (\$)	30-June-24 (\$)
Total liabilities	39,332,214	24,665,319
Less: cash and cash equivalents	(12,957,391)	(3,731,180)
Net debt	26,374,823	20,934,139
Total capital	99,373,429	41,057,576
Debt-to-Capital Ratio at the End of the Period	0.27	0.51

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Management has established a credit policy under which each new customer and counterparties to transactions are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the use of external ratings, when available. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating at least "A-". The Group's exposure to credit risk is influenced mainly by the individual credit characteristics of each customer. 100% of revenue is attributable to Australian entities.

Details with respect to credit risk of trade and other receivables are provided below. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed below.

Impairment of Financial Assets

The Group hold trade receivables that are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Trade Receivables

The Group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2025 was determined as follows for trade receivables:

1-July-24	Current	< 30	31 - 60	61 - 120	> 120	Total (\$)
Expected loss rate	0%	0%	0%	0%	1%	
Gross carrying amount - trade receivables	16,555,553	16,551,634	3,919	30,839	-	16,586,392
Loss Allowance	-	-	-	-	-	-

30-June-25	Current	< 30	31 - 60	61 - 120	> 120	Total (\$)
Expected loss rate	0%	0%	0%	0%	1%	
Gross carrying amount - trade receivables	19,553,091	16,850,987	2,702,104	2,207,709	-	21,760,800
Loss Allowance	-	-	-	-	-	-

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. The Group has not recognised any impairment losses recognised in the statement of profit or loss as at 30 June 2025 arising from contracts with customers. The Group's receivables primarily consist of Tier 1/Tier 2 Mining companies, utilities and government water authorities on 30-day net terms with no noted debtor payment issues to date since commencement of current activities.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The credit risk on liquid funds is limited because the counterparties are banks with a minimum credit rating of AA assigned by reputable credit rating agencies. The Group's maximum exposure to credit risk at the reporting date was:

Exposure to Credit Risk	30-June-25 (\$)	30-June-24 (\$)
Cash and cash equivalents - AA Rated	12,957,391	3,731,180
Trade receivables	21,760,800	16,586,392
Total	34,718,191	20,317,572

Liquidity Risk

Liquidity risks arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and continuously monitoring actual and forecast cash flows.

Remaining Contractual Maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2025	1 year or less (\$)	Between 1 and 2 years (\$)	Between 2 and 5 years (\$)	Over 5 years (\$)	Total Remaining contractual cash flows (\$)
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Non-Derivatives	1 year or less (\$)	Between 1 and 2 years (\$)	Between 2 and 5 years (\$)	Over 5 years (\$)	Total Remaining contractual cash flows (\$)
Interest bearing					
Borrowings					
Borrowings	904,260	-	-	-	904,260
Lease liability	785,468	1,091,202	91,061	-	1,967,731
Non-interest bearing					
Trade and other payables					
Trade and other payables	18,725,758	-	-	-	18,725,758
Contingent consideration	-	2,855,098	2,425,648	-	5,280,746
Total Non-Derivatives	20,415,486	3,946,300	2,516,709	-	26,878,495

30 June 2024	1 year or less (\$)	Between 1 and 2 years (\$)	Between 2 and 5 years (\$)	Over 5 years (\$)	Total Remaining contractual cash flows (\$)
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Non-Derivatives	1 year or less (\$)	Between 1 and 2 years (\$)	Between 2 and 5 years (\$)	Over 5 years (\$)	Total Remaining contractual cash flows (\$)
Interest bearing					
Borrowings					
Borrowings	2,058,858	904,260	-	-	2,963,118
Lease liability	448,883	155,078	-	-	603,961
Non-interest bearing					
Trade and other payables					
Trade and other payables	10,013,951	-	-	-	10,013,951
Contingent consideration	250,000	254,983	-	-	504,983
Total Non-Derivatives	12,771,692	1,314,231	-	-	14,086,013

Note 24: Related Party Transactions

As detailed in Note 22, during the year ended 30 June 2025, 10,000,000 options were exercised by Mr James Clement through the use of the Director Loan. Additionally, 3,333,335 ordinary shares were issued to the Directors as a result of a number of Performance Rights vesting, and executive performance right were issued as long term incentives to certain members of key management personnel.

a) Individual Directors and Executives Compensation Disclosures

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the Directors' Report. 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 and there were no material contracts involving Directors' interests existing at year-end.

Details of the remuneration of key management personnel of the Company are set out in the following tables.

2025	Short-term benefits				Post-Employment		Equity		Total
	Short-term salary, fees & commissions	STI cash bonus	Non-monetary benefits	Other employee benefits ⁵	Post-Employment super-annuation	Share-based payments	(\$)	(\$)	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>Chairman</i>									
Peter Hutchinson	108,108	-	-	-	12,432	-	-	-	120,540
<i>Non-Executive Directors</i>									
Sheldon Burt ^{2,3}	40,000	-	-	-	-	-	-	-	40,000
<i>Executive Directors</i>									
James Clement ^{1, 2,4}	470,068	200,000	29,633	55,127	29,932	167,142	951,902		
Sheldon Burt ^{2, 3}	100,000	-	-	-	-	-	-	-	100,000
Shane McSweeney ^{2,6}	111,490	-	-	-	12,472	167,142	291,104		
Steve Dropulich ^{2,6}	139,612	-	-	-	12,472	167,142	319,226		
Total	969,278	200,000	29,633	55,127	67,308	501,426	1,822,772		

¹ The amount of \$29,633 disclosed as a non-monetary benefit for Mr Clement is a salary sacrificed amount pertaining to a novated lease on a motor vehicle.

² Refer to Note 22 for further information pertaining to share-based payment expenses recognised for key management personnel.

³ As at 1 November 2024 Mr Burt transitioned from Executive Director to Non-Executive Director of Vysarn Limited. Mr Burt's Director fees were paid to Connada Pty Ltd, an entity controlled by Mr Burt.

⁴ Mr Clement's total remuneration increased on 1 January 2025.

⁵ Relates to benefit received by Mr Clement in the form of an interest free loan to execute his Managing Director Options. Refer to section 7 of the Remuneration Report for further information.

⁶ The remuneration summary of Shane McSweeney and Steve Dropulich are effective from the date they became key management personnel (KMP), being the date of the Directorship appointments on 3 February 2025.

b) Subsidiaries

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

c) Other Key Management Personnel and Director Transactions

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

Some Directors hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities.

There were no other purchases from or sales to related parties during the year (2024: \$Nil).

Note 25: Acquisition of Waste Water Services Pty Ltd

Summary of Business Combination

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

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

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

	30-Jun-25
	(\$)

a) Purchase Consideration

Cash paid (net of working capital adjustments)	6,602,916
Total consideration paid	<u>6,602,916</u>

b) Fair Value of Net Tangible Assets

Trade receivables	1,164,786
Other current assets	599,026
Plant and equipment	1,975,745
Other non-current assets	507,266
Trade and other payables	(1,025,922)
Other current liabilities	(950,749)
Provisions	(256,587)
Deferred tax liability	(340,650)
Total	1,672,915

c) Goodwill

Excess of consideration over fair value of net assets acquired	4,930,001
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- (i) The WWS Transaction has been provisionally accounted for as at 30 June 2025. The WWS Transaction achieved practical completion in August 2024. The Group is continuing to assess the fair value of assets and other current liabilities assumed.
- (ii) The goodwill on acquisition comprises over 25 years of waste water treatment designs of manufactured specialised products, installation and maintenance of waste water, as well as synergies from joining the broader Vysarn group in water and infrastructure services. Goodwill is not deductible for tax purposes.
- (iii) Acquisition-related costs of \$100,530 are recognised in profit or loss, and are included in Administration and corporate expense.

Since the acquisition date, WWS has contributed revenue of \$14,387,685 and profit before tax of \$3,828,767 which is included in the consolidated statement of comprehensive income.

Note 26: Acquisition of CMP Consulting Group Pty Ltd

Summary of Business Combination

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

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

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

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

	30-June-25
	(\$)
d) Purchase Consideration	
Cash paid (net of working capital adjustments)	23,059,013
*Acquisition Shares	4,450,000
*Deferred (contingent) Consideration Shares (v)	9,236,302
*Additional Deferred (contingent) Consideration Shares (v)	1,483,333
Fair value consideration	38,228,648
e) Fair Value of Net Tangible Assets	
Trade receivables	1,858,630
Other current assets	3,626,047
Plant and equipment	382,948
Deferred tax assets	473,860
Trade and other payables	(765,994)
Other current liabilities	(2,028,656)
Provisions	(1,299,109)
Total	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 30 June 2025. The CMP Transaction achieved practical completion in December 2024. The Group is continuing to assess the fair value of assets acquired including existence of other intangible assets.
- (ii) The goodwill on acquisition comprises a comprehensive water engineering skillset across the complete lifecycle of solutions encompassing every aspect of water engineering, including potable water treatment and distribution, wastewater transfer and treatment, and resource recovery and recycled water treatment and distribution. The goodwill also includes synergies from joining the broader Vysarn group and opportunities in water and infrastructure services. Goodwill is not deductible for tax purposes.
- (iii) Acquisition-related costs of \$329,043 are recognised in profit or loss and are included in Administration and corporate expense.
- (iv) Since the acquisition date, CMP has contributed revenue of \$15,001,728 and profit before tax of \$2,738,723 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 30 June 2025 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 its 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. There was no material movement recognised in the fair value of contingent consideration payable for the period from the date of acquisition (1 December 2024), to 30 June 2025.

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 22 for further information.

Note 27: Parent Entity Disclosures

Financial Position	30 June 2025	30 June 2024
	(\$)	(\$)
Assets		
Current assets	22,071,939	7,685,373
Non-current assets	44,358,831	3,288,501
Total Assets	66,430,770	10,973,874
Liabilities		
Current liabilities	4,529,565	689,904
Non-current liabilities	12,856,500	847,089
Total Liabilities	17,386,065	1,536,993
Net Assets	49,044,705	9,436,881
Equity		
Share capital	61,651,251	20,024,837
Reserves	5,996,029	799,775
Retained losses	(18,602,575)	(11,387,731)
Total Equity	49,044,705	9,436,881

Financial Performance	30 June 2025	30 June 2024
	(\$)	(\$)
Loss for the year (before tax)	(3,679,685)	(3,565,749)
Other comprehensive income	-	-
Total comprehensive (loss)	(3,679,685)	(3,565,749)

Guarantees Provided in Relation to Subsidiaries

The Company provides a parent-company guarantee in respect to finance facilities established by the Company's operating entities.

Note 28: 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 described above.

Controlled Entities	Country of Incorporation	Percentage Owned	
		30-Jun-25	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%	Nil
CMP Consulting Group Pty Ltd	Australia	100%	Nil

Note 29: Commitments and Contingencies

The Directors are not aware of any other commitments or any contingent liabilities that may arise from the Group's operations as at 30 June 2025.

Note 30: Events Subsequent After the Reporting Date

The Company released the following material ASX announcement post 30 June 2025:

Hazen Heads of Agreement

On 25 July 2025, the Group announced CMP had entered into a Heads of Agreement ("HOA") with Hazen and Sawyer D.P.C.

Under the terms of the HOA, CMP and Hazen will work collaboratively to identify and deliver water infrastructure projects within Australia. The HOA also provides for reciprocal opportunities for CMP to subcontract engineering consulting services to Hazen for delivery of United States domiciled water infrastructure projects.

There were no other matters or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Company's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

Vysarn Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company and its controlled entities (the “Group”).

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the Group at the end of the financial year.

Name of Entity	Type of Entity	Place formed or Incorporated	Percentage of Share Capital Held (if applicable)	Australian Tax Resident or Foreign Tax Resident	Foreign Tax Jurisdiction (if applicable)
Vysarn Limited	Body Corporate	Australia	N/A	Australian	N/A
Pentium Hydro Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pentium Test Pumping Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pentium Water Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Project Engineering (WA) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Vysarn Asset Management Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Waste Water Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
CMP Consulting Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2025

In the opinion of the Directors of Vysarn Limited:

1. The financial statements and Notes thereto are in accordance with the Corporations Act 2001, including:
 - a) Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
 - b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), International Financial Reporting Standards and the Corporations Regulations 2001.
2. The consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 is true and correct.
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2025.

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 and Chief Executive Officer

Dated 21 August 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VYSARN LIMITED FOR THE YEAR ENDED 30 JUNE 2025



VYSARN LIMITED
ABN 41 124 212 175

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VYSARN LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vysarn Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Pitcher Partners BA&A Pty Ltd

An independent Western Australian Company ABN 76 601 361 095.
Level 11, 12-14 The Esplanade, Perth WA 6000
Registered Audit Company Number 467435.
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NETWORK MEMBER

Pitcher Partners is an association of independent firms. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities. pitcher.com.au.



VYSARN LIMITED
ABN 41 124 212 175

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VYSARN LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition <i>Refer to Note 2(p), Note 4 and Note 13 of the Financial Report</i>	Our procedures included, amongst others: Understanding and evaluating the design and implementation of the relevant controls associated with the treatment of revenue, contract assets, and contract fulfillment costs, including, but not limited to, those relating to identification of performance obligations, discounts, incentives and rebates. Testing the operating effectiveness of relevant controls around revenue, contract fulfillment costs, such as the review and approval of progress claims and invoices by customers.
For the year ended 30 June 2025, the Group had revenue of \$106,526,209 from contracts with customers for its hydrogeological drilling, test pumping, reinjection water services, water consultancy and waste water business activities and contract assets of \$3,208,911 goods/services yet to be invoiced (accrued revenue). In addition, the Group tracks a number of costs associated with contracts with customers through its contract fulfillment costs. As at 30 June 2025, contract fulfillment costs amounted to \$2,793,590.	Reviewing significant new contracts to understand their terms and conditions, including specified performance obligations included within and whether Managements' assessment for recognition of revenue, contract assets, and contract fulfillment costs under these contract terms, is in accordance with AASB 15. Testing a sample of transactions for each revenue stream, by sighting evidence of signed contracts, related invoices and comparing the revenue, contract asset, and contract fulfillment cost amount recognised to the timing of when the Group satisfies performance obligations associated with the transaction in accordance with AASB 15.
The determination of revenue recognition requires Management judgements in accounting for revenue, obligations, discounts, incentives and rebates in accordance with the Group's identified performance obligations as part of the transaction, as required under AASB 15 <i>Revenue from contracts with customers</i> ("AASB 15").	Assessing the entitlement and recoverability for a sample of transactions within contract assets, evaluating their consistency and the basis of Management's approach for determining amounts recognised, understanding and corroborating key assumptions made, and recalculating contract assets recognised. Considering the adequacy of the disclosures included within the financial report.



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Key Audit Matter	How our audit addressed the key audit matter
Recoverability of Non-current assets <i>Refer to Note 2(h) - 2(j), Note 14-16, Note 25 and Note 26 of the financial report</i>	<p>Included in the consolidated statement of financial position as at 30 June 2025 is an amount of \$88,547,150 relating to non-current assets. This amount represents 64% of total assets. \$45,781,887 of this amount relates to intangible assets, including goodwill acquired in business combinations.</p> <p>AASB 136 <i>Impairment of Assets</i> ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually.</p> <p>The evaluation of the recoverable amount of the Group's cash generating units ('CGUs) requires significant Management judgement in determining the key assumptions and estimates, including but not limited to:</p> <ul style="list-style-type: none"> ▪ growth rate assumptions; and ▪ discount factors <p>supporting the expected future cash flows of the business and the utilisation of the relevant assets.</p> <p>Due to the significance to the Group's financial report and the level of Management judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter</p> <p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the relevant controls associated with the recognition of non-current assets including capitalisation of expenditure and the identification of the CGUs.</p> <p>Reviewing management's evaluation and judgement as to whether the costs capitalised to intangibles are in development phase where probable future economic benefits could be determined.</p> <p>Testing the operating effectiveness of relevant controls around expenditure capitalised as non-current assets, such as the review and approval of expenditures as per delegation of authority, capital improvement approvals forms and other supporting documentation.</p> <p>Assessing Management's determination of the Group's CGUs based on our understanding of the nature of the Group's businesses and how independent cash flows are derived.</p> <p>Evaluating and assessing the Group's assessment for impairment indicators associated with its non-current assets for each of its CGUs.</p> <p>Critically evaluating and challenging the methodology and key assumptions around revenue and cost projections of management in their preparation of forecast models of the CGU encompassing goodwill and other intangible assets at 30 June 2025.</p> <p>Checking the mathematical accuracy of forecast models and agreeing what has been provided to the latest Board approved forecasts and performing sensitivity analysis around discount rate and growth rate.</p> <p>Assessing the Group's accounting policy and disclosures within the financial report.</p>



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Key Audit Matter	How our audit addressed the key audit matter
<p>Share-based Payments <i>Refer to Note 2(t) and 22 of the Financial Report</i></p> <p>At 30 June 2025, a share-based payment expense of \$557,140 has been recorded. Share-based payments involve significant Management estimates and judgement in their determination.</p> <p>Share-based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted. In calculating the fair value there are a number of management judgements including but not limited to:</p> <ul style="list-style-type: none"> • Assessing the probability of achieving key performance milestones in relation to vesting conditions; and • Assessing the fair value of the share price on grant date, estimate of expected future share price volatility, expected dividend yield and risk-free rate of interest. 	<p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including in relation to volatility of the underlying security and the appropriateness of the model used for valuation.</p> <p>Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.</p> <p>Assessing the independence, competence and experience of the external valuation experts contracted by the Group to determine if we can place reliance on their valuations performed.</p> <p>Assessing the appropriateness of share-based payment expensed during the year pursuant to the requirements of Australian Accounting Standards AASB 2 <i>Share-based Payment</i> ("AASB 2").</p> <p>Assessing the Group's accounting policy and disclosures within the financial report.</p>



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Key Audit Matter	How our audit addressed the key audit matter
<p>Acquisition of Waste Water Services Pty Ltd <i>Refer to Note 2(aa) and 25 of the Financial Report</i></p>	<p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of relevant controls associated with the acquisition of WWS.</p> <p>Understanding and evaluating the key terms and conditions associated within the Share Sale Agreement for acquisition of WWS.</p> <p>Critically evaluating and challenging the accounting treatment of the Group in compliance with the requirements of AASB 3 and recognition of the acquisition of WWS as a business combination.</p> <p>Reviewing if the acquisition date has been determined correctly, and if in line with AASB 3.</p> <p>Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the acquisition of WWS, and resulting goodwill recognised.</p> <p>Assessing the independence, competence and experience of the external valuation experts contracted by the Group to determine if we can place reliance on their valuation of plant and equipment acquired.</p> <p>Checking the mathematical accuracy of the calculations performed for the acquisition accounting of WWS.</p> <p>Assessing the Group's accounting policy and disclosures within the financial report.</p>



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Key Audit Matter	How our audit addressed the key audit matter
<p>Acquisition of CMP Consulting Group Pty Ltd <i>Refer to Note 2(aa) and 26 of the Financial Report</i></p>	<p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of relevant controls associated with the acquisition of CMP.</p>
<p>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").</p> <p>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 Company shares, adjusted for post working capital and net debt adjustments ("CMP Transaction").</p> <p>Further, deferred consideration of up to 30,000,000 Company shares over three years subject to the achievement of EBITDA performance metrics.</p> <p>In undertaking the provisional business combination accounting, the Group is required to measure the fair value of the purchase consideration and measure the fair value of identifiable assets, liabilities and contingent liabilities acquired at the acquisition date and assess the existence of any goodwill.</p> <p>The acquisition of the CMP is key audit matter because it was a significant transaction for the year given the financial and operational impacts on the Group. In addition, the Group made significant and complex judgments when accounting for the acquisition</p>	<p>Understanding and evaluating the key terms and conditions associated within the Share Sale Agreement for acquisition of CMP.</p> <p>Critically evaluating and challenging the accounting treatment of the Group in compliance with the requirements of AASB 3 and recognition of the acquisition of CMP as a business combination.</p> <p>Reviewing if the acquisition date has been determined correctly, and if in line with AASB 3.</p> <p>Assessing the complex judgements used in the Group's calculation for the consideration transferred via the issue of shares and options to ensure it is consistent with the requirements of AASB 2 Share-Based Payments.</p> <p>Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the acquisition of CMP, and resulting goodwill recognised.</p> <p>Checking the mathematical accuracy of the calculations performed for the acquisition accounting of CMP.</p> <p>Assessing the Group's accounting policy and disclosures within the financial report.</p>



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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 35 of the directors' report for the year ended 30 June 2025. In our opinion, the Remuneration Report of Vysarn Limited, for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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A handwritten signature in black ink, appearing to read 'Michael Liprino'.

MICHAEL LIPRINO
Executive Director

Perth, 21 August 2025

ADDITIONAL SHAREHOLDER INFORMATION

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 16 October 2025.

Corporate Governance

The Company's 2025 Corporate Governance Statement can be accessed at: vysarn.com.au/corporate-governance

Ordinary Share Capital

527,444,829 fully paid ordinary shares are held by 2,493 individual holders.

Voting Rights

Subject to the ASX Listing Rules, the Company's constitution and any special rights or restrictions attached to a share, at a meeting of shareholders, voting rights attached to each class of equity security are as follows:

- **Ordinary Shares:** On a show of hands each shareholder present at a meeting of shareholders in person or by proxy shall have one vote and, on a poll, has one vote for each fully paid share held.
- **Unlisted Options and Performance Rights:** Unlisted Options and Performance Rights do not carry any voting rights.

Twenty Largest Shareholders

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	38,811,925	7.36%
2	MOLONGLO PTY LTD <P&J HUTCHINSON S/F A/C>	34,600,000	6.56%
3	MOLONGLO PTY LTD <PETER HUTCHINSON FAM A/C>	34,500,000	6.54%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,870,723	6.23%
5	LONESEARCH PTY LTD <CARNAC A/C>	24,500,000	4.65%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,467,701	4.07%
7	GARRISON HOLDINGS PTY LTD <PAUL COOK SUPER FUND A/C>	18,125,542	3.44%
8	MR ANASTASIOS KARAFOTIAS	14,260,000	2.70%
9	BNP PARIBAS NOMINEES PTY LTD <B AU NOMS RETAILCLIENT>	14,125,549	2.68%
10	MR ANTHONY JOHN POWER & MRS SUSAN JANET POWER <THE POWER SUPER FUND A/C>	12,569,074	2.38%
11	MR RICHARD WILLIAM BALSTON	11,500,000	2.18%
12	Connada Pty Ltd <Sheldon Burt Family A/C>	11,217,315	2.13%
13	RICH CAB PTY LTD <DALE-MCKENZIE SF A/C>	8,676,098	1.64%
14	MR DEBESH BHATTARAI	8,250,000	1.56%
15	ALLORA EQUITIES PTY LTD <C&E RETIREMENT FUND A/C>	6,160,962	1.17%
16	NJ FAMILY PTY LTD <N J FAMILY A/C>	5,239,926	0.99%
17	MONDO ELECTRONICS PTY LTD <MONDO ELECTRONICS S/F A/C>	5,046,114	0.96%
18	MR FRANK RICHARDSON & MRS LISA JOY RICHARDSON <THE RICHARDSON S/F A/C>	5,000,000	0.95%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,518,824	0.86%
20	YULGERING SUPER PTY LTD <MCGILL SUPER FUND A/C>	4,500,000	0.85%
Total		315,939,753	59.90%
Total issued capital - selected security class(es)		527,444,829	100.00%

Substantial Shareholder

The names of Vysarn Limited's substantial holders and number of shares in which each has a relevant interest, as disclosed in substantial holding notices received by Vysarn Limited as at 16 October 2025, are listed below:

Holder Name	Holding	% IC
Citicorp Nominees Pty Limited	38,811,925	7.36%
Molonglo Pty Ltd <P & J Hutchinson S/F A/C>	34,600,000	6.56%
Molonglo Pty Ltd <Peter Hutchinson Fam A/C>	34,500,000	6.54%
HSBC Custody Nominees (Australia) Limited	32,870,723	6.23%

Distribution of Shares

A distribution schedule of the number of holders of shares is set out below.

Distribution of Shares	Fully Paid Ordinary Shares		
	Holders	Total Units	%
1 - 1,000	127	55,033	0.01%
1,001 - 5,000	547	1,464,271	0.29%
5,001 - 10,000	388	3,088,590	0.61%
10,001 - 100,000	1,113	40,035,314	7.70%
100,001 and over	318	482,801,621	91.39%
Total	2,493	527,444,829	100.00%

Restricted Securities

As at 16 October 2025 the Company has on issue 10,000,000 ordinary fully paid shares held in escrow by three holders. The escrow period ends on 16 December 2025.

Unquoted Securities

As at 16 October 2025 the Company has on issue 20,000,000 Performance Rights to four holders.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares:

Holders: 67
Units: 9,593

On-Market Buy Back

There is no current on-market buy-back.



VYSARN

Vysarn Limited

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