

30 August 2024

## **VYSARN ENTERS INTO SHARE SALE AGREEMENT TO ACQUIRE WASTE WATER SERVICES**

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

Under the SSA, the Company will acquire 100% of the issued shares in WWS from Mr Jerry Horgan (sole shareholder of WWS) (**Seller**) for cash consideration of \$7.5 million. The purchase price assumes that WWS is acquired debt free and with an agreed level of working capital, and is subject to adjustment based on actual levels of debt and working capital.

WWS will become a wholly owned subsidiary of Vysarn upon completion of the acquisition. The cash consideration will be funded via a combination of the Company's cash reserves and debt funding.

Assuming maintainable earnings of WWS' unaudited FY2024 Earnings Before Interest Tax and Depreciation (EBITDA), the Company will pay an Enterprise Value/EBITDA acquisition multiple of 3.27x. Vysarn's proforma FY2024 Net Profit After Tax (NPAT) in addition to WWS' FY2024 unaudited NPAT would deliver earnings per share accretion of greater than 20% (using Vysarn full year FY2024 NPAT announced to the ASX on 23 August 2024).

More importantly, the Company has identified immediate organic growth initiatives for WWS. Management intends to rapidly integrate WWS into the Vysarn Group of companies and then pursue these growth initiatives, initially via the delivery of a growing pipeline of wastewater treatment plants for the resource sector, the expansion of recurring revenue streams via an increase in the number of wastewater rental units, and the development of municipal water treatment opportunities.

The acquisition of WWS has an effective date from 1 September 2024 and completion is conditional upon the satisfaction or waiver of the following material conditions precedent:

- the Company completing its due diligence investigations and being satisfied with the results in its sole discretion, exercised reasonably;
- the Company obtaining funding sufficient to complete on terms acceptable to the Company in its absolute discretion;
- the consent of or waiver from any person who is a counterparty to a material contract that contains a provision, such as a change of control provision, which requires the consent or waiver of such person and would be triggered by the acquisition, on terms and conditions reasonably acceptable to the Seller and the Company; and
- WWS entering into supply agreements with certain suppliers of equipment and products on terms acceptable to the Company.

The condition precedents are to be satisfied or waived by no later than 29 November 2024. The SSA is otherwise on usual terms and conditions for an agreement of this nature.

## **About WWS**

WWS is a market leader in the design, manufacture, installation and maintenance of wastewater treatment plants, potable water treatment plants and pumping stations. WWS is also a reseller of ancillary water products including spares, tanks, pumps, valves, software, hardware and other consumables.

WWS has been operating for over 25 years, has 18 staff, a manufacturing facility in Western Australia, and has long standing blue chip Tier 1 clients across the mining, oil and gas and industrial sectors.

### **WWS Manufactured Products include:**

- Specialised sewage transfer stations
- Industrial waste systems
- Sewage treatment plants
- Potable water systems
- Industrial and agricultural dosing systems
- Temporary sewage treatment plants and potable water plants for short-and long-term hire

### **WWS Products and Services include:**

- Department of Health monitoring of wastewater treatment plants
- Software engineering incl. SCADA and remote monitoring
- Supply, repair and overhaul of pumps
- Sourcing and supply of spare parts
- Supply of chemicals for water and sewage treatment
- Servicing, training and audit of wastewater treatment plants

In line with the Company's clearly defined strategy, the acquisition of WWS provides Vysarn with additional diversified sector exposure, revenue streams, and service capability within its vertically integrated suite of water service offerings.

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

### **For more information:**

James Clement  
Managing Director  
E: [info@vysarn.com.au](mailto:info@vysarn.com.au)