Annual Report 2026

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Bhagwan Marine Limited

ACN 009 154 349

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BHAGWAN marine

2026 Annual Report

About this Report

This Annual Report provides an overview of Bhagwan Marine Limited's operations and performance for the 2026 financial year (FY26), covering the period from 1 July 2025 to 30 June 2026.

Unless otherwise stated:

References to 'Bhagwan', 'the Group', 'the Company', 'we', 'us' or 'our' refer to Bhagwan Marine Limited and its controlled entities.

References to a 'year' relate to the financial year ended 30 June.

All dollar figures are expressed in Australian dollars ($) unless otherwise stated.

Further Information

We welcome questions or feedback about the Company.

Please contact us at
investor.relations@bhagwanmarine.com

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Iron Whistler 35m Tugboat



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Contents

BUSINESS OVERVIEW 6

About Bhagwan Marine 6

Our Diversified Business Model 8

Our Integrated Service Offering 9

In Focus: Riverside Marine Acquisition 10

Nationwide Facilities Providing Local Support 12

Diverse & Multifunctional Vessel Fleet 13

Our Clear Growth Strategy 14

FY26 HIGHLIGHTS 16

Financial Highlights 16

Operational Highlights 18

FY26 Riverside Marine Highlights 20

CHAIRMAN'S ADDRESS 23

BOARD OF DIRECTORS 26

CORPORATE GOVERNANCE & SUSTAINABILITY 28

Sustainability 29

REVIEW OF OPERATIONS 31

Executive Leadership Team 34

OPERATING ENVIRONMENT 37

OUTLOOK & FOCUS AREAS 39

FINANCIAL PERFORMANCE 40

FY26 FINANCIAL REPORT 45

Directors' Report 46

Remuneration Report 55

Financial Report 71

ADDITIONAL ASX INFORMATION 132

OUR PROUD HISTORY 136

Business Overview



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About Bhagwan Marine

Bhagwan Marine is Australia's largest listed marine solutions company, serving the Offshore Energy & Resources, Ports & Inshore and Defence sectors. The Company operates a large multifunctional fleet supporting marine operations nationally.

Bhagwan Marine and its 100% owned Riverside Marine and Rivtow operations ('Bhagwan Group'), are recognised for their strong safety culture and operational excellence in complex marine environments. Long-standing partnerships with major energy and resource companies, construction firms and government agencies reinforce the Bhagwan Group's reputation as a trusted partner.

Bhagwan Marine is one of Australia's largest in-house marine crewing providers, employing more than 1,000 skilled professionals, including qualified divers. Bhagwan's locally based crews are recognised for their strong safety culture, operational excellence and ability to deliver high-quality outcomes in complex environments.

Founder-led and supported by an experienced Board, Bhagwan Marine maintains a disciplined approach to governance, financial management and sustainable earnings growth for shareholders.

CMV Athos

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Established in 2000

EST. 2000

Founder-led management team with a proven track record of safety, operational excellence and disciplined execution.

Leading Australian marine solutions provider supporting Offshore Energy & Resources, Ports & Inshore and Defence sectors.

18 Facilities Nationally



Multiple growth drivers spanning organic growth, strategic acquisitions and adjacent blue-sky markets, including decommissioning, defence and offshore power.

Incumbency at key operating hubs, with long-standing customer relationships that generate opportunities for spot and recurring projects.

Net Tangible Assets of $0.42 per share



Expanding EBITDA margins and a focus on increasing free cash flow.

Large multifunctional fleet positioned to benefit from constrained vessel supply, supporting utilisation, pricing and long-term asset values.

56% recurring revenue[1]



A strong financial platform to drive further organic and acquisitive growth.

Diversified revenue streams with an increasing percentage of recurring revenue supported by Riverside Marine acquisition.

[1] *FY26 Bhagwan Group recurring revenue was spot and contracted revenues greater than one year in duration.*

Our Diversified Business Model

DELIVERING BESPOKE MARINE SOLUTIONS

We're a leading marine solutions provider operating in diverse markets, including offshore energy & resources, ports & inshore and defence industries nationally.



Integrated Service Lines

END-TO-END MARINE SOLUTIONS

- Marine Services
- Subsea Services
- Vessel Charters
- Project Delivery



Diverse Operating Sectors

STRONG CORE AND EMERGING MARKETS

- Offshore Energy and Resources
- Ports and Inshore
- Defence



Unrivalled Multifunctional Fleet

>70 OWNED VESSELS

- Dive Support
- Tugs and AHTS
- Utility and Landing Craft
- Multicats
- Barges
- Crew Transfer



Balanced Sources of Revenue

INCREASING RECURRING REVENUE

- Spot work: <2 weeks
- Short-term: <12 months
- Long-term: >12 months
- FY26 56% Recurring Revenue (spot and long-term)

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John Oxley II 83m Dredging Vessel

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Our Integrated Service Offering

PRIORITIES BY SECTOR AND SEGMENT

Energy & Resources

Our purpose-built vessels, subsea systems and experienced dive teams deliver integrated offshore and subsea services across exploration, construction, Inspection, Maintenance and Repair (IMR), decommissioning and the emerging offshore wind sector, underpinned by a strong safety record and extensive offshore expertise.

- Decommissioning
- <500m Large Vessel Market
- Subsea Project Management
- Subsea Remote Operated Vessel (ROV) Operations
- Operations and Production
- Offshore Wind
- Offshore Diving

Ports & Inshore

We provide extensive port and inshore marine services – including harbour towage, vessel handling, mooring, crew transfers and support for wharf and jetty construction. Our proven capability is demonstrated through long-term contracts with the ports of Melbourne and Brisbane.

- Port Maintenance and Repair
- Harbour Towage
- Inshore Diving
- Marine Services and Civil Support
- Navigational Aid Maintenance
- Port Services Ship Agency
- Adhoc Port Towage
- Coastal Towage
- Dredging
- Ferry Services

Defence

We hold security clearances to support both the Australian Defence Force and the United States Department of Defense, with strategically located facilities at key marine precincts and defence bases enabling 24/7 operational readiness.

- Henderson AUKUS
- Marine Logistics Barge Services to HMAS Sterling
- High-Integrity Pressure Protection Systems (HIPPS)
- Inshore Diving
- Blue Water Shipping
- Border Protection
- Research

In Focus: Riverside Marine Acquisition

We completed the acquisition of Riverside Marine on 31 March 2026, significantly increasing our scale and diversification. The acquisition expands our geographic and service footprint, increases recurring contracted revenue, and adds Riverside's capital-light vessel management model.

About Riverside Marine

A LEADING AUSTRALIAN MARITIME SERVICES GROUP

Founded in Brisbane in 1926 by the Campbell Family, Riverside has built a strong reputation for quality, reliability and operational excellence. The Group specialises in the management and operation of approximately thirty diverse vessels, including nine owned vessels, across its five established brands.

Supported by deep industry expertise, Riverside serves a long-standing tier-one customer base in markets with high barriers to entry and significant opportunities for growth.

Riverside Marine Structure

DIVERSE SERVICE OFFERING ACROSS FIVE ESTABLISHED BUSINESSES

RIVERSIDE MANAGED VESSELS

RIVTOW MARINE

Managing essential harbour & towage services for tier 1, long-term customers

AIMS[1] VESSEL MANAGEMENT

Managing dedicated research vessels under long-term government contracts

~30%

MANAGED VESSELS – CONTRIBUTION TO FY26 EBITDA[2]

RIVERSIDE OWNED VESSELS

RIVERSIDE INDUSTRIAL SANDS

Largest provider of construction sand in Brisbane with high barriers to entry

MAGNETIC ISLAND FERRIES

Sole provider of essential commercial ferry services linking Townsville and Magnetic Island

RIVERSIDE OCEANIC

Supplying quality charter vessels across diverse end markets

~70%

OWNED VESSELS – CONTRIBUTION TO FY26 EBITDA[2]

[1] *Australian Institute of Marine Science.*

[2] *Please refer to the investor presentation for Riverside Marine acquisition. As released on the ASX on 9 February 2026.*

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Investment Rationale

Step-Change Transaction For Bhagwan

Riverside is a proven 99-year-old business, founded in 1926 by the Campbell Family

Excellent Strategic & Cultural Fit

Highly complementary offerings – further diversification by service, geography and commodity

Quality-focused, safety-first culture

Reinforces Bhagwan's position as a preferred marine solutions partner

Capital Light Business Model

Focused on management and operation of vessels rather than ownership

Generates additional high-quality revenue with limited capital expenditure

High Recurring Annual Revenue

Increases Bhagwan's recurring revenue

Strong market position with high barriers to entry

Opportunities for revenue synergies

High Free Cash Flow[2]

High EBITDA margin (~40%)

Sustaining capex expenditure (30% to 35% of EBITDA)

Highly EPS & Return Accretive In FY26[2]

EPS accretion ~14%

Return on equity accretion of >20%

EBITDA margin increases from 18% to 24%

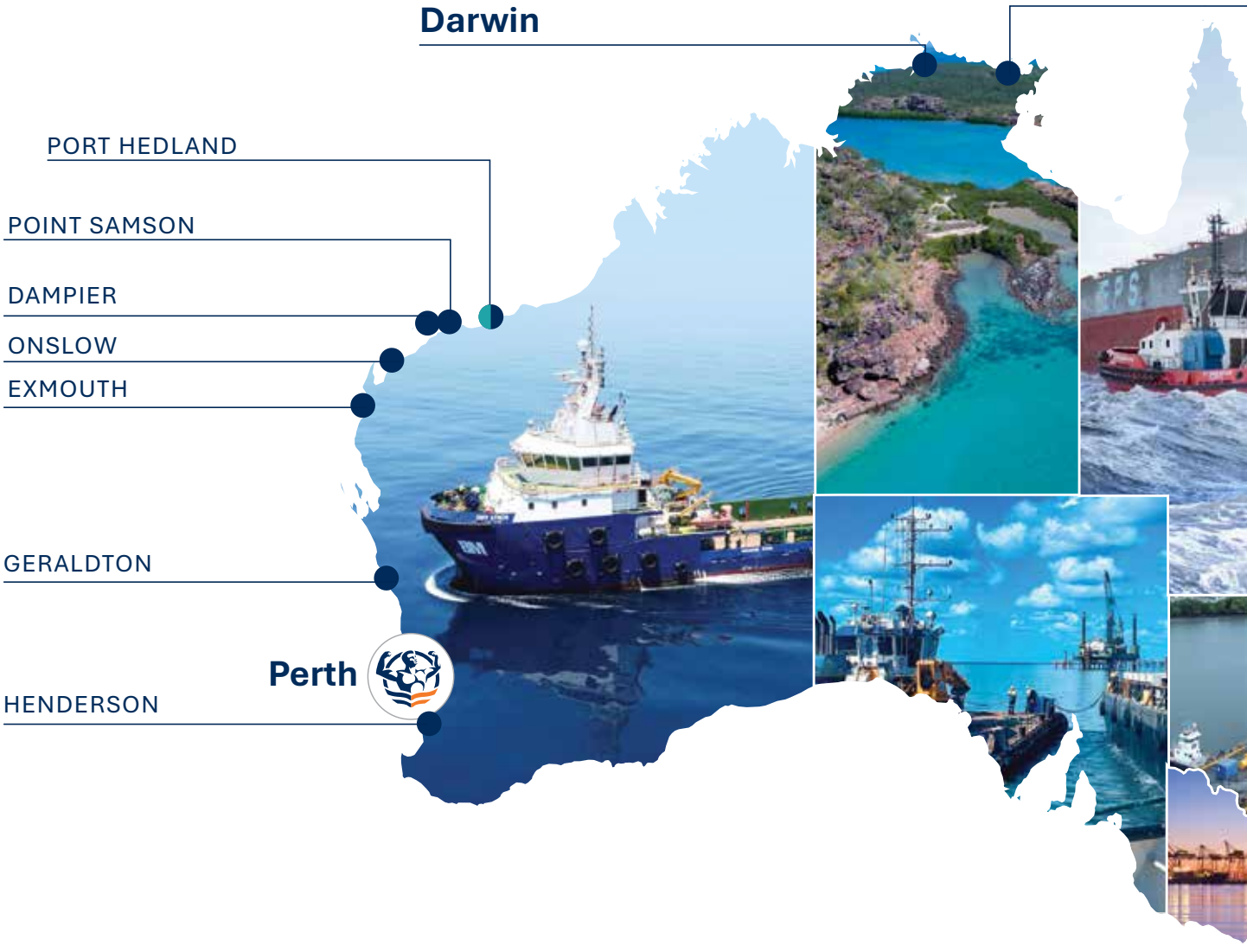


Australian Institute of Marine Science Research Vessel

Nationwide Facilities Providing Local Support

Our established presence at key Australia ports and marine hubs enables us to provide efficient and timely support to clients. During FY26 the acquisition of Riverside Marine further expanded and diversified this national presence.

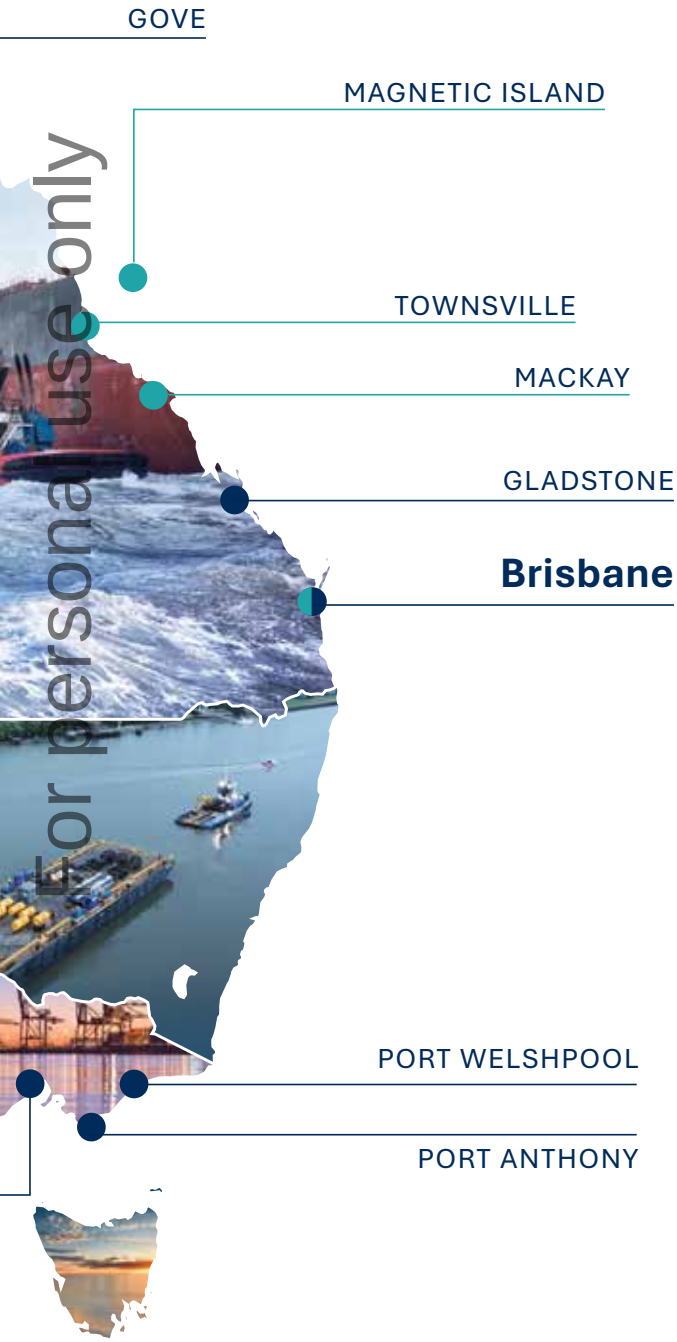
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BHAGWAN MARINE HEAD OFFICE

BHAGWAN MARINE OPERATIONS

RIVERSIDE MARINE OPERATIONS



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Diverse & Multifunctional Vessel Fleet

We operate Australia's largest vessel fleet, comprising more than 100 inshore and offshore vessels.

Our broad range of purpose-built charter vessels and marine assets enables us to deliver tailored solutions that meet specific client requirements.

We continue to invest in our fleet, including hybrid power technologies and autonomous vessels. These investments support fleet modernisation and the adoption of technologies that can enhance safety, efficiency and environmental outcomes.



Dive Support



Utility & Landing Craft



Tugs & AHTS



Barges



Multicats



Crew Transfer

Our Clear Growth Strategy

COMPELLING OPPORTUNITIES FOR SUSTAINABLE GROWTH

Solid Core Business

POWER OF INCUMBANCY

- Market-leading position underpinned by the power of incumbency
- Large, multifunctional fleet with a broad geographic footprint
- Longstanding client relationships generating consistent opportunities
- Established presence at key marine hubs generating ~$50m revenue p.a.
- Long-term contracts generating ~$70m revenue p.a.

Organic Growth

LEVERAGE EXISTING OPPORTUNTIES

- Deepen client relationships and increase service offering
- Expand into adjacent markets and project types
- Drive greater utilisation of the enlarged fleet and capabilities
- Multiple growth opportunities already available today



Rivtow Marine Pusher Tugs

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Acquisitive Growth

EXPERIENCE AND CAPABILITY

- Riverside Marine acquisition demonstrates Bhagwan's capability to execute strategic M&A
- Opportunity to further expand scale, capability and market reach
- Disciplined approach focused on strategic and commercial fit

Blue Sky

EMERGING ADJACENT MARKETS

- Significant opportunities across decommissioning, defence and offshore power, providing upside beyond the core investment case
- Potential for large, material projects as these markets develop
- Early positioning provides a platform to capture future market growth over the medium to longer-term



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FY26 Highlights

Financial Highlights

RESILIENT MARGINS
AND STRONG CASH GENERATION

NET REVENUE

$235.9m

↓ Down 16.6% on FY25 $283.0m[1]

BHAGWAN $220.8m

4Q FY26 RIVERSIDE MARINE $15.1m[2]

4-YEAR REVENUE CAGR 15%

EBITDA MARGIN[3]

20%

↑ Up from 18% in FY25[1]

BHAGWAN EBITDA $40.0m[3]

RIVERSIDE MARINE EBITDA $6.1m

NET CASH FROM OPERATIONS[4]

$40.0m

↑ Up 9.6% on FY25 $36.5m[5]

FULLY FRANKED TOTAL DIVIDEND

0.8cps

FY25 inaugural fully franked dividend of 0.5cps

60% DIVIDEND GROWTH

[1] *FY25 includes Bhagwan only.*

[2] *Riverside Marine acquisition completed on 31 March 2026 – Riverside Marine FY26 revenue $60.0m.*

[3] *Pro forma EBITDA margin*

[4] *Group pro forma net cash from operations (Bhagwan FY26 and Riverside Marine 4Q FY26)*

[5] *FY25 pro forma cash from operations*

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Bhagwan subsea diver

Operational Highlights

BUILDING ON SOLID BASE FOR LONG-TERM GROWTH

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Strengthened financial governance and aligned overheads to enhance resilience, margins and future returns



Embedded the COO function and strengthened business development capability



Secured a five-year contract with Jadestone Energy for *Coral Knight*[3]



Strategic acquisition of *Bhagwan Ocean*, enhancing capability to capture high-value marine construction and logistic projects



Completed transformational acquisition of Riverside Marine and progressed integration[1]



Additional decommissioning projects[2], initial windfarm survey work and built on existing defence presence.

[1] *See announcement Completion of Riverside Marine Acquisition dated 31 March 2026.*

[2] *See announcement Bhagwan Marine Advanced Decommissioning Strategy with Barrow Island Contract dated 24 March 2026.*

[3] *See announcement Award of 5 Year Coral Knight Contract with Jadestone Energy dated 3 December 2025.*

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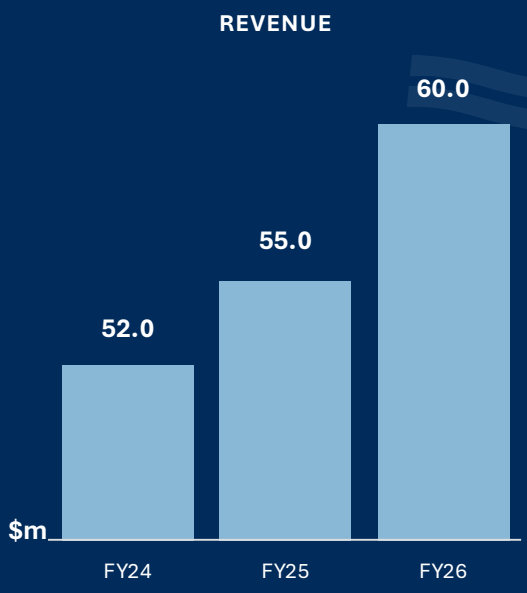
"Our priorities remain delivering sustainable earnings growth and creating value for our shareholders."

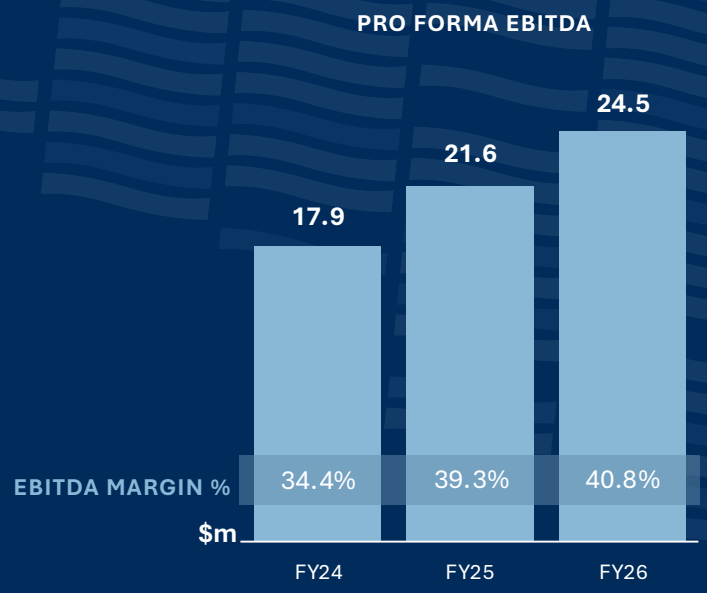
ANTHONY WOOLES - NON-EXECUTIVE CHAIRMAN

Bribie Island

FY26 Riverside Marine Highlights

SUSTAINED GROWTH AND INTEGRATION ON TRACK WITH INVESTMENT CASE





- **Successful completion on 31 March 2026**
- **4Q FY26 revenue up 17% on pcp**
- **4Q FY26 EBITDA up 30%[1] on pcp**
- **Further EBITDA margin expansion**
- **94% long-term recurring revenue in FY26**
- **Opportunities for Bhagwan to amplify growth across Riverside Marine**

[1] *Pro forma adjusted EBITDA*

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Rivtow Tug

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Kougari

Chairman's Address



Anthony Wooles
NON-EXECUTIVE CHAIRMAN

FY26 has been an important year for Bhagwan Marine. There was some disruption in the operating environment during the year, particularly in the energy sector. Disruption in the Middle East and organisational restructuring within the sector contributed to the deferral of a number of select short-term projects in the second half.

Throughout, we stayed very focused. These were timing effects rather than structural, and an uplift in activity during May and June was evident.

The reality is that project activity levels in energy markets can evolve quite quickly. Bhagwan, however, remains a stable, market-leading business that operates day in, day out.

Our national footprint and duration of our market incumbency, longstanding client relationships, diverse fleet and experience, provide Bhagwan with a strong core of recurring activity and allow us to respond to opportunities across the country.

Resilient Earnings and Strong Cash Generation

Against that backdrop, Bhagwan delivered net revenue of $235.9 million in FY26, compared with $283.0 million in FY25.

While revenue was impacted by the deferral of short-term projects, earnings remained resilient and overall Group profitability increased, with Riverside Marine making a strong fourth quarter contribution following completion of the acquisition on 31 March 2026. The Group delivered an EBITDA margin of 20% for FY26.

Cash generation was also strong, with pro forma net cash from operations of $40.0 million, up 9.6% on FY25.

Following the inaugural dividend paid in FY25, the Board was pleased to declare fully franked dividends totalling 0.8 cents per share for FY26, up 60% on the prior year.

Safety Remains Fundamental

Throughout FY26, our safety performance remained very strong. Bhagwan's LTIFR was 0.77 and TRIFR improved to 6.90 from 8.32 (FY25).

That is particularly important given the growth of the business and the expansion of our workforce. It reflects the commitment of our people across the organisation and the professionalism with which they approach their work every day.

As Bhagwan continues to grow in scale and complexity, maintaining a strong safety culture and operating discipline will remain fundamental to the way we do business.

Building on Strong Foundations

Throughout FY26, I was very pleased with the continued progression of Bhagwan as a public company.

Internally, there has been an enormous amount of work undertaken to build on our strong foundations and develop the capabilities required of a business of this scale.

During the year, Bhagwan strengthened its accounting, human resources, governance and reporting systems, together with its business development capabilities - critical glue that equips the business for a solid future as a market-leading listed company.

We have also continued to bring strong commercial discipline to the business, ensuring Bhagwan is efficient, capable and, importantly, match fit for the opportunities ahead.

Bhagwan is the largest ASX-listed marine company in Australia, with a leading market position, an extensive geographic footprint and a large, multifunctional fleet.

That fleet is a significant strength, particularly in a market where vessel supply remains tight. Its scale and diversity enable us to respond to a broad range of client requirements across Australia and position Bhagwan well in a market characterised by constrained vessel supply.

There is also what I describe as the power of incumbency.

We are there, in the business, every day. We have long-standing relationships, vessels operating across the country and people who understand their markets and their clients' operations intimately. Demand for our services arrives daily, courtesy of that incumbency.

Riverside Marine - a Transformational Acquisition

The acquisition of Riverside Marine's marine fleet and operations was unquestionably one of the highlights of the year.

It is important to understand the Riverside Marine acquisition in the broader context of the progression of Bhagwan.

We could not have undertaken a transaction of this significance without the progress we have made as a listed company in developing our capabilities, governance and skills, together with the balance sheet horsepower required to execute an acquisition of this scale.

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We have remained clear that disciplined M&A would form part of Bhagwan's growth strategy. The Riverside Marine acquisition demonstrates that we have the capability to deliver on that strategy.

Importantly, this was not simply a bolt-on acquisition. We have acquired one of the very best marine businesses in the country, with a long and proud history, high-quality operations and a strong reputation built over many years. We now have access to adjacent marine segments that display great potential for sustained growth.

I would particularly like to welcome the Campbell family to Bhagwan as shareholders and the Riverside Marine team to the Group and acknowledge the business they have built together over many years. We have enormous respect for Riverside Marine, its people and its heritage.

The integration to date has been progressing very smoothly. There is a strong alignment between the cultures and values of the two organisations. Both businesses have very capable people who are deeply committed to what they do, providing a strong foundation for bringing our businesses together.

Focused on Execution and Further Growth

Our focus now is firmly on ensuring the Riverside Marine acquisition delivers on its strategic potential.

Management will remain highly focused on the integration of Riverside Marine and capturing the operational and commercial benefits available from bringing the two businesses together.

There is still plenty of work to be done. The Board will remain closely engaged as the integration progresses, while supporting management in delivering the synergies and opportunities available from the combined business.

The Bhagwan Investment Thesis

At the foundation is a rock-solid core business. Bhagwan has the power of incumbency, a large multifunctional fleet, a broad geographic footprint and longstanding client relationships that generate opportunities day in, day out.

Beyond that, there is organic growth already available to us. There are opportunities to do more with existing clients, grow in adjacent markets and put the capabilities of our enlarged fleet to work across a broader range of projects.

We have also now demonstrated our capability for inorganic growth. The Riverside Marine acquisition shows that Bhagwan can identify and execute strategic M&A. We will continue to assess opportunities where they make commercial and strategic sense.

Beyond, there is significant blue sky.

Decommissioning, defence and offshore power have the potential to become significant emerging industry opportunities for Bhagwan.

We need to be disciplined about how we think about the timing of those markets because we do not control the pace of their development. Regulatory processes, client decisions and broader market conditions will ultimately determine when activity accelerates.

We have already demonstrated through our involvement in decommissioning how substantial individual projects can become, while defence is presenting increasingly tangible opportunities.

Importantly, we do not need those opportunities to underpin the strength of Bhagwan today. They sit above a strong core business, and when those markets develop, we will be well-positioned.

Acknowledgements

FY26 has been about more than one year's financial performance. It has been another important step in building on the strong foundations of Bhagwan and developing the capability, discipline and scale of a market-leading public company.

That progress is the result of the contribution of many people.

I would like to thank Tracey Horton and Andrew Wackett for their counsel, commitment and support throughout the year.

I would also like to thank Loui and Kerren for their leadership and significant contribution throughout the year. Their commitment to Bhagwan, its people and success has never wavered.

Most importantly, I would like to thank everyone at Bhagwan, including the Riverside Marine team who joined us during the year. Our people operate in demanding environments around Australia every day, and their commitment to safety, our clients and each other is fundamental to the strength of the business.

Our priorities remain delivering sustainable earnings growth and creating value for our shareholders.

On behalf of the Board, I thank our shareholders for their continued support.



Anthony Wooles

NON-EXECUTIVE CHAIRMAN

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“Bhagwan has the power of incumbency, a large multifunctional fleet, a broad geographic footprint and longstanding client relationships that generate opportunities day in, day out.”

ANTHONY WOOLES - NON-EXECUTIVE CHAIRMAN

CMV Athos, TVI Project

Board of Directors

Bhagwan's Directors have diverse backgrounds in the marine industry, business management, financial oversight and corporate governance. The Board works closely with the Executive Leadership Team to shape the company's strategic direction while maintaining effective oversight of governance, performance and risk.

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Anthony Wooles BCom, MBA (Finance), FAICD, SA FIN

NON-EXECUTIVE CHAIRMAN

Appointed Non-Executive Chairman on 8 March 2012.

KEY EXPERIENCE

- Extensive executive and advisory experience across mining, oil and gas, power generation, manufacturing, telecommunications, food and beverages and retail.
- Current Chairman of IMDEX Limited and Non-Executive Director of High Peak Royalties Limited.
- Fellow of the Australian Institute of Company Directors (AICD).
- Holds a Bachelor of Commerce (Economics) and an MBA in Finance from the Wharton School, University of Pennsylvania.

STRATEGIC CONTRIBUTION

- Broad cross-industry leadership experience and board governance expertise.
- Chairs Bhagwan's Remuneration Committee and is a member of the Audit and Risk Committee.



Tracey Horton AO BEc (Hons), MBA, FAICDLife

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed Independent Non-Executive Director on 5 June 2024.

KEY EXPERIENCE

- Professional director with experience across ASX-listed companies, government and not-for-profit boards.
- Current Chair of IDP Education Limited and Non-Executive Director of GPT Group and IMDEX Limited.
- Former management consultant with Bain & Company and Poynton and Partners, held senior roles with the Reserve Bank of Australia, and served as Winthrop Professor and Dean of the Business School at the University of Western Australia.
- Life Fellow of the Australian Institute of Company Directors (AICD).
- Holds a Bachelor of Economics (Hons) from the University of Western Australia and an MBA from Stanford Graduate School of Business.

STRATEGIC CONTRIBUTION

- Board, governance and risk management expertise, together with experience in consulting, education and public sector leadership.
- Chairs Bhagwan's Audit & Risk Committee and is a member of the Remuneration Committee.

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Loui Kannikoski Founder

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Founded Bhagwan Marine in 2000.

KEY EXPERIENCE

- Began his career in the family cray fishing business and led the enterprise from the mid-1980s.
- Expanded the family's marine operations into the oil and gas sector in 1998 as a marine charter operator before formally establishing Bhagwan Marine.

STRATEGIC CONTRIBUTION

- Deep knowledge of all aspects of the marine industry, combined with strategic and operational expertise that supports Bhagwan's performance and growth.



Andrew Wackett BCom, FCPA, FFIN, GAICD

EXECUTIVE DIRECTOR – FINANCE

Joined Bhagwan Marine as Executive Director – Finance on 1 May 2024.

KEY EXPERIENCE

- Former CFO of Fleetwood Limited, Division Director at Macquarie Securities Group for 20 years, and previously spent six years at Wesfarmers.
- Holds a Bachelor of Commerce, is a Fellow of CPA Australia, a Fellow of the Financial Services Institute of Australasia, and a Graduate of the Australian Institute of Company Directors (AICD).

STRATEGIC CONTRIBUTION

- Extensive experience in investment banking, securities management and finance, with significant commercial experience across large Australian and international listed companies.

Corporate Governance & Sustainability

Bhagwan Marine's corporate governance framework supports the delivery of our strategy by providing structure for setting business objectives, monitoring performance, and managing risks. Our framework is designed to align with the ASX Corporate Governance Council's Principles and Recommendations.

Further details are set out in the 2026 Corporate Governance Statement, including Board and Committee Charters and key governance policies, are available on the Company website: **www.bhagwanmarine.com/investors/corporate-governance**

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Protecting Our People

Our dedication, together with our outstanding performance record of meeting and often exceeding our clients' strict HSE requirements, has earned us pre-qualification status on several major resource and construction projects.

Comprehensive Safety Management System

Our Safety Management System is applied across all of our Marine and Subsea operations and complies with the International Maritime Organisation and International Safety Management Code for marine operations.
Additionally, our Diving Safety Management System (DSMS) is accepted for Australian State and Federal operations.

We ensure all of our crew and specialised Subsea personnel are suitably qualified, experienced and trained in the full implementation of our Safety Management System(s) with a particular focus on the management of risks necessary to conduct safe operations.

Vessel Compliance

All our vessels hold the requisite Classification Society Certifications and International Maritime Organisation (IMO) Certificates including;

- Regular International Marine Contractors Association (IMCA) audits and vessel inspections for registration in the Offshore Vessel Inspection Database (OVID);
- Complying with Australian Maritime Safety Authority (AMSA) regulations ensuring safety, environmental protection and seafarer welfare standards are maintained;
- Undergoing necessary quarantine inspections and treatments to ensure we comply with Australia's biosecurity regulations; and
- Safety Cases with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the Department of Energy, Mines, Industry Regulation and Safety in Western Australia (DEMIRS) demonstrating thorough understanding of all major accident hazards, and the ability to manage health and safety risks associated within our operations.

Accreditations

We're proud to meet key international standards that reflect our commitment to quality, the environment and keeping our people safe.

Our certifications include:

ISO 9001:2015 - Quality Management

ISO 14001:2015 - Environmental Management

ISO 45001:2018 - Occupational Health & Safety

GCL INTERNATIONAL

ISO 9001

GCL INTERNATIONAL

ISO 14001

GCL INTERNATIONAL

ISO 45001



Fiona F Multicat

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Sustainability

PROTECTING OUR ENVIRONMENT

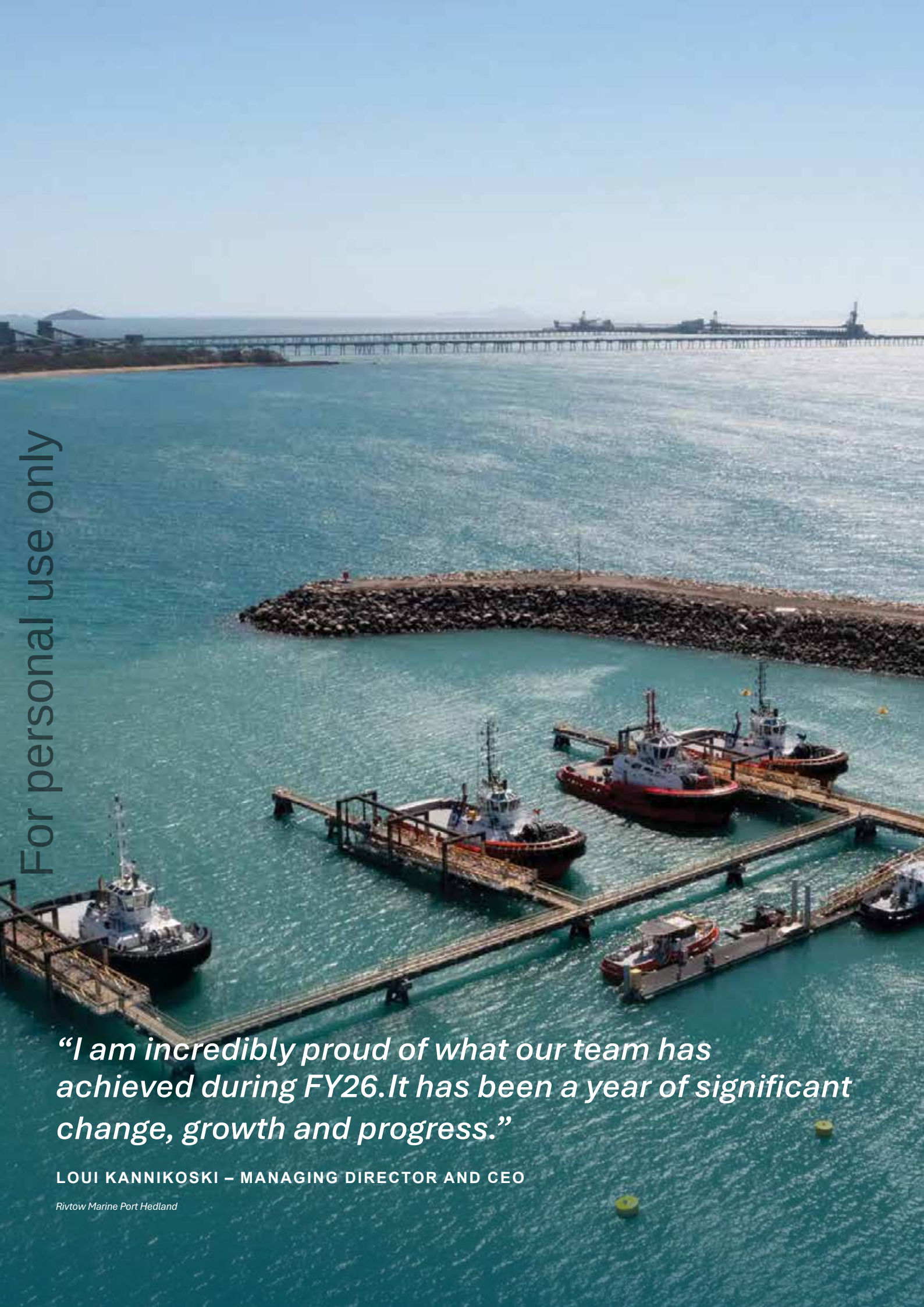
Environmental Management is a core priority embedded in our business.

We proactively monitor and manage risks across the entire lifecycle of our operations. Our ongoing commitment to sustainability drives the continuous review of our practices and business strategy, to adopt innovative technologies and procedures that reduce our environmental footprint. Our robust environmental policies and management systems underpin our commitment to environmental sustainability.

	People & Safety	Environment	Relationships & Performance	Innovation	Navigate
ESG Enablers	"Living our values and building our people's capabilities while ensuring their safety and making it a priority in our workplace"	"Committing to preserving our environment for future generations"	"Engaging with our customers and suppliers with integrity and respect"	"Investing in innovation that reduces energy and improves safety"	"Implementing sustainable practices and solutions"
Sustainability Development Goals					

Further details are set out in the 2026 Corporate Governance Statement, including Board and Committee Charters and key governance policies, are available on the Company website: **www.bhagwanmarine.com/investors/corporate-governance**

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"I am incredibly proud of what our team has achieved during FY26.It has been a year of significant change, growth and progress."

LOUI KANNIKOSKI – MANAGING DIRECTOR AND CEO

Rivtow Marine Port Hedland

Review of Operations



Loui Kannikoski
MANAGING DIRECTOR & CEO

Dear Shareholders,

Last year, Last year, I described FY25 as a significant milestone for Bhagwan, our first full year as an ASX-listed company. FY26 has been another landmark year, defined by the transformational acquisition of Riverside Marine and the exciting opportunities it creates for our future.

Reflecting on the progress we have made since listing, I am incredibly proud of what our people have achieved. Together we have strengthened every part of Bhagwan, continuing to build our leadership capability, governance, systems and financial discipline. This has given us the organisational capacity, skills and balance sheet strength not only to bring Riverside Marine into the Group, but also to support its next phase of growth and success.

Importantly, while pursuing this transformational acquisition, we remained focused on delivering for our clients and shareholders. Throughout the year, we continued to deepen our position in existing markets, develop new opportunities, expand margins and drive operational excellence across the business. These achievements reflect the commitment, resilience and professionalism of our teams.

The operating environment brought some challenges, with conflict in the Middle East and organisational restructuring within the energy sector, which affected the timing of some short-term projects during the second half. Pleasingly, activity lifted in May and June, reinforcing our confidence in the long-term demand drivers across our sectors.

As we look ahead, I am optimistic about the opportunities before us. With Riverside Marine now part of the Group, a strong platform for growth and a talented team across our businesses, we have the opportunity to build on this momentum and continue creating value for our clients, employees and shareholders.

Financial Performance

Against that backdrop, the core business continued to perform well, delivering net revenue of $235.9 million in FY26. This compared with $283.0 million in FY25, with the difference largely reflecting the timing of short-term projects and the absence of revenue from the Thevenard Island project.

Pro forma EBITDA was $46.1 million, compared with $50.9 million in FY25. Importantly, disciplined cost management and operational execution supported an increase in the pro forma EBITDA margin to 20%, from 18% in the prior year.

Our continued focus on working capital and capital discipline supported strong cash generation. Pro forma net cash from operations increased by 9.6% to $40.0 million, adjusted free cash flow reached $8.3 million and cash conversion remained robust at 90%.

Riverside Marine delivered FY26 revenue of $60.0 million and pro forma EBITDA of $24.5 million on a standalone full-year basis. Its fourth-quarter contribution to the Group was $15.1 million of revenue and $6.1 million of pro forma EBITDA.

The Board declared fully franked dividends totalling 0.8 cents per share for FY26, up 60% on FY25. Our disciplined approach to capital management balances sustainable shareholder returns with continued investment in the core business and strategic growth opportunities.

Operational Achievements

Alongside our ongoing long-term contracts with energy clients and the Port of Melbourne, there were several standout achievements during the year:

- We maintained a disciplined focus on margins and costs, supporting an increase in pro forma EBITDA margin to 20% from 18% in FY25.
- Embedded our COO function, strengthened business development capability and enhanced financial governance and operational processes.
- Secured a five-year contract with Jadestone Energy for the Coral Knight, increasing long-term recurring revenue and validating our investment in larger-vessel capability.
- Acquired the Bhagwan Ocean, expanding our capability to pursue higher-value marine construction and logistics projects.
- Completed the transformational acquisition of Riverside Marine and progressed integration, increasing recurring revenue, fleet scale and capability.
- Across our emerging markets, secured additional decommissioning projects, supported initial offshore wind farm survey work, and built on Bhagwan's existing defence presence through investment at Henderson and early defence industry engagement.

Integrating Riverside Marine

The strategic fit was evident from the outset: complementary services, long-term customer relationships, broader commodity exposure, greater geographic reach and a capital-light operating model.

Since completing the acquisition on 31 March 2026, our priority has been clear: maintaining continuity of service delivery while bringing the two organisations together in a practical and measured way.

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Early integration work has focused on governance, reporting, functional alignment and commercial coordination, while allowing each operation to remain focused on its customers.

Riverside Marine brought a high-quality earnings base, with approximately 94% of its FY26 revenue generated from long-term recurring work. Together with Bhagwan's existing contracts, this lifted recurring revenue to 56% of Group revenue, from approximately 40% before the acquisition. Our focus now is on translating the combined platform into higher revenue and earnings by leveraging our broader capabilities, customer relationships and geographic reach.

Safety, People and Culture

Of all our results, safety is the one I pay closest attention to. In FY26, our lost-time injury frequency rate was 0.77 and our total recordable injury frequency rate improved to 6.90. As I have said before, when it comes to safety, we are never satisfied. There is always more we can do.

With this in mind, our leadership and senior management increased site visits across the business to engage with crews, reinforce the importance of safety and identify practical improvements.

As Bhagwan continues to grow, preserving our unique culture and strengthening our position as a great place to work remains a key priority.

During the year, we established a dedicated People & Culture function, engaging our teams through workshops and employee consultation to help shape the values and behaviours that define who we are and who we aspire to be.

That work is continuing. In FY27, we look forward to communicating the refined values across the Group and embedding them in everyday decisions and behaviours. It is an important part of maturing as a company while preserving the practical, people-focused culture that has always been central to Bhagwan.

Strategy and FY27 Focus Areas

Our growth strategy remains focused on building on the strength of our core business through organic and acquisitive growth, while leveraging opportunities in emerging blue-sky sectors. More specifically, during FY27 we will focus on:

- Further strengthening our core business by deepening relationships at key marine hubs, providing a broader range of services and pursuing adjacent project types.
- Increasing utilisation and returns across our enlarged fleet by deploying our vessels and capabilities more effectively across the customer network.
- Progressing the integration of Riverside Marine and translating the combined platform into higher revenue and earnings.
- Building on our position to benefit from increased investment in energy transition, decommissioning and defence.

Outlook

We enter FY27 with a stronger core business, increasing recurring revenue and a broader national platform following the Riverside Marine acquisition. Integration is on track, with opportunities to strengthen revenue and earnings as a combined business. Incumbency at key marine hubs, enhanced business development capability and positive long-term industry fundamentals support organic growth, while decommissioning, defence and energy transition initiatives, provide additional upside as those markets develop.

We remain focused on execution, operational efficiency, free cash flow and sustainable earnings growth.

Thank You

I am incredibly proud of what our team has achieved during FY26. It has been a year of significant change, growth and progress, made possible by the commitment, professionalism and care shown by our people across the Group. Thank you for looking after one another while continuing to deliver outstanding outcomes for our clients.

I would also like to sincerely thank the Campbell family for the trust they have placed in Bhagwan, and the Riverside Marine team for the open, collaborative and positive way they have embraced this next chapter. Together, we have laid the foundations for an exciting future.

My thanks also go to the Board and executive leadership team for their guidance, support and steady leadership throughout the year.

As we look ahead, we do so from a position of strength. With broader capabilities and an exceptional team, we have an exciting opportunity ahead of us. By continuing to put safety first and delivering dependable outcomes for our clients, I am confident we can create lasting value for our shareholders, customers and people.



Loui Kannikoski

MANAGING DIRECTOR AND CEO

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CMV Athos



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Executive Leadership Team



Loui Kannikoski

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER



Andrew Wackett

EXECUTIVE DIRECTOR – FINANCE

Managing Director and CEO, Loui Kannikoski, and Executive Director – Finance, Andrew Wackett, are supported by a talented executive leadership team. Together, they combine deep knowledge of the Bhagwan business and the broader marine industry, drawing on experience and expertise to drive operational performance and growth.



Cheryl Williams

CHIEF FINANCIAL OFFICER & JOINT COMPANY SECRETARY

Cheryl has served as Bhagwan Marine's Chief Financial Officer and Joint Company Secretary since February 2019. She is responsible for leading the company's financial strategy, including financial planning, analysis, reporting and overall financial management.

Cheryl brings over 15 years of senior finance experience spanning multinational corporations, privately owned businesses and public practice.

She is a Certified Chartered Accountant and holds a Certificate in Governance Practice from the Governance Institute of Australia, as well as a BA (Hons) in Accounting and Human Resource Management from the National College of Ireland.



Mark Annand

CHIEF OPERATING OFFICER

Mark joined Bhagwan in May 2025 to lead the company's growth strategy and drive operational excellence.

He brings strong capabilities in commercial leadership and transformation, with extensive experience in the energy sector.

Mark holds a Higher National Certificate in Mechanical Design Engineering from Robert Gordon University in Scotland.

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Kerren Kannikoski

EXECUTIVE GENERAL MANAGER, CORPORATE SERVICES

Kerren is a co-founder of Bhagwan Marine and worked to develop the business since its inception in 2000.

Kerren plays a key role in overseeing human resources, vessel crewing, information systems and marketing, contributing to the company's operational strength and growth.



Peter Carmichael

EXECUTIVE GENERAL MANAGER OF STRATEGY AND BUSINESS DEVELOPMENT

Peter is an AMSA-qualified Marine Master and Engineer who has been with Bhagwan Marine since 2006. Over his 18-year tenure, he has operated and managed a wide range of vessels across the Bhagwan fleet, progressing through senior roles including Marine Superintendent and General Manager of Operations for Western Australia.

Peter's extensive operational experience and deep knowledge of the business have been central to building strong client relationships and supporting the company's growth. His strategic insight and comprehensive understanding of the maritime industry have led to his appointment as General Manager of Corporate and Strategic Development.

Peter holds a Graduate Certificate in Business from the University of Western Australia.



Angus Campbell

MANAGING DIRECTOR, RIVERSIDE MARINE

Angus joined Riverside Marine in 1999 and the Bhagwan team in 2026. He is responsible for the Riverside Marine Group brands.

Angus has over 35 years' experience in the maritime sector with comprehensive expertise in marine industry operations management, business development and strategy. Angus holds a Bachelor of Business (Marketing & International Business) from the University of Southern Queensland.



Rivtow Marine Engineer

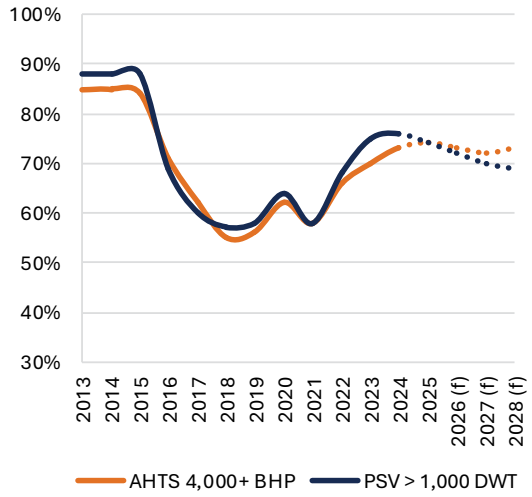
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Operating Environment

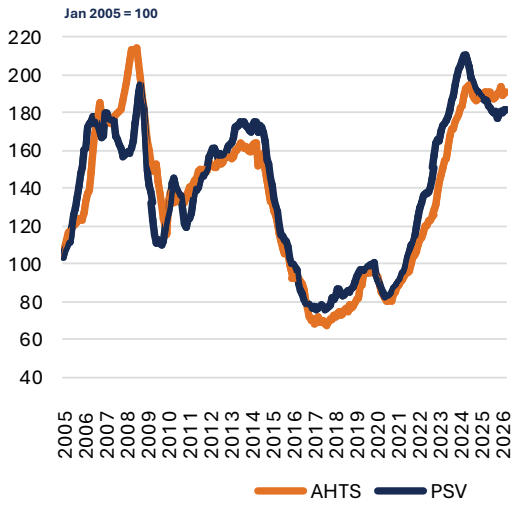
Positive Long-Term Industry Outlook

SUPPLY DEMAND IMBALANCE EXPECTED TO SUPPORT RATES

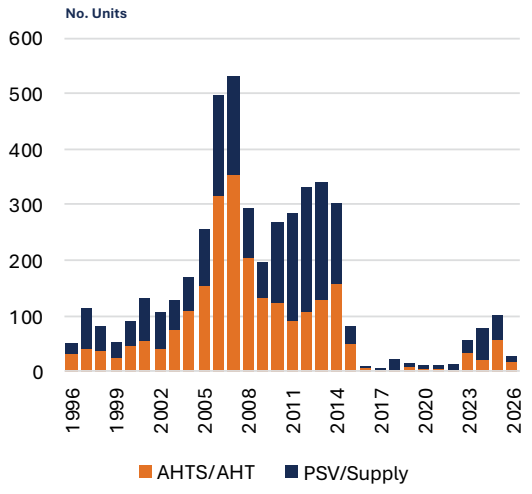
OFFSHORE SUPPORT VESSEL GLOBAL UTILISATION



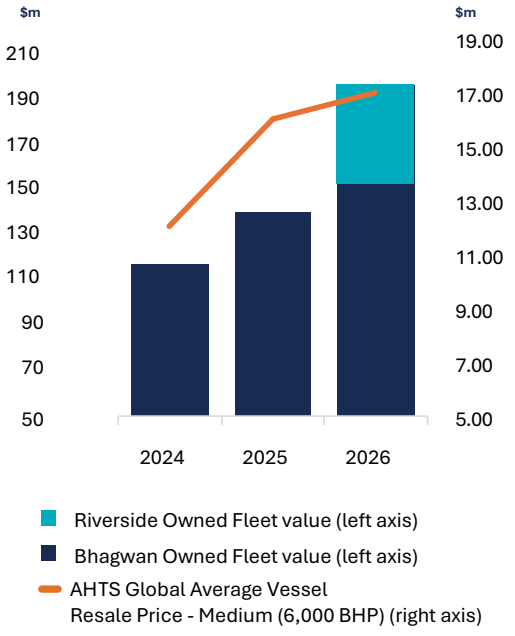
OFFSHORE SUPPORT VESSEL RATE INDEX



OFFSHORE SUPPORT VESSEL NEW BUILDING CONTRACTING ACTIVITY



BHAGWAN FLEET VALUES INCREASING DUE TO TIGHT NEW BUILD MARKET



Source: *Clarkson Research*

Anchor Handling Tug Supply (AHTS) Vessels and Platform Supply Vessels (PSV)

Forecasts subject to further revision. Projections highly subject to assumptions on future demand estimates, orderbook non-delivery and vessel removals.

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Wheatstone Platform

Outlook & Focus Areas

DELIVERING SUSTAINABLE EARNINGS GROWTH

Bhagwan enters FY27 with a strong core business, growing recurring revenue and a broader national platform following the Riverside Marine acquisition. Integration is on track, with opportunities to increase volumes, fleet utilisation and earnings. Incumbency at key marine hubs, enhanced business development capability and positive long-term industry fundamentals support organic growth, while decommissioning and defence provide additional upside as these markets develop. Management will remain focused on execution, operational efficiency, free cash flow and sustainable earnings growth.

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Solid Core Business With Compelling Opportunities for Organic Growth



ENERGY & RESOURCES



PORTS & INSHORE



DEFENCE

- Organic growth via incumbency and key marine hubs
- Expanding gross and EBITDA margins
- Disciplined cost control and capital management
- Invest in enhanced systems and processes, including automation

Proven Capability for Acquisitive Growth

- Ability to pursue acquisitive growth
- Progressing Riverside Marine integration

Emerging Blue-Sky Opportunities

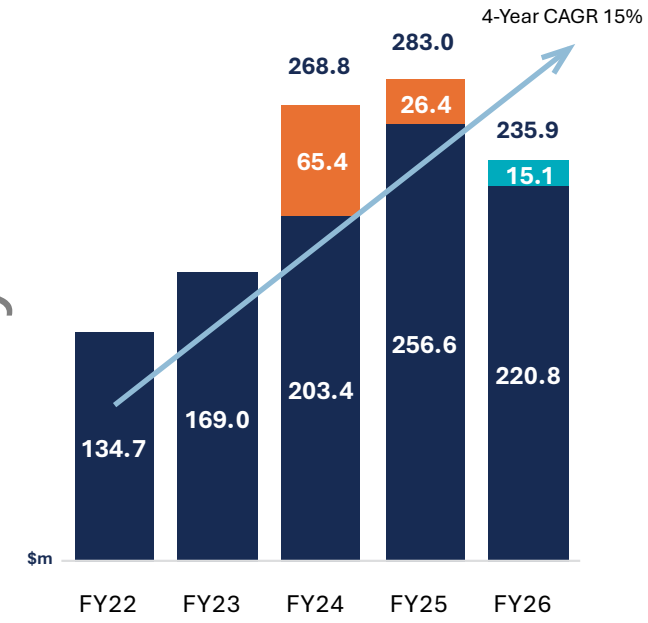
- Decommissioning, defence and energy transition opportunities
- Supply demand imbalance within marine sector
- Limited new vessel builds since 2015
- Industry rates must rise substantially to encourage further investment

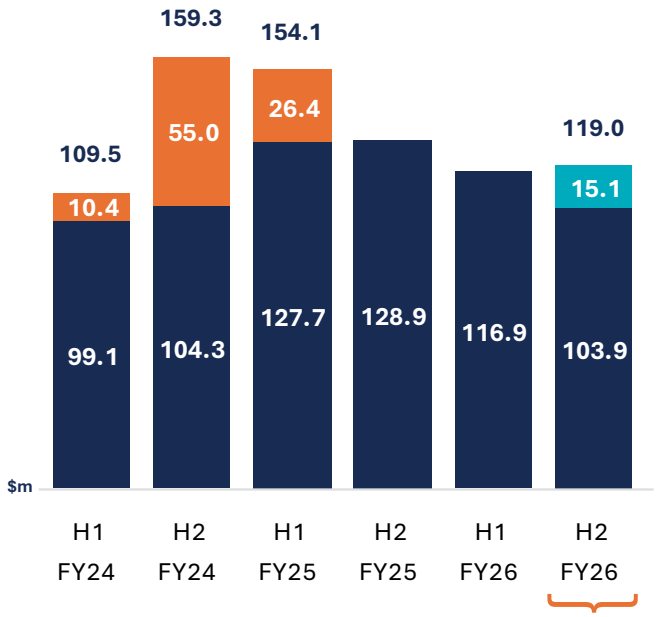
INCREASING FREE CASH FLOW ON EXISTING ASSET BASE

Financial Performance

Revenue ($m)

4-YEAR CAGR 15%



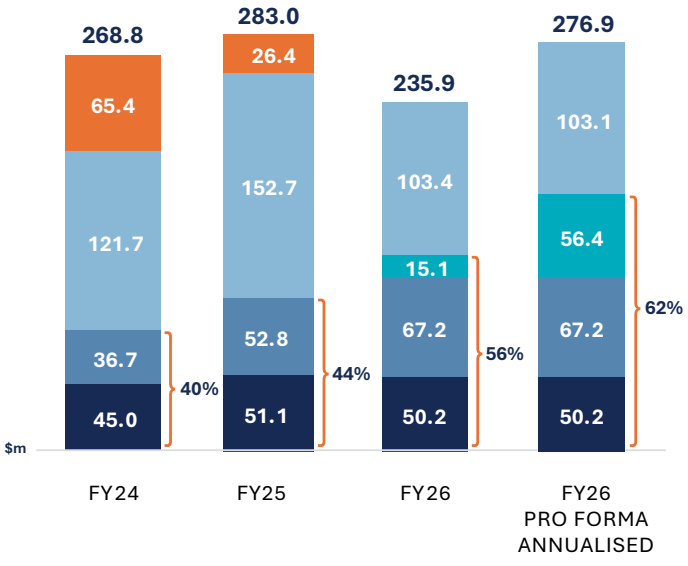


CORE BHAGWAN BUSINESS TVI PROJECT[2] 4Q FY26 RIVERSIDE MARINE

Uncertainty in the Middle East and organisational restructuring within energy sector.

Revenue Profile ($m)

INCREASING RECURRING REVENUE AS A % OF TOTAL



- Riverside Marine contributed $15.1m in revenue for FY26 post-acquisition, increasing recurring revenue to 56% of total revenue (+40% vs FY25) and 62% on an annualised basis.
- Short-term projects (<12 months) have recovered in May and June.

Recurring Revenue %

- TVI PROJECT[2] (BLUE-SKY)
- SHORT-TERM REVENUE: >$500K <12M (ORGANIC)
- RIVERSIDE MARINE FY26 REVENUE (AQUISITIVE)
- LONG-TERM REVENUE: >$500K >12M (ORGANIC)
- SPOT REVENUE: <$500K & <2WKS (ORGANIC)

[1] Riverside Marine 4Q 26 contribution aligning with completion on 31 March 2026.

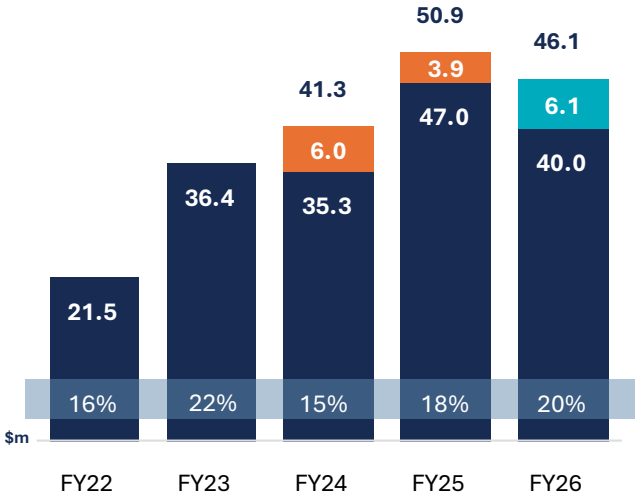
[2] Significant Thevenard Island (TVI) decommissioning project.

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Pro Forma Earnings ($m)

STRONG EBITDA MARGINS MAINTAINED



- Core business EBITDA increased from $21.5m in FY22 to $40.0m in FY26, representing a CAGR of 16.5%.
- Riverside acquisition and gross margin efficiencies have expanded EBITDA margins.
- FY26 earnings reflect a successful transition from TVI project contributions to recurring earnings from the Riverside Marine acquisition.

CORE BHAGWAN BUSINESS
TVI PROJECT[2]
4Q FY26 RIVERSIDE MARINE

Pro Forma Free Cash Flow

STRONG CASH CONVERSION

90%

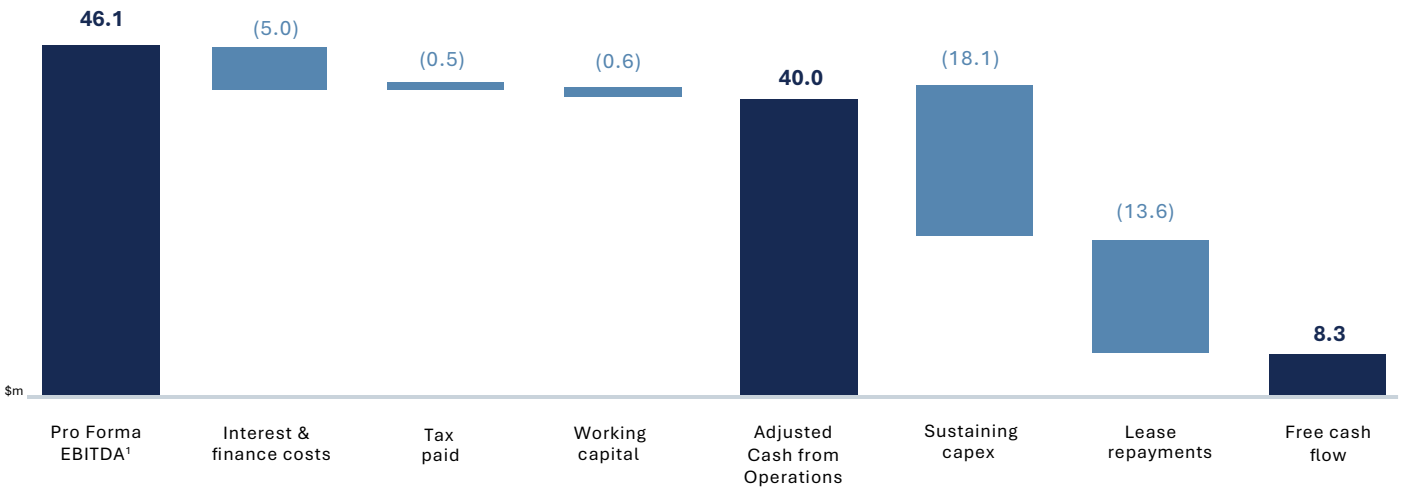
STRONG CASH CONVERSION

Operating Cash flow before interest and tax to EBITDA [1]

$8.3m

PRO FORMA FREE CASH FLOW

Comprising $4.7m of underlying free cash flow and $3.6m of pro forma adjustments



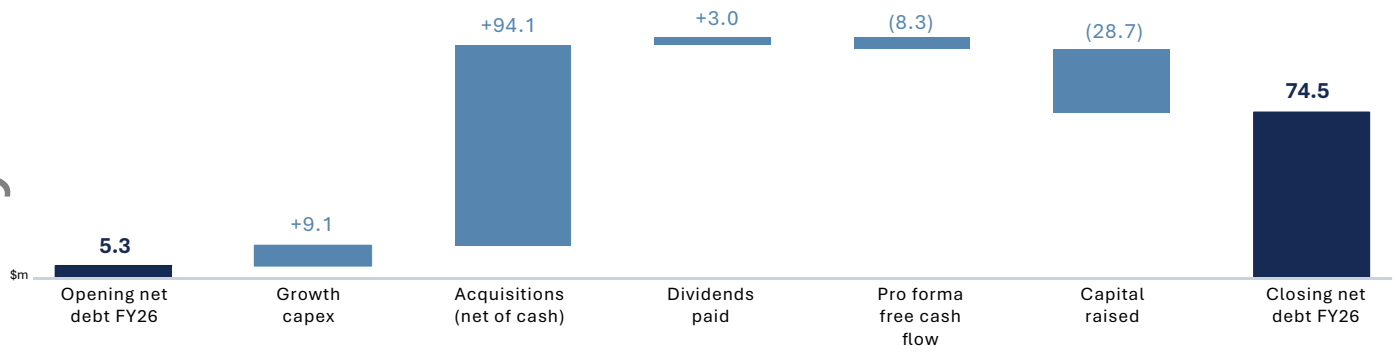
Small variances may exist due to rounding.

[1] *Pro forma EBITDA*

Debt

NET DEBT INCREASED TO FUND GROWTH

LEVERAGE	GEARING	INTEREST COVER
1.2x	**34%**	**11.7x**
Net debt [1] / EBITDA [2]	Net debt to equity	Pro forma [2] / interest



- Net debt increased to fund the Riverside acquisition and fleet expansion, while the balance sheet remains conservatively positioned at 1.2x leverage (annualised) 34% gearing and 11.7x interest cover – leaving ample headroom to fund the next phase of growth.

Notes: Small variances may exist due to rounding.

[1] Net debt excluding leases.

[2] EBITDA annualised for Riverside Group

Capital Expenditure Detail

ENHANCING FLEET QUALITY, SIZE & CAPABILITY

Capital Expenditure Detail	FY26	FY25	Change
$m	**Actual**	**Actual**	
Growth	9.1	19.6	(10.5)
Sustaining	18.1	11.9	6.2
Discretionary	-	6.9	(6.9)
Asset sales	-	(0.9)	0.9
Total	**27.2**	**37.5**	**(10.3)**

FY26 CAPEX MIX ($m)



Notes: Small variances may exist due to rounding.

Growth Capex: Investing for Future Earnings Growth

- Strategic fleet additions to support contracted demand and expand capability:
  - ***Seawind 1*** landing craft
  - Hybrid-electric ***Narrah*** for the Port of Melbourne contract
  - ***Bhagwan Ocean*** multi-cat vessel (~$6m) targeting higher-margin marine construction and logistics projects

Sustaining & Discretionary Capex: Protecting Asset Quality

- Targeted fleet upgrades to enhance safety, reliability and operational efficiency.
- Maintenance investment reflecting inflationary pressures and extended lead times.

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Balance Sheet

NET TANGIBLE ASSETS PER SHARE 42CPS

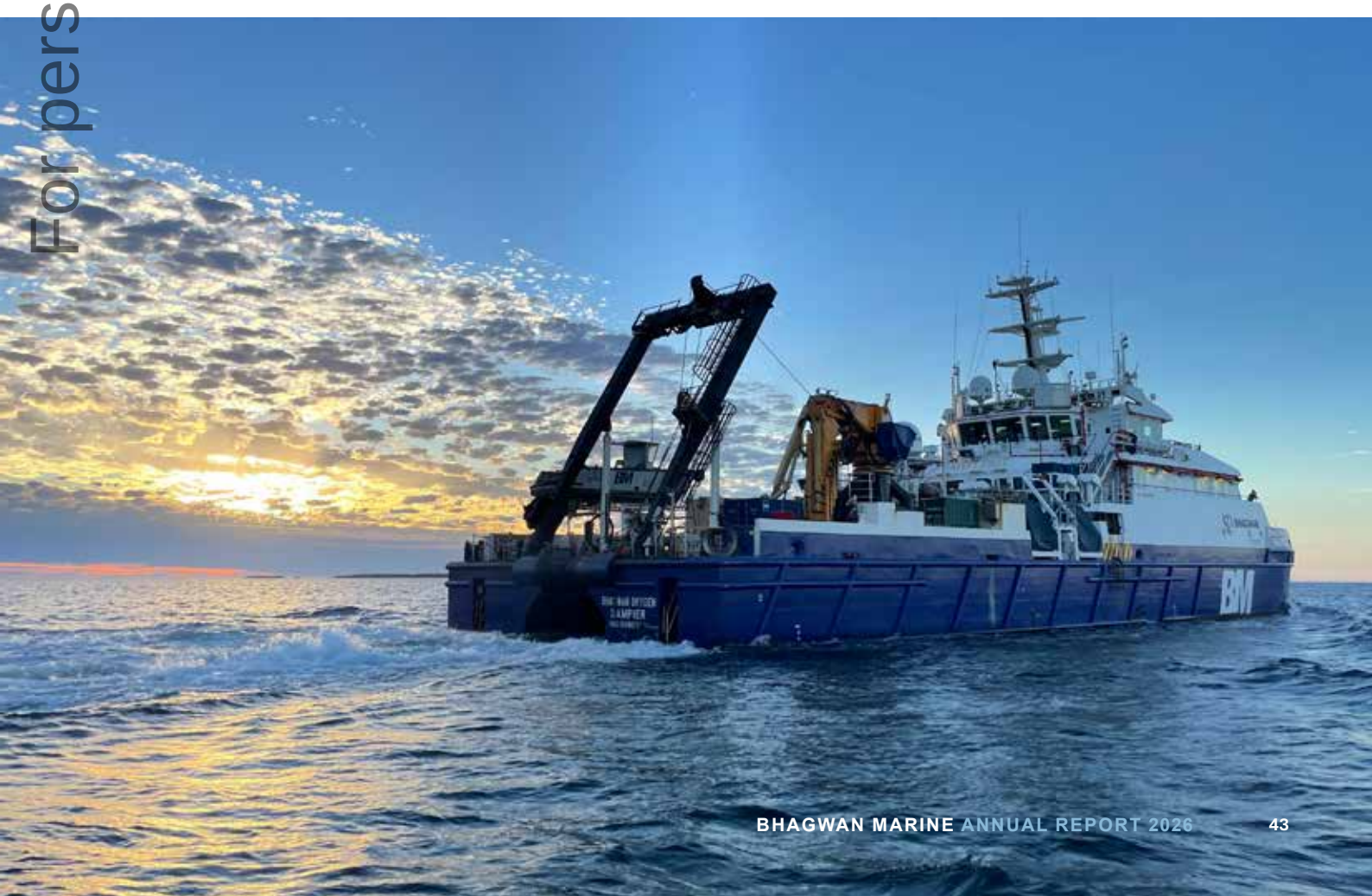
Statutory Balance Sheet	FY 26	FY 25	Change
$m	Actual	Actual	FY26 vs FY25
Net working capital	(6.6)	4.1	(10.7)
Property, Plant and Equipment[1]	269.1	193.6	+75.5
Intangibles	69.5	-	+69.5
Other	6.5	5.4	+1.1
Capital employed	338.4	203.1	+135.3
Net debt (including leases)	121.8	38.2	+83.6
Shareholders funds	216.6	164.9	+51.7
Capital employed	338.4	203.1	+135.3
NTA per share (excluding leased assets) (%)	0.42	0.47	(0.05)
NTA per share (excluding leased assets and liabilities) (cents)	0.54	0.59	(0.05)
ROA (last 12 months)	5.8	9.0	(3.2)pts

Notes: Small variances may exist due to rounding.

[1] *Includes Right of Use Assets.*

- Riverside strengthened the balance sheet increasing capital employed and expanding the Group's fleet, property and intangible asset base.
- Net debt is funding growth reflecting the acquisition funding, fleet investment and longer-term lease commitments.
- Working capital was effectively managed throughout the acquisition period. The decline in net working capital assets was primarily due to acquisition-related deferred tax liabilities arising from accounting timing differences, while underlying operating working capital remained stable and well controlled.

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Riverside Industrial Sands

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FY26 Financial Report

DIRECTORS' REPORT	46
REMUNERATION REPORT	55
AUDITOR'S INDEPENDENCE DECLARATION	70
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER INCOME	71
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	72
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	73
CONSOLIDATED STATEMENT OF CASH FLOWS	74
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	75
CONSOLIDATED ENTITY DISCLOSURE STATEMENT	124
DIRECTORS' DECLARATION	125
INDEPENDENT AUDITOR'S REPORT	126
ADDITIONAL SHAREHOLDER INFORMATION	132
OUR PROUD HISTORY	136

Directors' Report

The Directors of Bhagwan Marine Limited ('Bhagwan Marine' or 'the Company') present their report on the consolidated entity (referred to hereafter as 'Group') consisting of Bhagwan Marine Limited and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

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

Name and role	Information on Directors
Anthony Wooles *BCom, MBA (Finance), FAICD, SA FIN* **Chairman & Non-Executive Director** Anthony was appointed as Chairman of the Board and Non-Executive Director on 8 March 2012.	**Experience and Expertise** Anthony Wooles has extensive experience in executive and advisory roles in diverse industries, including mining, oil and gas, power generation, manufacturing, telecommunications, food and beverages, and retail. He is also a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Commerce (Economics) and an MBA in Finance from the Wharton School of the University of Pennsylvania. **Directorships of other listed companies held in the past three years** Imdex Ltd (2016 to current) High Peak Royalties Ltd (2012 to current). **Board Committee Memberships** Remuneration Committee (Chair) – since 5 June 2024 Audit & Risk Committee – since 5 June 2024 **Relevant Interests in Securities in Bhagwan Marine** 25,000,000 ordinary shares
Tracey Horton AO *BEc (Hons), MBA, FAICDLife* **Independent Non-Executive Director** Tracey was appointed as an Independent Non-Executive Director on 5 June 2024.	**Experience and Expertise** Tracey Horton is a professional Director with experience across a wide range of ASX-listed companies, Government, and Not-For-Profit boards. She has extensive experience in Australia and internationally as a management consultant, with deep knowledge across a broad range of industries, including utilities (gas and electric), resources, healthcare, manufacturing, retail, and technology. Tracey has previously held executive and senior management roles with Bain & Company in North America, and in Australia with Poynton and Partners and the Reserve Bank of Australia. She is a Life Fellow of the Australian Institute of Company Directors and holds a Bachelor of Economics (Hons) from the University of Western Australia and an MBA from Stanford Graduate School of Business. **Directorships of other listed companies held in the past three years** Imdex Ltd (2023 to current) IDP Education Ltd (2022 to current) GPT Group Ltd (2019 to current)

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Name and role	Information on Directors
Tracey Horton AO *Continued*	**Board Committee Memberships** Audit & Risk Committee (Chair) – since 5 June 2024 Remuneration Committee – since 5 June 2024 **Relevant Interests in Securities in Bhagwan Marine** 54,391 ordinary shares 74,627 share rights
Loui Kannikoski **Founder** **Managing Director & CEO** Loui was appointed as Managing Director & CEO in 1985.	**Experience and Expertise** Loui Kannikoski is the Founder and Managing Director & CEO of Bhagwan Marine. His career began in the family's cray fishing business, which he led from the mid-1980s. In 1998, he expanded the enterprise by entering the oil and gas sector as a marine charter operator. This strategic move laid the foundation for the establishment of Bhagwan Marine in 2000, marking a significant milestone in the company's growth and diversification. Loui's strategy and growth expertise, combined with his operational experience, have provided a strong understanding of the success factors driving Bhagwan Marine's performance and business. **Directorships of other listed companies held in the past three years** None **Board Committee Memberships** None **Relevant Interests in Securities in Bhagwan Marine** 120,424,125 ordinary shares 1,349,436 performance rights
Andrew Wackett *BCom, FCPA, FFIN, GAICD* **Executive Director - Finance** Andrew was appointed as Executive Director – Finance on 1 May 2024.	**Experience and Expertise** Andrew Wackett has extensive experience in investment banking, securities management, and finance and has significant commercial experience with large Australian and international listed entities. Andrew was previously the CFO of Fleetwood Ltd and a Division Director of Macquarie Securities Group for 20 years. Before joining Macquarie, Andrew worked at Wesfarmers for over six years. He holds a Bachelor of Commerce, is a Fellow of CPA Australia, a Fellow of the Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors. **Directorships of other listed companies held in the past three years** None **Board Committee Memberships** None **Relevant Interests in Securities in Bhagwan Marine** 295,976 ordinary shares 689,438 performance rights 74,627 share rights

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Attendance of Directors at meetings

The number of Board meetings including meetings of Board committees, held during the year and the number of meetings attended by each Director is set out below:

	Board		Audit and Risk Committee		Remuneration Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Anthony Wooles	17	17	4	4	2	2
Tracey Horton	17	17	4	4	2	2
Loui Kannikoski	17	17	-	-	-	-
Andrew Wackett	17	17	-	-	-	-

Company Secretary

Cheryl Williams and Darryl Edwards are the Joint Company Secretaries.

Cheryl Williams is the Chief Financial Officer of Bhagwan Marine and assumed the role of Company Secretary in September 2019. Cheryl has over 15 years' experience within strategic financial leadership roles across diverse corporate environments including global enterprises, private sector firms, and advisory practice. Cheryl is a Certified Chartered Accountant (ACCA) who holds a Certificate in Governance Practice from the Governance Institute of Australia and a BA (Hons) degree in Accounting and Human Resource Management from the National College of Ireland.

Darryl Edwards was appointed as Joint Company Secretary on 5 June 2024. Darryl is a finance, legal, and governance professional with extensive experience in corporate governance, advisory services, mergers and acquisitions, and risk and compliance. He has held roles in board advisory, finance, in-house legal, and company secretary across several large ASX-listed companies. He holds a bachelor's degree in accounting and finance and studied law at Murdoch University. He is a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors and was the former state president of the Governance Institute of Australia.

Principal activities

During the year the principal activities of the Group consisted of operating a diverse range of vessels providing marine solutions across the offshore energy & resources, subsea, ports & inshore, and defence sectors. The Group completed the acquisition of Riverside Marine, further strengthening and expanding its ports & inshore operations.

There were no other significant changes in the nature of the activities of the Group during the year.

Objectives

The Company's strategic objective is to deliver sustainable earnings growth by leveraging our core service strengths within the marine services sector. The Company is focused on service offerings to meet the evolving needs of its clients across multiple sectors, within offshore energy and resources, subsea, ports & inshore, and defence sectors. The Company is committed to creating long-term shareholder value through disciplined execution, operational excellence, and strategic diversification.

Operating and financial review

The Group reported revenue from contracts with customers of $235.9 million for the year ending 30 June 2026 (2025: $283.0 million). The reported loss is $0.2 million for the year (2025: profit of $12.5 million).

The information required under the Corporations Act on the Company's financial performance and operational review for the year ended 30 June 2026 can be found on pages 31 to 33.

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Operating and financial review (continued)

Shareholder returns

	2026	2025	2024	2023	2022
Statutory Earnings Before Interest, Tax, Depreciation & Amortisation (**EBITDA**[1]) ($'000)	42,500	50,200	39,700	36,400	21,500
Net Pro Forma Adjustments ($'000)	3,600	700	1,600	-	-
Pro Forma Earnings Before Interest, Tax, Depreciation & Amortisation (**Pro Forma EBITDA**[2]) ($'000)	46,100	50,900	41,300	36,400	21,500
(Loss)/profit attributable to owners of the company ($'000)	(200)	12,486	5,547	15,441[3]	2,405
Basic (loss)/earnings per share (cents per share)	(0.06)	4.67	3.71	11.56	1.60
Fully franked dividends per share (cents per share)	0.80	0.50	-	-	-
Share price at 30 June[4] (cents per share)	27.0	49.0	-	-	-

1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA") is an unaudited non-IFRS measure and is a common measure used to assess profitability before the impact of different financing methods, income taxes, depreciation of property, plant and equipment, amortisation of intangible assets and fair value movements.

2 Pro Forma adjustments to EBITDA have been calculated to more clearly represent the Company's underlying earnings (noting that these adjustments have not been reviewed in accordance with Australian Auditing Standards). These adjustments are;

- Transaction costs include $2.0 million of non-contingent costs related to the Company's acquisition of Riverside Marine Holdings Pty Ltd and $1.6 million of post-acquisition integration costs.

  Transaction costs for FY25 include $0.7 million of non-contingent transaction costs related to the Company's IPO.

3 Refer to note 29 for details of the restatement.

4 The Company listed on the ASX on 30 July 2024 with an IPO Price of 63 cents per share.

Risks – Specific Business Risks

The following are the material risks relevant to the Company's operations.

A. Reliance on resources and oil and gas exploration, development, production and decommissioning activity

Bhagwan Marine's performance and future growth is largely dependent on the level of activity that relates to the resources and oil and gas industry. The level of activity in the resources and oil and gas industry may impact the demand for Bhagwan Marine's services in offshore energy & resources, subsea, ports & inshore, and defence.

B. Reliance on key clients

During the financial year ended 30 June 2026, a portion of the Group's total revenue was derived from a small number of long-term key clients. These clients engaged the Group for the provision of various marine services, including, but not limited to, subsea operations, offshore energy & resources support, and ports & inshore services. The Group's reliance on a limited number of clients for a significant portion of its revenue represents a concentration risk, which is actively monitored and managed by the Group.

C. Failure to renew existing contracts or win new contracts

Bhagwan Marine's ability to renew existing contracts with existing clients and win new contracts is fundamental to maintaining its business profitability and to drive growth with existing clients in terms of expanding the range of services provided and to attract new clients. Bhagwan Marine has contracts at various stages and of varying lengths, including contracts that are due to expire in the next 12 months.

D. Ability to retain and engage skilled personnel

Casual employees make up the majority of Bhagwan Marine's workforce. Many of these casual employees are highly skilled individuals who are critical to the provision of Bhagwan Marine's services and the operation of Bhagwan Marine's vessels. These casual employees generally do not have an obligation to be engaged to provide services when called upon and can generally terminate their employment at short notice. There is a risk that Bhagwan Marine may fail to engage the adequate number of casual employees with the requisite skills to provide the services that it is required to provide or fail to deliver such services in a timely manner or to the standards required.

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Risks – Specific Business Risks (continued)

E. Industrial relations and employee risks

A substantial portion of Bhagwan Marine's employees are members of various labour unions under several collective bargaining agreements. While the Company strives to maintain constructive relationships with these unions, Bhagwan Marine notes the following potential risks related to employing members of labour unions: labour disputes and strikes, increased operational costs, regulatory compliance, and periodic contract negotiations.

F. Large and highly skilled workforce

Bhagwan Marine employs a large and highly skilled workforce. Bhagwan Marine's service quality is dependent on its ability to attract, develop, motivate and retain appropriately skilled and qualified personnel and on Bhagwan Marine's ability to provide sufficient training and oversight to its employees to achieve consistent service standards.

G. Delay in projects and new contracts' commencement

There is a possibility of delays in the commencement of any new projects or new contracts past the expected commencement date, for example, due to project pre-requisites for commencement not being met, delays in the supply of certain materials, adverse weather events and the failure by Bhagwan Marine to mobilise resources needed to provide the services under the contract in a timely manner.

H. Quality of work and delivery of services

An important part of Bhagwan Marine's business is its ability to add value to its clients by delivering high-quality services in a consistent and timely manner. Whilst Bhagwan Marine has a strong record of delivering its services and has systems and processes in place to ensure the continuation of its service standards, there is no guarantee that all of Bhagwan Marine's services will always meet its client's expectations as to the quality and timing of the work performed.

I. Competition and supply of vessels

The marine service industry is competitive and is comprised of many global and regional owners and operators of vessels and marine providers. Bhagwan Marine expects to continue to have a broad range of competitors across all of its operations and in the various locations where Bhagwan Marine operates, which could impact Bhagwan Marine's ability to retain existing clients, attract new clients, obtain attractive margins on new contracts and other similar or favourable terms when seeking new, or renewing existing, engagements.

Demand for Bhagwan Marine's vessels is affected, at a whole of industry level, by the number of vessels available in the market, Bhagwan Marine's ability to secure vessels on acceptable commercial terms and maintain those vessels under contracts with counterparties and the competitive landscape in which it operates. Increased competition adversely impacts utilisation levels of Bhagwan Marine's vessels, day rates that Bhagwan Marine may charge on engagements and other contract terms. An increase in size or capabilities of Bhagwan Marine's competitors and/or the increased supply or production of new vessels in the industry in which Bhagwan Marine operates, may also increase competition and limit the demand for Bhagwan Marine's vessels.

J. Potential for litigation, claims and disputes

Bhagwan Marine may be exposed to various litigation, claims and disputes in the ordinary course of its business as an operator of vessels. These may include property damage claims, contractual disputes, personal injury claims and employment disputes. For example, contractual disputes with clients may arise if Bhagwan Marine is not able to provide the adequate resources to provide the services required by the client under a service contract, such as the appropriate vessel (size or type) or appropriately skilled personnel. The risk of disputes with clients could impact Bhagwan Marine's relationship with the client, its reputation in the industry and its ability to attract new clients and maintain existing clients.

K. Third party injury or commercial operations interruption

Bhagwan Marine provides services to prominent mining and oil and gas companies and government agencies and operates within settings where it interacts with the public and third-party commercial businesses. While delivering its services, Bhagwan Marine's employees or contractors, through the use of Bhagwan Marine's owned or leased vessels, could potentially inflict harm upon individuals, as well as cause damage or disruption to the business operations of third parties. In some instances, Bhagwan Marine is responsible for a client's assets and may be exposed to risk of loss or damage to such assets irrespective as to the cause of that loss or damage. Bhagwan Marine may be liable for such injury, damage or interruption not covered by insurance protection, which may have a material adverse impact on Bhagwan Marine's financial performance and financial position.

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Risks – Specific Business Risks (continued)

L. Reputation

Bhagwan Marine's ability to maintain its reputation is critical to its ongoing financial performance. Bhagwan Marine's reputation could be impacted if it does not maintain high standards for service quality or if it fails to comply with regulations or accepted practices. Furthermore, the actions of external entities (i.e. clients, contractors, subcontractors, technical service providers or material suppliers), have the potential to negatively impact Bhagwan Marine's reputation. Any consequential negative publicity may reduce the demand for Bhagwan Marine's services.

M. Securing funding on acceptable terms

Bhagwan Marine is party to a number of separate facility agreements with lenders for the purposes of financing acquisitions, providing guarantees and financing other corporate expenses. Any deterioration in Bhagwan Marine's financial health, a decline in its creditworthiness, or instability in local and global banking and capital markets might lead to higher borrowing costs for Bhagwan Marine or may impede its ability to secure additional debt or replace existing debt as it matures. An inability for Bhagwan Marine to secure debt funding on favourable terms, or to continue to comply with its financial covenants, could constrain the future growth of its business and could adversely impact Bhagwan Marine's operating and financial performance.

N. Environment and cultural protection

Many of Bhagwan Marine's operations and proposed activities are subject to laws and regulations concerning the environment and cultural heritage protection. Bhagwan Marine's services may have an impact on the environment when servicing its clients. Should any of these services adversely impact or interfere with the environment, this may adversely affect Bhagwan Marine's financial performance. It is Bhagwan Marine's intention to fully comply with its environmental obligations, including compliance with all environmental and cultural heritage protection laws and regulations.

O. Project management and cost management

Execution and delivery of projects involves judgment regarding the planning, development and operation of complex operating facilities and equipment. As a result, Bhagwan Marine's operations, cash flows and liquidity could be affected if the resources or time needed to complete a project are miscalculated, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions.

Cost overruns, unfavourable contract outcomes, serious or continued operational failure, disruption at key projects, disruptions to communication systems or a safety incident have the potential to have an adverse impact on Bhagwan Marine's ability to adequately resource future engagements and its financial performance.

Bhagwan Marine is also exposed to input costs through its operations, such as the cost of fuel and energy sources, equipment and personnel. To the extent that these costs cannot be passed on to clients in a timely manner, or at all, Bhagwan Marine's financial performance could be adversely affected.

P. Maintenance and capital expenditure risk

Given the nature of the Company's operations, its fleet of vessels will age and depreciate over time. As its fleet of vessels age, the cost of maintaining such assets, if not replaced within a certain period of time, will increase. Determining the optimal age of its fleet of vessels is subjective and requires estimates by management with asset management expertise.

Q. Inability to maintain adequate insurance

Although the Company maintains insurance, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms.

R. Cyber security

Bhagwan Marine may be adversely affected by malicious third-party applications that interfere with, or exploit, security flaws of Bhagwan Marine's computer or operating systems. Breaches of security, such as cyber-attacks by hackers, could also render Bhagwan Marine's information technology infrastructure and software platforms unavailable. If the Company's efforts to combat these malicious applications are unsuccessful, Bhagwan Marine's reputation and brand name may be impacted, which may result in an adverse effect on its operations and financial position.

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Risks – Specific Business Risks (continued)

S. Contingent liabilities

Although Bhagwan Marine has limited contractual security arrangements in place in the form of issued bank guarantees and bonds as at 30 June 2026, there is a risk that such a performance security may be called upon, requiring Bhagwan Marine to make whole the provider of the security which may in turn adversely impact the Company's financial performance. There is also a risk that such performance securities may become difficult or more expensive to secure in the future.

Significant changes in the state of affairs

On 31 March 2026, the Company acquired 100% of Riverside Marine Holdings Pty Ltd (Riverside Marine). The acquisition was completed on a debt free cash free basis with a normal level of working capital, for an enterprise value of up to $130.0 million.

Other than those matters noted above, there were no other significant changes in the Group during the financial year.

Matters subsequent to the end of the financial year

The Board has declared a final dividend of 0.3 cents per share for the year ended 30 June 2026. The dividend is fully franked, has a record date of 10 September 2026, and will be paid to shareholders on 6 October 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Securities on issue

At the date of this report the number of securities on issue is:

	Number of Securities on Issue
Ordinary shares	397,151,458
Performance and share rights	6,456,360

The voting rights attached to each class of equity securities are set out below:

(a) Ordinary Fully Paid Shares: every member present at a meeting of the Company in person or by proxy shall have one vote.
(b) Performance Rights and Share Rights: no voting rights.

One performance right is convertible into one ordinary share for nil consideration.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Indemnification of Officers and Auditor

During the financial year, the Company paid an insurance premium in respect of the Directors and Officers Insurance Policy that insures Directors and Officers against liabilities 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.

In addition, the Company has entered into Deeds of Indemnity, Insurance, and Access in favour of the current Directors, Company Secretaries, and the Chief Operating Officer (COO).

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Climate reporting and environmental regulations

The Group operates in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) under Commonwealth legislation through the Australian Maritime Safety Authority (AMSA) Marine Order Regulations. In addition, the company complies with all applicable National Law Marine Orders under the Marine Safety (Domestic Commercial Vessel) National Law Act 2012, as administered by AMSA. This includes adherence to Marine Orders relating to vessel certification, crew competency, operational safety, and environmental protection. Our operations are guided by a robust Safety Management System (SMS) aligned with AMSA's regulatory framework.

The Company reports its carbon emissions, energy production, and consumption each year in line with the National Greenhouse Gas and Energy Reporting Act 2007 (Cth) (NGERS).

Future mandatory climate & sustainability reporting

In accordance with the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024,* the Company will be required to submit its first mandatory Sustainability Report containing Climate-related disclosures for the financial year ending 30 June 2027.

To facilitate the Company's compliance with its future sustainability reporting obligations, management has prepared a readiness plan. Refer to Corporate Governance & Sustainability on page 28 and 29.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report on page 70.

Non-audit services

During the year KPMG, the external auditor, has performed other services in addition to the audit of the financial statements.

The Directors are satisfied that non-audit services provided during the year by the auditor did not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Board and have been reviewed by the Audit & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid/payable to the external auditor of the Company, and its network firms for non-audit services relating to taxation services provided during the current year are $54,530 (2025: $52,250).

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with the Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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Dividends

Declared and paid due the year

Dividends that were paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount $'000	Date of payment
Final ordinary dividend for the year ending 30 June 2025	0.5	1,376	07 October 2025
Interim ordinary dividend for the year ending 30 June 2026	0.5	1,576	09 April 2026
Total amount		**2,952**	

Declared after end of year

After the balance sheet date the following dividends were proposed by the Directors.
The dividends have not been provided and there are no income tax consequences.

	Cents per share	Total amount $'000	Date of payment
Final ordinary dividend for the year ending 30 June 2026	0.3	1,191	06 October 2026
Total amount		**1,191**	

The financial effect of these dividends has not been brought to account in the consolidated financial statements for the year ended 30 June 2026 and will be recognised in subsequent financial reports.

	Note	Total amount $'000
Dividends have been dealt with in the financial report as:		
Dividends	19	2,952
Noted as a subsequent event	19, 28	**1,191**

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Remuneration Report

This Remuneration Report (**Report**) forms part of the Directors' Report for the year ended 30 June 2026 and has been prepared and audited as required by section 300A of the *Corporations Act 2001*.

This Report is presented under the following sections:

A. Introduction and KMP
B. Remuneration Governance
C. Summary of 2026 Performance and Remuneration Outcomes
D. Executive Remuneration Arrangements
E. Executive Remuneration Outcomes for FY26
F. Non-Executive Director Remuneration
G. Remuneration Expenses for KMP
H. Additional Disclosures

A. Introduction and KMP

Introduction

This Report outlines the remuneration arrangements for Key Management Personnel (**KMP**) during the financial year ending 30 June 2026 (**FY26**).

The Company's Executive Remuneration Framework reflects the Remuneration Policy established by the Board and its Remuneration Committee following the Company's ASX-Listing in July 2024. There have been no changes to the Company's Remuneration Policy for KMPs during FY26.

The Board and its Remuneration Committee are committed to achieving remuneration practices that foster a culture that values integrity, ethical behaviour, accountability, transparency, and respect for all stakeholders.

Key Management Personnel

KMP is defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company, directly or indirectly, including:

- Non-Executive Directors (**NEDs**); and
- Executive Directors and senior executives (collectively the '**Executives**')

The table below details the KMP of the Company for FY26. Each was a KMP for the entire period unless, otherwise stated.

Non-Executive Directors	Role
Anthony Wooles	Chair and Non-Executive Director
Tracey Horton AO	Independent Non-Executive Director
Executives	**Role**
Loui Kannikoski	Managing Director & CEO
Andrew Wackett	Executive Director – Finance
Mark Annand	Chief Operating Officer (COO)

Details on the experience and skills of each KMP are set out on pages 26, 27 and 35.

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B. Remuneration Governance

Remuneration Committee

The Remuneration Committee continued to be comprised solely of Non-Executive Directors.

The purpose of the Remuneration Committee is to advise the Board on remuneration policies and practices. This includes assisting and making recommendations to the Board in relation to the overall remuneration strategy of the Company, including its specific application of remuneration to Executives and Non-Executive Directors.

In fulfilling its purpose, the Remuneration Committee aims to:

- align the remuneration and people related policies with the Company's purpose, vision and values.
- determine the eligibility, award, performance measures and vesting of Executive and employee incentive plans.
- ensure financial outcomes and risks properly inform the relevant STI and LTI outcomes.

The Remuneration Committee receives external remuneration consultant input as required.

Remuneration Consultants

The Remuneration Committee engaged the services of independent external consultant to provide insights on KMP remuneration benchmarking and market data. No remuneration recommendations as defined in section 9B of the *Corporations Act 2001* were obtained during FY26.

During the year, the Committee engaged The Reward Practice Pty Ltd to provide remuneration services, including the provision of incentive market insights and benchmarking support, at a total fee of $2,500 (2025: $26,048) and Aon Advisory Australia Pty Ltd to provide remuneration services in respect to external benchmarking with a total fee of $17,431 (2025: $nil) for these services. The Reward Practice and Aon Advisory did not provide other services. The Group is satisfied that the remuneration consultants' teams are independent.

Approach to Executive Remuneration Framework

Following the Company's ASX listing on 26 July 2024, the Board established an Executive Remuneration Framework to support the Company's long-term strategy and annual operating plan. The framework comprises fixed remuneration and at-risk variable remuneration.

As the Company completes its second year as an ASX-listed company, the Board remains focused on ensuring the remuneration framework supports the attraction, retention and development of talent. During the year, the Board continued to review Executive remuneration to ensure it remained aligned with shareholder interests, supported delivery of the Company's strategic objectives and was competitive with relevant ASX-listed peers.

The Executive Remuneration Framework is intended to provide a compelling employee value proposition for Executives and other senior roles by recognising performance and supporting long-term value creation. As the Company matures, the Board will continue to apply disciplined remuneration governance and ensure remuneration practices remain fit for purpose and aligned with shareholder and market expectations.

The Board expects the Executive Remuneration Framework to remain unchanged in the coming year, reflecting its confidence that it continues to effectively support the Company's strategy and objectives.

The key elements of the Executive Remuneration Framework are outlined in Section D below.

Shareholders' Approval of Remuneration Report at 2025 AGM

At the Company's 2025 Annual General Meeting, 99.96% of eligible shareholders, who voted, approved the 2025 Remuneration Report. This demonstrates ongoing shareholder support and confidence in the Company's remuneration approach for KMP.

Securities Trading Policy

Directors and employees (including Executive KMP) are prohibited from trading in financial products issued or created over the Company's securities created by third parties, and from trading in associated products and entering into transactions that operate to limit the economic risk of holdings of unvested Bhagwan Marine securities or vested shares which are subject to a holding lock.

The Security Trading Policy is available on the Company's website.

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C. Summary of 2026 Performance and Remuneration Outcomes

In determining the 2026 remuneration outcomes, the Board has carefully considered Company performance and progression of strategic objectives, individual achievements, the operating environment and the context in which targets were set, and alignment with stakeholder expectations.

The following summarises the remuneration outcomes for FY26 for KMP.

FY26 Highlights for KMP Remuneration	
Executive KMP	
Executives' Total Fixed Remuneration (TFR) outcomes	An executive remuneration review was conducted in June 2025, with each Executives remuneration benchmarked against similarly sized organisations using independent data provided by an external remuneration consultant, with market median adopted as the benchmark adopted as the benchmark. As a result from 1 July 2025, the MD/CEO's, Executive Director – Finance and COO received increases to their TFR. The MD/CEO's base salary increased by 3.3% and increase to statutory superannuation, the Executive Director – Finance base salary increased by 1.25% and the COO's salary increased in line with changes in statutory superannuation. See Section D - Executive Remuneration Arrangements for more details.
Executives' Short-Term Incentive (STI) outcomes	The STI Plan for FY26 was structured to align Executive remuneration outcomes with the achievement of Board-approved financial and safety objectives set at the beginning of the financial year. For FY26, the minimum EBITDA hurdle was not achieved. Accordingly, no STI awards are payable to Executives for FY26 performance. Refer to Section E – Executive Remuneration Outcomes for FY26 for further details.
Executives' Long-Term Incentive (LTI) outcomes	No performance rights on issue have a performance period ending on or before 30 June 2026. Accordingly, no performance rights vested during the financial year. During the year, Executives were granted performance rights subject to achievement of performance conditions over a three-year period from 1 July 2025 to 30 June 2028. The performance rights are not subject to any retesting. Shareholders approved the issue of these performance rights to Executives. See Section D - Executive Remuneration Arrangements for further details on the performance hurdles and terms of the LTIs.
Non-Executive Directors	
Non-Executive Directors (NEDs) Fixed Remuneration for FY26	There was no change to the fees payable to Non-Executive Directors. Non-Executive Directors did not participate in any incentive plans. Non-Executive Directors' Fees are periodically benchmarked by external remuneration consultants. See Section F - Non-Executive Director Remuneration.

2027 Remuneration Approach

As we conclude our second year as an ASX-listed company, we remain focused on strengthening our remuneration framework to support the attraction, retention and development of high-calibre talent. The Board continues to review remuneration arrangements to ensure they remain aligned with shareholder interests, support the delivery of the Company's strategic objectives and are competitive with relevant ASX-listed peers.

Our remuneration framework is designed to provide a compelling employee value proposition for both Executives and employees, recognising performance and fostering long-term value creation. As the Company continues to mature, we will maintain a disciplined approach to remuneration governance while ensuring our practices remain fit for purpose and aligned with market expectations.

For FY27, the Board expects the Executive Remuneration Framework to remain substantially unchanged, reflecting its confidence that the framework continues to effectively support the Company's strategy and remuneration objectives.

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D. Executive Remuneration Arrangements

Executive Remuneration Framework and Strategy

The Company's Executive Remuneration Framework is designed to attract, motivate, and retain high-performing individuals, and align the interests of Executives and shareholders.

The following diagram illustrates how the Executive Remuneration Framework aligns with the strategic direction and links Executives' remuneration outcomes to performance.

Business Objective
Providing leading marine solutions to deliver the best possible level of service, ensuring our clients' success and contributing to a sustainable future.

How our Executive Remuneration links to our Strategic Objective	
Align the interests of Executives with our shareholders • The Executive Remuneration Framework includes "at-risk" components, including both short-term and long-term, delivered through cash and equity; and • Executive performance is evaluated against financial and non-financial metrics that drive growth, profitability, and overall shareholder value.	Align, motivate, and retain high-performing individuals • Executive's remuneration is benchmarked to remain competitive with companies of similar size and complexity; and • Long-term incentive components are designed to promote Executive retention and sustained performance over the long-term.

Remuneration Component	Vehicle	Purpose	Link to Performance
Total Fixed Remuneration (**TFR**)	Cash comprising of base salary and superannuation.	To offer a competitive fixed salary based on the role, location, and individual experience.	Executives' experience, responsibilities and performance. Relevant to market comparisons.
Short-Term Incentives (**STI**)	Cash-based incentive scheme based on the Company's performance for the current financial year.	Rewards Executives for their contributions to achieving financial and safety outcomes that are a priority for the Company for the financial year.	Measures are set considering the Company's annual objectives and short-term strategy. EBITDA is a key financial metric, alongside safety performance for the current financial year.
Long-Term Incentives (**LTI**)	Awards are made in the form of performance rights that vest subject to the achievement of three-year performance hurdles.	Rewards Executives for their contribution to the creation of shareholder value over the longer term.	Vesting of incentives is dependent on Relative Total Shareholder Return (rTSR) performance relative to a peer group of companies, and the achievement EBITDA compound growth, over a three-year performance period. A safety gateway applies. There is no re-testing.

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D. Executive Remuneration Arrangements (continued)

Approach to setting remuneration and details of incentive plans

In FY26, the Executives' remuneration comprised fixed remuneration and at-risk short and long-term incentives. Executive remuneration packages are weighted towards at-risk remuneration to drive performance for shareholders.

Executive Remuneration and Mix	
How is overall remuneration and mix determined?	Executive remuneration is reviewed annually, taking into account market data, company and individual performance, as well as the broader economic context. The Company seeks to provide Executives with remuneration that is appropriately structured in terms of fixed remuneration, short-term incentives, and long-term incentives. This structure reflects the Executive's role, responsibilities, and performance.
Fixed Remuneration – Base Salary and other benefits	
How is base salary and other benefits reviewed and approved?	Executives' total fixed remuneration, including base salary, superannuation and benefits, is reviewed using external benchmarked data reflecting the size and complexity of the Company. Any changes in remuneration for Executives must be approved by the Board's Remuneration Committee. The Company's policy is to position Executives base salary around the 50 percentile of its targeted market comparators.
Variable Remuneration – Short-Term Incentives	
What is the STI Plan?	The STI Plan is a cash-based incentive used to align executive remuneration with the achievement of annual financial and operational objectives, promote safe and sustainable performance, support the retention and motivation of Executives, and create value for shareholders by rewarding performance that exceeds Board-approved targets set at the beginning of the financial year. Participation in the STI Plan is available to Executives and other senior managers.
How much can Executives earn under the STI Plan?	The MD/CEO, the Executive Director – Finance and the COO have a maximum STI opportunity of 50% of their TFR, and other senior managers have a maximum STI opportunity of 30% of their TFR. STIs are paid in cash and are inclusive of relevant statutory superannuation. STI payments are made following the release of the Company's audited financial statements for the relevant financial period.
What performance measures will inform the STI Plan?	The Remuneration Committee sets annual performance targets related to the Company's annual operating plan. The FY26 performance measures for Executive KMP included Pro Forma EBITDA (100% weighting) and a safety performance gate, set at the beginning of the year. EBITDA is used as a STI performance measure because it focuses on operational performance, is well understood throughout the business, and aligns with shareholder value creation. The Board may, in its sole discretion, exclude unbudgeted, non-recurring or non-operational events or transactions not expected to occur regularly or unrelated to underlying operating activities, including one-off or individually significant items such as gains or losses from business or asset acquisitions and significant litigation settlements. The safety gate measures lost time injury frequency rate (**LTIFR**) to ensure sustainable performance in health and safety. Executives are eligible for an STI payment only if the overarching EBITDA threshold of 2% above Board-approved budget EBITDA (**stretch EBITDA**) and the safety gateway requirements are achieved. Once the EBITDA threshold is met, STI outcomes are determined under a profit-sharing formula, with awards increasing for EBITDA performance above threshold up to the participant's maximum STI opportunity. To achieve 100% of the maximum STI Opportunity, the stretch EBITDA for FY26 would have to be met. Final STI outcomes are determined by the Remuneration Committee after assessing stretch EBITDA and safety performance at year end, with regard to Company performance and broader market factors.
What happens if a participant leaves before the vesting date?	If an Executive KMP ceases employment, prior to the STI payment date, for any other reason or circumstances (including death, total and permanent disability, retirement or redundancy), the STI opportunity will be forfeited.
How is Board discretion considered?	The Board's discretion on STI awards will take into account all relevant factors at the time, which may include the Company's and the participant's performance, the operating environment, and the context in which targets were set, as well as alignment with stakeholder expectations. Consideration of these factors may lead to the exercise of discretion to increase or decrease STI outcomes.

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<table>
<tr><th colspan="2">Variable Remuneration – Long Term Incentives</th></tr>
<tr><td>What is the LTI Plan?</td><td>The Incentive Awards Plan (LTI Plan) is designed to provide incentives to attract and retain talent, and to align the interests of Executives with those of the Company.
Under the terms of the LTI Plan, the Board may, from time to time, provide the opportunity for Eligible Participants to subscribe for such number of equity securities in the Company and on the conditions specified in the LTI Plan.
A full copy of the LTI Plan is available on the Company's website at www.bhagwanmarine.com</td></tr>
<tr><td>Shareholder approvals for LTI Plan and grants?</td><td>The LTI Plan was approved by shareholders on 12 November 2024, for the purposes of ASX Listing Rule 7.2, Exception 13 and for all other purposes. The maximum number of equity securities to be granted under the LTI Plan must not exceed 13,760,012 (being 5% of the Company's Share capital at the date of shareholders' approval).
The issue of FY26 LTIs to Executive Directors, Mr Kannikoski and Mr Wackett, was approved under ASX Listing Rule 10.14 by shareholders at the Company's AGM on 29 October 2025.</td></tr>
<tr><td>How much can Executives earn under the LTI Plan?</td><td>The MD/CEO, the Executive Director – Finance, and the COO have a maximum LTI opportunity of 50% of their TFR, and other senior managers have a maximum LTI opportunity of 30% of their TFR.
Executives are not entitled to receive dividends or dividend-equivalent payments on performance rights that remain unvested or unexercised.</td></tr>
<tr><td>What performance measures will inform the LTI Plan?</td><td>Performance Rights granted are subject to the achievement of two performance criteria comprising EBITDA compound annual growth rate (EBITDA CAGR) and Relative Total Shareholder Return (rTSR), measured over a three-year performance period.
<table>
<tr><th>Performance Measure</th><th>rTSR</th><th>EBITDA CAGR</th></tr>
<tr><td>Weighting</td><td>50%</td><td>50%</td></tr>
<tr><td>Purpose</td><td>To recognise the performance of the Company's shares and shareholder value creation.</td><td>To recognise long-term growth in profitability and shareholder value creation.</td></tr>
</table>
The vesting of Performance Rights is also subject to the Company's safety performance, including no fatalities and a lost time injury frequency rate (LTIFR) of less than 2.0 (Safety Gate) and Board discretion.
The calculation of each performance measure is outlined below:
rTSR Hurdle:
The Board believes that rTSR is widely accepted by the market as a key measure of long-term performance.
rTSR is a measure of the performance of the Company's shares over a three-year performance period compared with the TSR of a comparator group of companies. TSR measures the percentage change in a Company's share price over a three-year performance period, plus the value of dividends received during that period, assuming all dividends are reinvested to acquire new shares.
The comparator group is a peer group comprised of ASX-listed as determined by the Board at the beginning of the performance period.
Details on how rTSR is calculated and the comparator group are set out in Annexure B in the Company's 2025 Notice of Annual General Meeting.
Details of the vesting schedule for rTSR Performance Rights are set out below:
<table>
<tr><th>rTSR over the three-year performance period</th><th>Level of vesting</th></tr>
<tr><td>Less than 50th percentile</td><td>0%</td></tr>
<tr><td>At 50th percentile</td><td>50%</td></tr>
<tr><td>Between the 50th and 75th percentile</td><td>50% plus a pro-rata straight-line percentage increase between 50% and 75%</td></tr>
<tr><td>At or above the 75th percentile</td><td>100%</td></tr>
</table>
</td></tr>
</table>

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<table>
<tr><th colspan="2">Variable Remuneration – Long Term Incentives (continued)</th></tr>
<tr><td>What performance measures will inform the LTI Plan? (continued)</td><td>
EBITDA CAGR Hurdle:
The Board considers EBITDA CAGR growth over a three-year performance period an appropriate measure for the grant of long-term incentives, as it is well understood within the business and a key measure of performance and shareholder value. The Board will continue to evaluate this measure in future years.
EBITDA is a measure of the Company's profitability before interest, tax, depreciation and amortisation. EBITDA also indicates how much cash the Company makes and is a widely used metric for measuring performance.
Details of the vesting schedule for EBITDA CAGR Performance Rights are set out below:
<table>
<tr><th>EBITDA CAGR performance</th><th>Level of vesting</th></tr>
<tr><td>Less than 5% EBITDA CAGR</td><td>0%</td></tr>
<tr><td>At 5% EBITDA CAGR</td><td>25%</td></tr>
<tr><td>Between 5% and 15% EBITDA CAGR</td><td>25% plus a pro-rata straight-line percentage increase between 5% and 15%</td></tr>
<tr><td>At or above 15% EBITDA CAGR</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>How is the number of performance rights granted determined?</td><td>The number of performance rights granted to each participant is determined by the Board.
During FY26, the number of Performance Rights issued was calculated based on each Executive's maximum long-term incentive opportunity, divided by $0.493, being the 5-day Volume-Weighted Average Price (VWAP) of Bhagwan Marine Shares at 30 June 2025.</td></tr>
<tr><td>When is performance criteria measured?</td><td>LTI outcomes are determined by the Remuneration Committee following an assessment of performance measures at the end of the three-year performance period and with regard to the Company's performance and broader market factors.
Performance rights will lapse if the performance measures are not met at the end of the performance period. There is no opportunity for re-testing.</td></tr>
<tr><td>What happens on cessation of employment?</td><td>If a participant ceases employment, whether due to special circumstances (including death, terminal illness or permanent disablement) or due to the participant's resignation or termination, unless the Board determines otherwise and subject to applicable laws, unvested performance rights will automatically lapse.
If a participant ceases employment after performance rights have vested but not exercised, the participant may continue to hold such vested performance rights depending on the circumstances of the cessation of employment.</td></tr>
<tr><td>Do any clawback or malus provisions apply?</td><td>The Board has clawback powers which it may exercise if:
there has been a material misstatement in Bhagwan Marine's financial statements;
a participant has acted fraudulently or with malfeasance; or
some other event has occurred,
which, as a result, means that the performance conditions in respect of any vested Performance Rights were not, or should not have been determined to have been, satisfied.</td></tr>
<tr><td>What happens if there is a change in control?</td><td>Subject to applicable ASX Listing Rules, in the event of a change of control or Business Sale:
any performance conditions in respect of unvested Performance Rights will be deemed to be automatically waived unless and to the extent the Board otherwise resolves; and
the Board may require that all vested Performance Rights be exercised as part of a Change of Control/Business Sale, failing which they lapse.</td></tr>
<tr><td>Is hedging permitted on unvested LTIs?</td><td>In accordance with the Company's Securities Trading Policy, a participant is prohibited from entering into arrangements to protect the value of unvested performance rights. This includes entering into contracts to hedge the exposure to performance rights or shares granted.</td></tr>
<tr><td>Are participants entitled to voting rights and dividends?</td><td>No dividends are paid on performance rights until they vest. Performance rights do not carry voting entitlements.</td></tr>
<tr><td>How is Board discretion considered?</td><td>In determining whether to exercise discretion, the Board will have regard to all relevant factors at the time, which may include the performance of the Company and the participant over the performance period and the proportion of the performance period that has elapsed.</td></tr>
</table>

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D. Executive Remuneration Arrangements (continued)

Key terms of employment contracts

These employment contracts may be terminated by either party giving the required notice and subject to termination payments as detailed in the table below:

Name:	Loui Kannikoski
Title:	Managing Director & Chief Executive Officer
Agreement commenced:	13 May 2024
Term of agreement:	Permanent contract
Details:	FY26 Base salary of $506,091 per annum and 12% superannuation of $60,731. Not entitled to any other benefits as part of fixed arrangements. Eligible to participate in incentive arrangements offered by the Company. During the year, the Remuneration Committee approved participation in the STI Plan, and the shareholders approved participation in the LTI Plan. Expenses – employment-related expenses to be reimbursed. Termination – 4 weeks' notice in writing.
Name:	Andrew Wackett
Title:	Executive Director – Finance
Agreement commenced:	13 May 2024
Term of agreement:	Permanent contract
Details:	FY26 Base salary of $354,375 per annum and superannuation of $30,000. Eligible to participate in incentive arrangements offered by the Company. During the year, the Remuneration Committee approved participation in the STI Plan, and the shareholders approved participation in the LTI Plan. Expenses – employment-related expenses to be reimbursed. Termination – 4 weeks' notice in writing.
Name:	Mark Annand
Title:	Chief Operating Officer
Agreement commenced:	26 May 2025
Term of agreement:	Permanent contract
Details:	FY26 Base salary of $400,000 per annum and 12% superannuation of $48,000. Eligible to participate in incentive arrangements offered by the Company. During the year, the Remuneration Committee approved participation in the STI Plan and LTI Plan, from 1 July 2025. Expenses – employment-related expenses to be reimbursed. Termination – 6 months' notice in writing.

As at the date of this report, the MD/CEO, the Executive Director - Finance, and the COO are employed by the Company under an Executive Service Agreement. The MD/CEO and the Executive Director Finance do not receive Director Fees.

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E. Executive Remuneration Outcomes for FY26

Summary of the Company's performance

A summary of the Company's performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outlined in the table below:

Performance Measure	Unit	FY2026	FY2025	FY2024	FY2023	FY2022
Pro Forma Earnings Before Interest, Tax, Depreciation & Amortisation (**Pro Forma EBITDA**[1])	$'000	46,100	50,900	41,300	36,400	21,500
(Loss)/profit attributable to owners of the Company	$'000	(200)	12,486	5,547	15,441[3]	2,405
Dividends paid	cents per share	1.00	-	-	-	-
Pro Forma EBITDA (decline)/growth	%	(9.43)	23.23	13.64	69.25	18.29
Share price at 30 June[2]	cents per share	27.0	49.0	-	-	-

1 Earnings before interest, taxes, depreciation and amortisation ("EBITDA") is an unaudited non-IFRS measure and is a common measure used to assess profitability before the impact of different financing methods, income taxes, depreciation or property, plant and equipment, amortisation of intangible assets and fair value movements.

2 The Company listed on the ASX on 30 July 2024 with an IPO Price of 63 cents per share.

3 Refer to note 29 for details of the restatement.

Pro Forma EBITDA represents the Board's preferred measure of underlying financial performance. To ensure comparability between reporting periods, EBITDA has been adjusted to exclude significant non-recurring transaction costs, including costs associated with the acquisition of Riverside Marine Holdings Pty Ltd in FY26 ($2.0 million), and post-acquisition integration costs in FY26 ($1.6 million) as well as the Company's IPO in FY25 ($0.7 million). These adjustments provide a clearer view of the Company's operating performance and the outcomes underpinning executive remuneration.

Short-Term Incentives

Company performance and its link to short-term incentives

The Company achieved a LTIFR of 0.77 in FY26, exceeding the safety gateway requirement set at the beginning of the financial year and reflecting its continued commitment to maintaining a strong safety culture across the business. However, under the FY26 STI Plan, both the safety gateway and financial threshold must be met before any STI award can be made. The financial threshold required FY26 EBITDA to exceed the Board-approved FY26 EBITDA threshold by at least 2% above FY26 budget EBITDA, which was not achieved.

Accordingly, and with the design of the STI Plan and its alignment with shareholder outcomes, no STI award was payable to participating executives for FY26.

The following table provides STI outcomes by Executives for FY26:

Name	Position	STI Achieved %	STI Awarded $	Maximum Potential Award $
Loui Kannikoski	Managing Director & CEO	-	-	283,411
Andrew Wackett	Executive Director – Finance	-	-	192,188
Mark Annand	Chief Operating Officer	-	-	224,000
Total			**-**	**699,599**

Long-Term Incentives

Company performance and its link to long-term incentives

No LTIs vested in during the year.

Shareholders approved, on 29 October 2025, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue of Performance Rights under the LTI Plan, as long-term incentives, to the Managing Director & CEO and the Executive Director – Finance. The grants of Performance Rights under the Company's LTI Plan forms part of each Executive's remuneration package and long-term incentive opportunity for the financial year ending 30 June 2026. Further details are set out in Section H below.

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E. Executive Remuneration Outcomes for FY26 (continued)

Long-Term Incentives (continued)

Each Performance Right issued to Executives will give them the right to receive one share in the Company, subject to the achievement of the performance conditions at the end of a three-year performance period beginning on 1 July 2025 and ending on 30 June 2028.

The share-based payments expense in respect of the issue of Performance Rights (unvested) is calculated in accordance with Australian Accounting Standards and represents the fair value of equity-related awards that have been granted to Executives.

F. Non-Executive Director Remuneration

Non-Executive Directors Remuneration

The Board seeks to set aggregate Non-Executive Directors remuneration at a level that enables the Company to attract and retain Non-Executive Directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

Non-Executive Director remuneration consists of base Director fee and additional fees for the Chair and Members of any Board Committees. No element of Non-Executive Director remuneration is 'at-risk' (i.e. performance-related pay) to preserve their independence and impartiality.

Non-Executive Director fees were benchmarked by the Board's external remuneration consultant against those of comparable ASX-listed companies with similar market capitalisations to the Company.

The Company's constitution and the ASX Listing Rule 10.17 specify that the maximum fee pool available for Non-Executive Directors shall be determined from time to time by shareholders in a general meeting. The latest determination was made at the General Meeting of Shareholders on 10 June 2024, when shareholders approved an aggregate annual fee pool of $800,000 per annum.

Non-Executive Director Fees

The remuneration of a Non-Executive Director comprises of fixed Board Fee and Committee Fees, inclusive of statutory superannuation. The statutory value for superannuation increased in 2026. Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits.

There were no changes to Non-Executive Directors' remuneration during the year.

Current annual remuneration payable to Non-Executive Directors is set out below:

Position	Annual Directors' Fees (inclusive of superannuation)
Chairman of the Board	$260,000
Non-Executive Directors (each)	$130,000
Committee Chair (per committee)	$20,000
Committee Member (per committee)	$10,000

Share Rights Granted to Ms Horton in July 2024

Included in Ms Horton's remuneration is a Share based payments expense, calculated in accordance with Australian Accounting Standards, in respect of the issue of Share Rights (unvested) and issued in July 2024 to her for services prior to her appointment as an Independent Non-Executive Director on 5 June 2024 and for services associated with work, leading up to the Company's Initial Public Offer (**IPO**), in June 2024. The Performance Rights were granted with Shareholder approval and vested on 30 July 2026.

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G. Remuneration Expenses for KMP

Details of the nature and amount of each major element of the remuneration of each KMP of the Group for the year ended 30 June 2026 are as follows:

	Year	Short-term benefits			Post-employment benefits	Long-term benefits			
		Salary and fees $	Cash bonus[7] $	Non-monetary $	Annual leave $	Superannuation $	Long service leave $	Share-based payments[8] $	Total $	Performance related %
Non-Executive Directors										
Anthony Wooles[1]	**2026**	**290,000**	**-**	**-**	**-**	**-**	**-**	**-**	**290,000**	**-**
	2025	290,000	-	-	-	-	-	-	290,000	-
Tracey Horton[2]	**2026**	**160,000**	**-**	**-**	**-**	**-**	**-**	**23,475**	**183,475**	**-**
	2025	152,066	-	-	-	7,934	-	21,610	181,610	-
Total Non-Executive Director Remuneration	**2026**	**450,000**	**-**	**-**	**-**	**-**	**-**	**23,475**	**473,475**	**-**
	2025	442,066	-	-	-	7,934	-	21,610	471,610	-
Executive Directors										
Loui Kannikoski[3]	**2026**	**506,091**	**-**	**6,931**	**(70,212)[4]**	**60,731**	**(51,223)[4]**	**43,082**	**495,400**	**9%**
	2025	492,085	245,745	6,935	35,603	56,637	11,971	40,633	889,609	32%
Andrew Wackett[5]	**2026**	**354,375**	**-**	**-**	**13,590**	**30,000**	**3,693**	**52,787**	**454,445**	**12%**
	2025	350,000	171,000	-	21,465	30,000	3,540	49,698	625,703	35%
Total Executive Director Remuneration	**2026**	**860,466**	**-**	**6,931**	**(56,622)**	**90,731**	**(47,530)**	**95,869**	**949,845**	**10%**
	2025	842,085	416,745	6,935	57,068	86,637	15,511	90,331	1,515,312	35%
Other Executive KMP										
Mark Annand[6]	**2026**	**400,000**	**-**	**-**	**24,173**	**48,000**	**3,510**	**21,728**	**497,411**	**4%**
	2025	38,462	-	-	2,360	4,462	-	-	45,284	-
Total Other Executive KMPs Remuneration	**2026**	**400,000**	**-**	**-**	**24,173**	**48,000**	**3,510**	**21,728**	**497,411**	**4%**
	2025	38,462	-	-	2,360	4,462	-	-	45,284	-
Total KMP Remuneration	**2026**	**1,710,466**	**-**	**6,931**	**(32,449)**	**138,731**	**(44,020)**	**141,072**	**1,920,731**	**7%**
	2025	1,322,613	416,745	6,935	59,428	99,033	15,511	111,941	2,032,206	26%

1. Anthony Wooles is Chairman of the Board and Non-Executive Director. Mr Wooles is Chair of the Remuneration Committee and a Member of the Audit & Risk Committee. Mr Wooles Director Fees, plus GST, are paid to Trudo Consulting Pty Ltd.
2. Tracey Horton was appointed as Independent Non-Executive Director on 5 June 2024. Ms Horton is Chair of the Audit & Risk Committee and a Member of the Remuneration Committee. Share-based payments represent the one-off grant of 74,627 Share Rights for her contribution, prior to her appointment to the Board, to the Company's successful IPO. These Share Rights vested on 30 July 2026.
3. Loui Kannikoski's salary and fees were increased following a benchmarking review of Executive remuneration and changes in statutory superannuation.
4. Loui Kannikoski elected to cash out a portion of accrued annual leave and long service leave in accordance with the Company's leave policies.
5. Andrew Wackett's salary and fees were increased following a benchmarking review of Executive remuneration.
6. Mark Annand's salary and fees were increased by changes in statutory superannuation.
7. Cash bonus represents STIs that were awarded to each Executive KMP in relation to FY25 performance and were paid in September 2025.

H. Additional Disclosures

(a) Share-based Compensation

Ordinary Shares:

During the 2026 financial year, no ordinary shares were issued to KMP as part of their remuneration (2025: nil).

Options:

During the 2026 financial year, no options were issued to KMP as part of their remuneration (2025: nil).

Performance Rights and Share Rights:

During the year, shareholders approved on 30 October 2025 the issue of 964,704 (2025: 733,018), Performance Rights to the MD/CEO and the Executive Director – Finance, under the Company's Incentive Award Plan.

During the year, the Board approved on 23 September 2025 the issue of 454,362 (2025: nil), Performance Rights to the COO, under the Company's Incentive Award Plan.

Assumptions made in the valuation of the Share Rights issued in the current period are outlined below:

	Performance Rights MD/CEO & Executive Director – Finance	
	Tranche 1	Tranche 2
Grant date	30 October 2025	30 October 2025
Exercise price	$nil	$nil
Vesting date	30 June 2028	30 June 2028
Performance hurdle	rTSR performance measure over the performance period - 01 July 2025 to 30 June 2028.	EBITDA CAGR of 5% to 15% over the performance period - 01 July 2025 to 30 June 2028.
Underlying share price	$0.57	$0.57
Risk-free rate	4.30%	4.30%
Volatility	50%	50%
Valuation	$0.37	$0.57
Probability of success	N/A	0%
Expected employee retention rate	100%	100%
Number granted to KMP	482,352	482,352

	Performance Rights COO	
	Tranche 1	Tranche 2
Grant date	23 September 2025	23 September 2025
Exercise price	$nil	$nil
Vesting date	30 June 2028	30 June 2028
Performance hurdle	rTSR performance measure over the performance period - 01 July 2025 to 30 June 2028.	EBITDA CAGR of 5% to 15% over the performance period - 01 July 2025 to 30 June 2028.
Underlying share price	$0.54	$0.54
Risk-free rate	4.27%	4.27%
Volatility	50%	50%
Valuation	$0.35	$0.54
Probability of success	N/A	0%
Expected employee retention rate	82%	82%
Number granted to KMP	227,181	227,181

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H. Additional Disclosures (continued)

(b) Equity instruments held by KMP - direct and indirect holdings

Ordinary Shareholding:

The number of ordinary shares in the Company held by each KMP, directly and indirectly, during the year ended 30 June 2026 is outlined below:

	Balance at 1 July 2025	Shares allocated as remuneration	Other changes during the period	Balance at 30 June 2026
Anthony Wooles	23,392,021	-	1,607,979	25,000,000
Tracey Horton	30,000	-	24,391	54,391
Loui Kannikoski	112,294,051	-	8,130,074	120,424,125
Andrew Wackett	160,000	-	135,976	295,976
Mark Annand	32,228	-	24,391	56,619
Total	**135,908,300**	**-**	**9,922,811**	**145,831,111**

The above shareholdings represent their relevant interest in ordinary shares and their beneficial interest held through nominee accounts.

Performance Rights and Share Rights held:

The following table sets out the Performance Rights and Share Rights held by KMP, directly and indirectly, that were granted, vested and forfeited during the year.

	Balance at 1 July 2025	Granted	Exercised / Lapsed	Balance at 30 June 2026	Vested during the year	Vested and Exercisable	Unvested
Anthony Wooles	-	-	-	-	-	-	-
Tracey Horton[1]	74,627	-	-	74,627	-	-	74,627
Loui Kannikoski[2]	571,504	777,932	-	1,349,436	-	-	1,349,436
Andrew Wackett	374,231	389,834	-	764,065	-	-	764,065
Mark Annand	-	454,362	-	454,362	-	-	454,362
Total	**1,020,362**	**1,622,128**	**-**	**2,642,490**	**-**	**-**	**2,642,490**

The above represent their relevant interest in performance rights and their beneficial interest held through nominee accounts.

1 Ms Horton holds Shares Rights issued to her for services prior to her appointment as an Independent Non-Executive Director on 5 June 2024 and for services associated with work, leading up to the Company's Initial Public Offer (IPO), in June 2024. The Share Rights were granted with Shareholder approval. The Share Rights vested on 30 July 2026.

2 203,062 performance rights granted during the period (2025: 138,090) were issued to the Kannikoski Super Fund, which Loui Kannikoski is a beneficiary of, but relates to Kerren Kannikoski's remuneration. This was approved by shareholders on 29 October 2025 (2025: 12 November 2024), as required by ASX Listing Rule 10.14.

ASX Listing Rule 10.14

On 29 October 2025, Shareholders' approval was obtained under ASX Listing Rule 10.14 for the grant of 574,870 Performance Rights granted to Loui Kannikoski and 389,834 Performance Rights to Andrew Wackett. The Performance Rights form part of their remuneration arrangements. Details on the Performance Rights granted are set out in the Company's 2025 Notice of Annual General Meeting and in Section D above.

On 12 November 2024, Shareholders' approval was obtained under ASX Listing Rule 10.14 for the grant of 433,414 Performance Rights granted to Loui Kannikoski and 299,604 Performance Rights to Andrew Wackett. The Performance Rights form part of their remuneration arrangements. Details on the Performance Rights granted are set out in the Company's 2024 Notice of Annual General Meeting and in Section D above. As at 30 June 2026, all of these Performance Right remained unvested and subject to applicable vesting conditions.

On 8 July 2024, the Company granted 74,627 Share Rights to Andrew Wackett and 74,627 Share Rights to Tracey Horton, under the terms of the Company's Prospectus and in consideration of the Company's successful IPO. As at 30 June 2026, these Share Rights remained unvested. Subsequent to year end, on 30 July 2026, all Share Rights vested in accordance with the applicable terms and conditions.

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H. Additional Disclosures (continued)

(b) Equity instruments held by KMP - direct and indirect holdings (continued)

Options held:
No Options in the Company were held by any KMP during the year ended 30 June 2026.

(c) Other Transactions with KMP and their Related Parties

Total Related Party Transactions

The aggregate value of each transaction and outstanding balances related to KMP and entities over which they have control or significant influence were as follows:

	Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
	2026	2025	2026	2025
	$	$	$	$
Amounts recognised as revenue				
Services provided to BM Fleet Pty Ltd	468,501	159,892	247,777	155,474
	468,501	**159,892**	**247,777**	**155,474**
Amounts recognised as expense				
Lease of Vessels – BM Fleet Pty Ltd	632,534	853,263	27,225	736,464
Lease of Vessels – KFAMS Pty Ltd	760,010	755,569	366,911	386,364
Lease of Property – The Kannikoski Property Trust	190,805	275,831	-	-
	1,583,349	**1,884,663**	**394,136**	**1,122,828**

Related Party Vessels and Property

As disclosed in the Company's Prospectus sections 6.7.1 and 6.7.2, there are several related party leases for certain vessels and premises.

For the purposes of Chapter 2E of the Corporations Act, the Directors (excluding Anthony Wooles and Loui Kannikoski) consider each lease arrangement below to be on arm's length terms. On renewal of lease arrangements, the Board, excluding the conflicted Directors, considers the commercial terms of any lease renewal and undertakes an assessment of the arms-length nature of the transaction to ensure it remains in the best interest of the Company.

Directors with interests in the transactions below have abstained from voting on matters approved by the Board related to vessel and property leases.

BM Fleet Pty Ltd – vessels leased

During the reporting period, the Company leased vessels from BM Fleet Pty Ltd. The vessel lease arrangements are based on normal industry commercial terms and conditions.

KFAMS Pty Ltd – vessels leased

During the reporting period, the Company leased vessels from KFAMS Pty Ltd, an entity controlled by Tom Kannikoski. Tom Kannikoski is a related party of the Company by virtue of being the son of Director Loui Kannikoski.

The vessel lease arrangements are based on normal industry commercial terms and conditions.

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H. Additional Disclosures (continued)

(c) Other Transactions with KMP and their Related Parties (continued)

Kannikoski Property Trust – Dampier property lease

During the reporting period, the Company leased premises in Dampier, Western Australia from the Kannikoski Property Trust. The Kannikoski Property Trust is a trust associated with Director, Loui Kannikoski and his wife Kerren Kannikoski.

Since the initial expiry of the term on 30 June 2015, the lease has continued to operate on extension options, with the current extension ending 30 June 2027. The lease agreement is based on normal commercial terms and conditions.

For the purposes of Chapter 2E of the Corporations Act, the Directors (excluding Loui Kannikoski) consider the lease arrangement with the Kannikoski Property Trust to be on arm's length terms.

This concludes the remuneration report, which has been audited by KPMG.

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

On behalf of the Board of Bhagwan Marine Limited



Anthony Wooles
Chairman and Non-Executive Director

27 August 2026
Perth, WA

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Bhagwan Marine Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Bhagwan Marine Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

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Hayden Rutters

Partner

Perth

27 August 2026

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Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Continuing operations			
Revenue from contracts with customers	4	235,914	283,038
Raw materials and consumables		(12,544)	(18,281)
Vessel expenses		(51,546)	(69,247)
Employee benefits expense		(108,160)	(128,493)
Depreciation and amortisation expense		(36,682)	(28,074)
Impairment of assets		(1,658)	(219)
Other direct costs		(4,401)	(6,745)
Professional fees		(8,747)	(5,378)
Other income		288	923
Other expenses		(6,361)	(4,487)
Operating profit		**6,103**	**23,037**
Finance income		896	533
Finance costs	5	(5,469)	(4,242)
Profit before tax		**1,530**	**19,328**
Income tax expense	6	(1,730)	(6,842)
(Loss)/Profit for the period attributable to the owners of Bhagwan Marine Limited		**(200)**	**12,486**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of vessels, net of tax	19	5,762	-
Other comprehensive income for the year, net of tax		**5,762**	**-**
Total comprehensive income for the year attributable to the owners of Bhagwan Marine Limited		**5,562**	**12,486**
Earnings per share			
Basic (loss)/earnings per share (cents)	7	(0.06)	4.67
Diluted (loss)/earnings per share (cents)	7	(0.06)	4.65

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements

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Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	Consolidated Restated[1] 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	8	23,847	16,192
Trade and other receivables	9	66,494	52,584
Inventories	10	7,596	2,287
Other current assets	11	5,065	3,939
Total current assets		**103,002**	**75,002**
Non-current assets			
Other investments		1,430	1,454
Property, plant and equipment	12	221,156	158,300
Right-of-use assets	13	47,909	35,305
Intangible assets and goodwill	14	69,500	-
Non-current financial assets	15	11,978	11,730
Total non-current assets		**351,973**	**206,789**
Total assets		**454,975**	**281,791**
Liabilities			
Current liabilities			
Trade and other payables	16	52,841	35,178
Loans and borrowings	17	23,541	21,996
Lease liabilities	13	12,963	14,771
Employee benefits	18	6,932	6,094
Total current liabilities		**96,277**	**78,039**
Non-current liabilities			
Loans and borrowings	17	86,786	11,195
Lease liabilities	13	34,322	18,142
Deferred tax liabilities	6	19,794	8,659
Employee benefits	18	1,150	849
Total non-current liabilities		**142,052**	**38,845**
Total liabilities		**238,329**	**116,884**
Net assets		**216,646**	**164,907**
Equity			
Issued capital	19	190,739	142,062
Reserves	19	63,602	57,388
Profit reserve	19	9,534	12,486
Accumulated losses		(47,229)	(47,029)
Total equity		**216,646**	**164,907**

[1] Refer to note 29 for details of the restatement.

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

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Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

Consolidated	Issued capital	Reserves	Profit reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024 as previously reported	65,262	56,942	-	(44,128)	78,076
Impact of restatement	-	-	-	(2,901)	(2,901)
Balance at 1 July 2024 (restated)[1]	65,262	56,942	-	(47,029)	75,175
Profit for the period	-	-	-	12,486	12,486
Other comprehensive income:					
Revaluation of vessels, net of tax	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**12,486**	**12,486**
Transactions with owners in their capacity as owners:					
Share capital issued, net of transaction costs	76,800	-	-	-	76,800
Transfer to profit reserve	-	-	12,486	(12,486)	-
Equity settled share-based payments	-	446	-	-	446
Total transactions with owners in their capacity as owners	**76,800**	**446**	**12,486**	**(12,486)**	**77,246**
Balance at 30 June 2025 (restated)[1]	**142,062**	**57,388**	**12,486**	**(47,029)**	**164,907**

Consolidated	Issued capital	Reserves	Profit reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025 (restated)[1]	142,062	57,388	12,486	(47,029)	164,907
Loss for the period	-	-	-	(200)	(200)
Other comprehensive income:					
Revaluation of vessels, net of tax	-	5,762	-	-	5,762
Total comprehensive income for the period	**-**	**5,762**	**-**	**(200)**	**5,562**
Transactions with owners in their capacity as owners:					
Share capital issued, net of transaction costs	48,677	-	-	-	48,677
Transfer to profit reserve	-	-	-	-	-
Dividends paid			(2,952)	-	(2,952)
Equity settled share-based payments	-	452	-	-	452
Total transactions with owners in their capacity as owners	**48,677**	**452**	**(2,952)**	**-**	**46,177**
Balance at 30 June 2026	**190,739**	**63,602**	**9,534**	**(47,229)**	**216,646**

[1] Refer to note 29 for details of the restatement.

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

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from customers		263,648	351,247
Payments to suppliers and employees		(221,747)	(313,041)
Interest and other finance costs paid		(4,993)	(2,385)
Income tax paid		(531)	-
Net cash from operating activities	8	**36,377**	**35,821**
Cash flows from investing activities			
Acquisition of controlled entity (net of cash received)	21	(90,813)	-
Payments for property, plant and equipment		(27,236)	(38,363)
Proceeds from disposal of property, plant and equipment		35	900
Net cash used in investing activities		**(118,014)**	**(37,463)**
Cash flows from financing activities			
Proceeds from cash advance facility	17	70,000	-
Proceeds from market rate loan	17	10,165	-
Proceeds from asset finance facility	17	4,474	15,125
Proceeds from working capital facility	17	-	20,000
Repayment of market rate loan	17	(5,165)	-
Repayment of asset finance facility	17	(2,338)	-
Repayment of borrowings		-	(60,907)
Repayment to overdraft facility		-	(18,769)
Dividends paid to shareholders of the parent		(2,952)	-
Payment of lease liabilities		(13,570)	(15,766)
Proceeds from issue of ordinary shares		28,678	76,800
Net cash from financing activities		**89,292**	**16,483**
Net increase in cash and cash equivalents		**7,655**	**14,841**
Cash and cash equivalents at the beginning of the financial year		16,192	1,351
Cash and cash equivalents at the end of the financial year	8	**23,847**	**16,192**

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

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The consolidated financial statements comprise Bhagwan Marine Limited (the "**Company**") and its subsidiaries (the "**Group**"). Bhagwan Marine Limited is a company limited by shares, incorporated and domiciled in Australia. The address of its registered office and principal place of business is Level 11, 15-17 William Street, Perth, Western Australia, 6000.

The Group is a for-profit entity and a description of the nature of the group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 August 2026.

(a) Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law. Compliance with Australian Accounting Standards ensures that the Group financial statements and notes comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The accounting policies have been consistently applied to all years presented unless otherwise stated. Details of the Group's other accounting policies are included in note 30.

(b) Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuation of normal business operations and the ability to realise assets and discharge liabilities in the ordinary course of business.

On 31 March 2026, the Company acquired 100% of Riverside Marine Holdings Pty Ltd (**Riverside Marine**). The acquisition was completed on a debt free cash free basis with a normal level of working capital, for an enterprise value of up to $130.0 million. Initial cash consideration of $100.0 million was paid at date of acquisition.

The initial cash consideration was funded in two parts, being $30.0 million funded from equity raising and $70.0 million funded by a three-year facility from Commonwealth Bank of Australia.

In assessing the appropriateness of the going concern assumption, the Directors have considered:

- The Group's cash flow forecasts for a period of at least 12 months from the date of signing these financial statements;
- Forecast compliance with all financial covenants under the Group's debt facilities;
- The expected operating performance and cash generation of both the existing operations and the acquired business;
- Available undrawn debt facilities of $29.7 million; and
- Analysis performed on key assumptions, including revenue growth, operating margins and working capital movements.

Accordingly, the Directors believe that, at the date of approving the financial statements, there are reasonable grounds to believe that the Group will have sufficient funds to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for vessel assets which are measured at fair value. Identifiable assets and liabilities acquired through business combinations, including customer relationships and customer contracts, are initially recognised at fair value at the acquisition date.

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Note 1. Basis of preparation (continued)

(d) Significant judgements and estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(e) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2026/183, and in accordance with that instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(f) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

Note 2. Critical accounting judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and other relevant factors that are considered reasonable under the circumstances. Actual results may differ from these estimates.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 13 - Determining the lease term of contracts with renewal and termination options – Group as lessee and determining the incremental borrowing rates on leases

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 12 and Note 27(a) – Fair value of vessels
- Note 20 – Share-based payment arrangements
- Note 14 – Goodwill
- Note 14 – Customer contracts acquired in a business combination
- Note 21 – Business combination

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Note 3. Segment information

(a) Basis for segmentation

In the prior year the Group managed its operations as a single business operation as there were no parts of the business that qualify as operating segments under AASB 8 *Operating Segments*. Following the acquisition of Riverside Marine on 31 March 2026, segmentation of the Group's operations has been reviewed, and it has been determined that the Group operates two segments, being Bhagwan Operations and Riverside Operations. This has been determined based on how the Board assesses, as chief operating decision maker, the financial performance of operations to make strategic decisions.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Bhagwan Operations	Bhagwan provides integrated marine logistics, solutions and vessel services to the ports & inshore, offshore energy & resources and subsea sectors across Australia. Its operations include the provision of marine assets, transportation services, project solutions, offshore support, towage and associated marine solutions to support customer operations in coastal and offshore environments.
Riverside Operations	Riverside operates a diversified portfolio of business, including Rivtow Marine, Riverside Industrial Sands, Magnetic Island Ferries and Riverside Oceanic. Riverside's core activities encompass ports & inshore services, including harbour and terminal towage, vessel management, passenger and vehicle ferry services, marine tourism, sand transport and processing and marine consultancy.

The Group operates in only one geographical segment, being Australia.

(b) Information about reportable segments

Information in relation to each reportable segment is set out below. Segment EBITDA (Segment earnings before interest, tax, depreciation and amortisation) is a non-IFRS measure used to assess the performance as management believe that this information is the most relevant in evaluating the results of the Group's operations relative to other entities that operate in the same industries.

Segment results

2026	Reportable Segments		
	Bhagwan Operations $'000	Riverside Operations $'000	Total $'000
External revenues	220,848	15,066	235,914
Cost of sales	(143,489)	(5,942)	(149,431)
Gross profit	77,359	9,124	86,483
Admin costs	(35,705)	(3,010)	(38,715)
Significant non-recurring transaction costs	(3,613)	-	(3,613)
Impairment of assets	(1,658)	-	(1,658)
Segment EBITDA	36,383	6,114	42,497
Adjustments for:			
Finance income			896
Other income			288
Depreciation expense			(35,506)
Acquired intangible assets amortisation expense			(1,176)
Finance costs			(5,469)
Income tax expense			(1,730)
(Loss)/Profit for the year			**(200)**

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Note 3. Segment information (continued)

(b) Information about reportable segments (continued)

Segment results (continued)

2025	Reportable Segments		
	Bhagwan Operations $'000	Riverside Operations $'000	Total $'000
External revenues	292,240	-	292,240
Passthrough revenue[1]	(9,202)	-	(9,202)
Net revenue	283,038	-	283,038
Cost of sales	(198,664)	-	(198,664)
Gross profit	84,374	-	84,374
Admin costs	(33,967)	-	(33,967)
Impairment of assets	(219)	-	(219)
Segment EBITDA	50,188	-	50,188
Adjustments for:			
Finance income			533
Other income			923
Depreciation and amortisation expense			(28,074)
Finance costs			(4,242)
Income tax expense			(6,842)
Profit for the year			**12,486**

Footnote:

1. Non AASB15 *Revenue from Contracts with Customers*

Segment assets and liabilities

	Assets		Liabilities	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Bhagwan Operations	350,559	281,791	189,827	116,884
Riverside Operations	104,416	-	48,502	-
Consolidated Group	**454,975**	**281,791**	**238,329**	**116,884**

(c) Major customers

The Group's major customers vary year on year, being dependant on the projects and services occurring.

For the year ended 30 June 2026, there was one major customer, contributing 10.3% of Group revenue being $24.2 million for the Bhagwan Operations segment.

For the year ended 30 June 2025, there were two major customers, one contributing 20.9% of Group revenue being $61.2 million for the Bhagwan Operations segment and the other contributing 10.7% of Group revenue being $31.4 million for the Bhagwan Operations segment.

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Note 4. Revenue

(a) Revenue streams

	Consolidated 2026 $'000	2025 $'000
Sales revenue		
Rendering of services	228,075	283,038
Sale of goods	7,839	-
	235,914	**283,038**

(b) Disaggregation of revenue from contracts with customers

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market, industry sector and timing of revenue recognition.

	Consolidated 2026 $'000	2025 $'000
Primary geographical markets:		
Australia	235,914	283,038
External revenue as reported	**235,914**	**283,038**
Primary industry sector:		
Port & inshore services	115,156	84,091
Offshore energy & resources services	71,072	112,873
Subsea services	43,593	56,353
Defence & other services	6,093	3,273
TVI project	-	26,448
External revenue as reported	**235,914**	**283,038**
Timing of revenue recognition:		
Products and services transferred over time	228,075	283,038
Products transferred at a point in time	7,839	-
External revenue as reported	**235,914**	**283,038**

Revenue from contracts with customers is recognised over time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue relating to sale of goods is recognised as revenue at the point in time that the Group transfers control of the goods to the customer.

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Note 4. Revenue (continued)

(b) Disaggregation of revenue from contracts with customers (continued)

Revenue from services

Revenue is derived from the utilisation of specialised vessels, equipment, personnel and materials to provide a diverse range of marine services within ports & inshore, offshore energy & resources and subsea locations to its customers.

The services provided in each contract are all integrated and represent single performance obligations. These services are contracted on a set rate per day. Revenue is recognised over the period of time based on the number of days the customer utilises the services provided. Income received in advance is deferred until the service is rendered.

The Group assesses each revenue contract it enters to determine whether it acts as a principal or an agent. This assessment is based on whether the Group controls the specified goods or services before they are transferred to the customer. In most cases, the Group acts as a principal, as it typically controls the goods or services prior to transfer. Accordingly, revenue is recognised at the gross amount of consideration received or receivable. However, in limited arrangements, the Group facilitates the provision of services by third-party contractors or suppliers on behalf of customers. In these instances, the Group does not control the services before they are transferred to the customer and therefore acts as an agent. Revenue is recognised at the net amount that is retained for these arrangements. The determination of whether the Group is acting as a principal or an agent is based on the nature of the specific contractual arrangements.

Revenue from sale of goods

Revenue is derived from the sale of goods and is recognised when control of the goods transfers to the customer, generally upon delivery to the customer's nominated location. Revenue is measured at the agreed transaction price, net of discounts and rebates. The performance obligation is satisfied at a point in time upon transfer of control of the goods to the customer.

Note 5. Finance costs

	Consolidated	
	2026	2025
	$'000	$'000
Interest and finance charges paid/payable	3,818	2,635
Interest on lease of right of use assets	1,651	1,063
Net foreign exchange loss	-	544
Total finance costs	**5,469**	**4,242**

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Note 6. Income tax expense

	Consolidated 2026 $'000	2025 $'000
Amounts recognised in profit or loss:		
Current tax expense		
Current year	-	-
Changes in estimates related to prior years	-	-
	-	-
Deferred tax expense:		
Utilisation of prior period tax loss	(4,221)	(5,637)
Origination and reversal of temporary differences	2,491	(1,205)
Tax expense on continuing operations	**(1,730)**	**(6,842)**
Reconciliation of effective tax rate:		
Profit before tax from continuing operations	1,530	19,328
Tax at the statutory tax rate of 30%	(459)	(5,799)
Non-deductible expenses:		
Share based payments	(135)	(134)
Acquisition transaction costs	(568)	-
Other	(28)	-
	(731)	**(134)**
(Under) / over provided in prior years	(540)	(909)
Income tax expense	**(1,730)**	**(6,842)**

Balance 30 June 2026 Movements in tax balances	Net balance 1 July Restated[1] $'000	Balances on Acquisition $'000	Charged to Income Statement $'000	Charged to Equity $'000	Net balance 30 June $'000	Deferred tax assets $'000	Deferred tax liabilities $'000
Tax losses carried forward	5,934	-	(4,221)	-	1,713	1,713	-
Impairment of receivables	170	-	544	-	714	714	-
Accrued income	-	(230)	54	-	(176)	-	(176)
Accrued expenses	2,442	54	1,562	-	4,058	4,058	-
Property, plant and equipment	(16,537)	(774)	(461)	(2,470)	(20,242)	-	(20,242)
Prepaid expenses	(108)	(13)	12	-	(109)	-	(109)
Intangible assets	738	(7,771)	(4)	-	(7,037)	-	(7,037)
AASB 16 - Right of use assets	(10,590)	(1,102)	(2,494)	-	(14,186)	-	(14,186)
AASB 16 – Lease liabilities	9,874	1,247	3,023	-	14,144	14,144	-
Other items	(625)	1,654	297	-	1,327	1,327	-
Foreign exchange	43	-	(43)	-	-	-	-
Tax assets/ (liabilities) before offset	**(8,659)**	**(6,935)**	**(1,730)**	**(2,470)**	**(19,794)**	**21,956**	**(41,750)**
Tax liabilities offset						**(41,750)**	
Net deferred tax liabilities						**(19,794)**	

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Note 6. Income tax expense (continued)

Balance 30 June 2025 Movements in tax balances	Net balance 1 July Restated[1] $'000	Charged to Income Statement $'000	Charged to Equity $'000	Net balance 30 June Restated[1] $'000	Deferred tax assets $'000	Deferred tax liabilities Restated[1] $'000
Tax losses carried forward	11,571	(5,637)	-	5,934	5,934	-
Impairment of receivables	104	66	-	170	170	-
Accrued expenses	2,620	(178)	-	2,442	2,442	-
Property, plant and equipment	(16,357)	(180)	-	(16,537)	-	(16,537)
Prepaid expenses	-	(108)	-	(108)	-	(108)
Intangible assets	885	(147)	-	738	738	-
AASB 16 - Right of use assets	(4,926)	(5,664)	-	(10,590)	-	(10,590)
AASB 16 – Lease liabilities	4,884	4,989	-	9,874	9,874	-
Other items	(599)	(26)	-	(625)	-	(625)
Foreign exchange	-	43	-	43	43	-
Tax assets/(liabilities) before offset	**(1,818)**	**(6,842)**	**-**	**(8,659)**	**19,201**	**(27,860)**
Tax liabilities offset					(27,860)	
Net deferred tax liabilities					**(8,659)**	

Footnote:
1 Refer to note 29 for details of the restatement.

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 and does not give rise to equal taxable and deductible temporary differences; 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; and
- Taxable temporary differences arising on the initial recognition of goodwill.

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.

Bhagwan Marine Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

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Note 7. Earnings per share

	Consolidated 2026	2025
Basic (loss)/earnings per ordinary share (cents)	(0.06)	4.67
Diluted (loss)/earnings per ordinary share (cents)	(0.06)	4.65
The calculation of basic and diluted earnings per share is based on the following:		
(Loss)/Profit for the period attributable to ordinary shareholders – basic and diluted ($'000)	(200)	12,486
Weighted average number of ordinary shares – basic ('000)	310,303	267,525
Weighted average number of ordinary shares – diluted ('000)	311,117	268,323

Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing profit attributable to equity holders 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 year.

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by dividing profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

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Note 8. Cash and cash equivalents

	Consolidated	
	2026	2025
	$'000	$'000
Cash at bank and on hand	**23,847**	**16,192**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. For the consolidated statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within loans and borrowings in current liabilities on the consolidated statement of financial position unless the overdraft account is used for financing.

(a) Reconciliation of (loss)/profit after income tax to net cash from operating activities:

	Consolidated	
	2026	2025
	$'000	$'000
(Loss)/profit after income tax benefit from continuing operations	**(200)**	**12,486**
Adjustments for:		
Depreciation and amortisation	36,682	28,074
Impairment current assets	1,933	219
Net foreign exchange differences	-	544
Net loss/(gain) on disposal of property, plant and equipment	35	(908)
Revaluation of vessels	(275)	-
Interest income on related party loan	(478)	(387)
Income tax expense	1,730	6,842
Change in operating assets and liabilities:		
Decrease in trade and other receivables	5,036	30,373
Increase in non-current financial assets	(248)	(716)
Increase in inventories	(959)	(87)
Increase in prepayments	(307)	(459)
Decrease in other investments	25	-
Decrease in trade and other payables	(6,835)	(41,537)
Increase in employee benefits	238	1,377
Net cash from operating activities from continuing operations	**36,377**	**35,821**

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Note 9. Trade and other receivables

	Consolidated	
	2026	2025
	$'000	$'000
Trade receivables	45,809	47,539
Related party receivables (note 22)	248	155
Less: Allowance for expected credit losses	(2,379)	(564)
	43,678	**47,130**
Accrued revenue	7,047	3,462
Contract costs to be recharged	13,714	-
Other receivables	2,055	1,992
	66,494	**52,584**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit loss. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for expected credit loss of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for expected credit loss.

Note 10. Inventories

	Consolidated	
	2026	2025
	$'000	$'000
Raw materials and consumables	7,434	2,287
Finished goods	162	-
	7,596	**2,287**

Raw materials and consumables are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Inventories consumed in operations and recognised as an expense during the year were $13.2 million (2025: $10.9 million).

The Group did not recognise any write-downs of inventory during the year (2025: $nil).

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Note 11. Other current assets

	Consolidated	
	2026	2025
	$'000	$'000
Prepayments	4,291	3,444
Contract assets	618	339
Security deposits	156	156
	5,065	**3,939**

Note 12. Property, plant and equipment

	Consolidated	
	2026	2025
	$'000	$'000
Leasehold land and buildings improvements – at cost	6,876	5,614
Less: Accumulated depreciation	(2,748)	(2,563)
	4,128	**3,051**
Plant and equipment – at cost	25,621	22,246
Less: Accumulated depreciation	(18,844)	(17,331)
	6,777	**4,915**
Leasehold vessel improvements – at cost	20,911	17,583
Less: Accumulated depreciation	(11,868)	(9,021)
	9,043	**8,562**
Vessels – at revaluation	267,974	195,790
Less: Accumulated depreciation	(70,545)	(54,516)
	197,429	**141,274**
Capital work in progress	3,779	498
	221,156	**158,300**

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Note 12. Property, plant and equipment (continued)

Consolidated	Leasehold land and buildings	Plant and equipment	Vessels	Leasehold vessels and vessel equipment	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**3,231**	**4,207**	**117,873**	**3,950**	**4,930**	**134,191**
Additions	8	2,013	30,746	5,399	498	38,664
Disposals	-	(1)	-	-	-	(1)
Revaluation of vessels	-	-	-	-	-	-
Transfers from capital WIP	-	-	3,791	1,139	(4,930)	-
Other transfers	-	-	-	-	-	-
Depreciation expense	(188)	(1,304)	(11,136)	(1,926)	-	(14,554)
Balance at 30 June 2025	**3,051**	**4,915**	**141,274**	**8,562**	**498**	**158,300**
Additions	151	708	12,863	4,980	2,906	21,608
Acquired through business acquisition (note 21)	1,110	2,668	43,500	-	442	47,720
Disposals	-	(1)	-	-	-	(1)
Revaluation of vessels	-	-	8,507	-	-	8,507
Transfers from capital WIP	-	-	48	19	(67)	-
Other transfers	-	-	1,671	(1,671)	-	-
Transfer from ROU asset	-	-	5,595	-	-	5,595
Depreciation expense	(184)	(1,513)	(16,029)	(2,847)	-	(20,573)
Balance at 30 June 2026	**4,128**	**6,777**	**197,429**	**9,043**	**3,779**	**221,156**

Impairment of non-current assets

The Group performs a review of non-current asset values each year whenever circumstances indicate that the carrying amount of assets are impaired. The Group did not recognise an impairment as at 30 June 2026 (2025: impairment of $nil). There were no other indicators of impairment identified as at 30 June 2026.

Estimation of useful lives of assets

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

Revaluation of vessels

Vessels are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure the carrying amount of a revalued vessel does not differ materially from its fair value.

The fair value measurements of the Group's vessels at 30 June 2026 were performed by Marko Boats Australia Pty Ltd, independent valuers not related to the Group. Marko Boats Australia Pty Ltd are certified valuers with an AMIS and AVAA designation, and they have appropriate qualifications and recent experience in the fair value measurement of vessels in the relevant sectors. The valuations conform to International Valuation Standards and were based on industry accepted approaches to value being the Cost Approach (current replacement cost). Independent valuations were obtained for vessels with a total fair value of $153.0 million at 30 June 2026. Vessels acquired through the Riverside Marine acquisition were independently valued as at March 2026, with a total fair value of $43.5 million.

The carrying amount of vessels, had they been carried under the cost model, would be $119.3 million (2025: $83.5 million).

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Note 12. Property, plant and equipment (continued)

Property, plant and equipment, except vessels, is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Vessels – survey and refits

In a vessel's lifetime, it will undergo general maintenance due to operations, be inspected to satisfy the requirements of licensing, and go through restoration to extend the useful life of the vessel.

- A vessel survey is an Australian Maritime Safety Authority (**AMSA**) requirement, a certificate of survey is evidence that a vessel is surveyed and meets specified standards for design, construction, stability and safety equipment that apply to the vessel. When each major survey is performed the costs are recognised in the carrying amount of the vessel. Any previous vessel survey cost remaining within the carrying amount of the vessel is derecognised when the new vessel survey is recognised in the carrying amount.
- A vessel refit is general vessel upgrades and improvements in addition to the requirement of the vessel survey. When a vessel has a scheduled refit, the work performed extends the useful life of the vessel therefore all costs in relation to the refit are recognised in the carrying amount of the vessel as a component.

Vessels – leasehold vessels

Capital costs in relation to vessels that are leased rather than owned are capitalised and depreciated over the life of the lease.

Vessels – depreciation

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives. The depreciation rates used are as follows:

Buildings	2.5%
Leasehold land (over period of lease)	4%–10%
Leasehold vessels (over period of lease)	20%–100%
Plant and equipment	20%–66%
Vessels	4%
Vessel survey and refits	20%–100%

Increases in the carrying amounts arising on the revaluation of vessels are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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Note 13. Leases

This note provides information for leases where the group is a lessee. The Group leases several assets including:

- Current head office premises in Perth which expires on 15 January 2033.
- Operating premises in Henderson, Darwin, Gove, Dampier, Brisbane and Melbourne.
- Vessel bareboat charters with varying lease terms.

(a) Amounts recognised in the consolidated statement of financial position

Consolidated	Note	Properties $'000	Vessels $'000	Motor vehicles and equipment $'000	Total $'000
Balance at 1 July 2024		**4,970**	**11,119**	**335**	**16,424**
Depreciation charge for the year		(3,030)	(10,008)	(478)	(13,516)
Additions to right-of-use assets		5,558	23,632	3,207	32,397
Balance at 30 June 2025		**7,498**	**24,743**	**3,064**	**35,305**
Depreciation charge for the year		(3,736)	(10,380)	(817)	(14,933)
Acquired through business acquisition	21	4,295	-	-	4,295
Additions to right-of-use assets		20,537	10,880	448	31,865
Disposals of right-of-use assets		-	(2,356)	(672)	(3,028)
Transfer to property, plant & equipment asset		-	(5,595)	-	(5,595)
Balance at 30 June 2026		**28,594**	**17,292**	**2,023**	**47,909**

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Lease liabilities			
Balance at 1 July		32,913	16,281
Acquired through business acquisition	21	4,295	-
Additions		31,865	32,397
Disposals		(3,028)	-
Transfer to property, plant & equipment asset	12	(5,595)	-
Accretion of interest		1,651	1,063
Payments		(14,816)	(16,828)
Balance at 30 June		**47,285**	**32,913**
Current		12,963	14,771
Non-Current		34,322	18,142

(b) Amounts recognised in the consolidated statement of profit or loss

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest expense (included in finance cost)	1,651	1,063
Expense relating to short-term leases	865	15,942
	2,516	**17,005**

The total cash outflow for leases in 2026 was $14.4 million (2025: $31.7 million).

The short-term committed lease payments at 30 June 2026 were $nil (2025: $nil).

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Note 13. Leases (continued)

(c) Future lease payments

The total of future lease payments is disclosed for each of the following periods:

	Consolidated	
	2026	2025
	$'000	$'000
Less than one year	15,961	31,805
One to two years	10,541	8,085
Two to three years	8,227	6,645
Three to four years	4,885	4,886
Four to five years	3,035	1,548
More than five years	20,082	468
	62,731	**53,437**

The Group as a lessee

The Group makes use of leasing arrangements principally for the provision of office space and related facilities and vessels. The rental contracts for properties are typically negotiated for terms of between 2 and 20 years and some of these have extension terms. Lease terms for vessels are between 1 and 5 years and some of these have extension terms.

The group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not exercise the option to renew.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implied in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with a similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual guarantee and payments arising from options reasonably certain to be exercised.

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Note 13. Leases (continued)

(c) Future lease payments (continued)

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Change in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to the lease term is discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The Group has elected to account for short-term leases using the practical expedients. $0.9 million was recognised in the profit or loss for the reporting period (2025: $15.9 million) to reflect lease payments that arise from short-term leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Note 14. Intangible assets and goodwill

	Goodwill $'000	Customer contracts $'000	Customer relationships $'000	Total $'000
Year ended 30 June 2026				
Carrying amount at 1 July 2025	-	-	-	-
Acquisitions				
Business combinations (note 21)	44,237	25,200	1,239	70,676
Amortisation	-	(1,122)	(54)	(1,176)
Carrying amount at 30 June 2026	**44,237**	**24,078**	**1,185**	**69,500**
At 30 June 2026				
Cost	44,237	25,200	1,239	70,676
Accumulated amortisation and impairment	-	(1,122)	(54)	(1,176)
Net carrying amount	**44,237**	**24,078**	**1,185**	**69,500**
Year ended 30 June 2025				
Carrying amount at 1 July 2024	-	-	-	-
Acquisitions				
Purchases	-	-	-	-
Amortisation	-	-	-	-
Carrying amount at 30 June 2025	**-**	**-**	**-**	**-**
At 30 June 2025				
Cost	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
Net carrying amount	**-**	**-**	**-**	**-**

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Note 14. Intangible assets and goodwill (continued)

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date.

Goodwill is not amortised but will be assessed for impairment at least annually and more frequently if events or changes in circumstances indicate that it might be required.

The customer contracts were acquired as part of a business combination and represent the difference in contract pricing and market prices, adjusted for time value of money. Customer relationships were acquired as part of a business combination and represent the value attributed to the acquired customer base and the expected future economic benefits arising from ongoing customer contracts and recurring business opportunities.

The customer contracts and relationships are recognised at fair value at the acquisition date and are subsequently amortised over their deemed useful lives. There was no impairment expense at 30 June 2026 (2025: $nil).

Estimation of useful lives of intangible assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets.

Note 15. Non-current financial assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Debt instruments at amortised cost			
Receivables from related parties	22	**11,978**	**11,730**

Note 16. Trade and other payables

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Trade payables		27,456	19,117
Payable to related parties	22	394	1,123
Accrued expenses		24,991	14,938
		52,841	**35,178**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Note 17. Loans and borrowings

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current Liabilities		
Commonwealth Bank of Australia ('CBA') Working Capital Facility	20,000	20,000
Commonwealth Bank of Australia ('CBA') Asset Finance Facility	3,541	1,996
	23,541	**21,996**
Non-current Liabilities		
Commonwealth Bank of Australia ('CBA') Cash Advance Facility	70,000	-
Commonwealth Bank of Australia ('CBA') Asset Finance Facility	11,786	11,195
Commonwealth Bank of Australia ('CBA') Market Rate Loan Facility	5,000	-
	86,786	**11,195**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of Maturity	2026 Limit $'000	2026 Carrying Amount $'000	2025 Limit $'000	2025 Carrying Amount $'000
Secured loans							
Working capital facility – CBA	AUD	BBSY + 0.80%	2027[1]	30,000	20,000	30,000	20,000
Total bank overdraft facility				**30,000**	**20,000**	**30,000**	**20,000**
Secured loans							
Asset finance facility – CBA	AUD	6.01%	2030[2]	25,000	11,194	30,000	13,191
Asset finance facility – CBA	AUD	6.25%	2029[3]	5,000	4,133	-	-
				30,000	**15,327**	**30,000**	**13,191**
Cash advance facility – CBA	AUD	2.40%	2029[4]	70,000	70,000	-	-
Market rate loan facility – CBA	AUD	BBSY + 1.50%	2027[5]	10,000	5,000	10,000	-
Contingent liability facility – CBA[6]	AUD	1.75%	2027[1]	10,000	-	10,000	-
Corporate card facility – CBA[7]	AUD	17.99%	2027[1]	1,500	-	1,500	-
Total interest-bearing liabilities				**151,500**	**110,327**	**81,500**	**33,191**

Footnote:

1. 30 June 2027.
2. 06 February 2030.
3. 27 March 2029.
4. 25 March 2029.
5. 20 December 2027.
6. The contingent liability facility can be drawn down if required for bank guarantees and letters of credit to third party customers. Refer to note 24 for further details.
7. The corporate card facility includes three facilities in relation to the corporate credit card and procurement cards. The facility limit totalling $1.5 million can be re-allocated between these facilities upon request.

Security provided for CBA facilities include:

- 1st ranking General Security Interest over all present and after-acquired property of each of the Obligors;
- Unlimited interlocking corporate Guarantee & Indemnity from each of the Obligors;
- 1st ranking security over all trade receivables by way of assignment in equity supported by a registration on the PPSR;
- Purchase Money Security Interest registration over each asset financed under Asset Finance Facility;
- Master Asset Finance Agreement;
- Negative pledge from the Obligors;
- Facility Agreement and documentation incorporating usual representatives and warranties, undertakings and events of default; and
- Derivatives Master Agreement.

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Note 17. Loans and borrowings (continued)

CBA facility covenants:

The Group's financing arrangements include undertakings to ensure ongoing compliance with key financial covenants, specifically the Debt Service Cover Ratio (**DSCR**) and Gross Leverage Ratio. The Minimum Equity Ratio has been included in Bhagwan Marine's reporting requirements since Q1 FY26. Following the renegotiation of the facility to facilitate the acquisition of Riverside Marine (see note 21), the Group's covenants were reviewed and remained unchanged. Covenant obligations are reviewed quarterly by both management and the Group's financial counterparties. As at the reporting date, the Group remained in full compliance with all banking covenant requirements.

If the Group fails to meet the required covenants, the lender may declare that all the loans, together with the accrued interest, be immediately due and payable by the Group. The borrowings are classified as non-current based on management expectation that the Group will continue to meet these covenants and have existing right to defer settlement for at least 12 months after the reporting date. The Group expects to comply with the quarterly covenants for the 12 months following the reporting date.

Note 18. Employee benefits

	Consolidated	
	2026	2025
	$'000	$'000
Non-current Liabilities		
Liability for long-service leave	1,150	849
	1,150	**849**
Current Liabilities		
Liability for long-service leave	2,181	2,170
Liability for annual leave	2,841	2,244
Liability for marine leave	1,910	1,680
	6,932	**6,094**

Short-term employee benefits

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

Long-term employee benefits

The liability for long term employee benefits is measured as 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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred. Expense recognised for the defined contribution plan during the year was $11.0 million (2025: $12.0 million).

Amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the Group does not have an unconditional right to defer settlement.

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Note 19. Capital and reserves

(a) Share capital

	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares fully paid	**397,151,458**	275,200,238	**190,739**	142,062

Movements in ordinary share capital

	Date	Shares	Issue Price	$'000
Balance as at 30 June 2024		**148,216,111**	**-**	**65,262**
Issue of ordinary shares[1]	23 July 2024	126,984,127	0.63	80,000
Less IPO costs		-	-	(3,200)
Balance as at 30 June 2025		**275,200,238**		**142,062**
Issue of ordinary shares[2]	17 February 2026	40,000,000	0.41	16,400
Issue of ordinary shares – Acquisition of Riverside[3]	31 March 2026	48,780,488	0.41	20,000
Issue of ordinary shares[4]	31 March 2026	33,170,732	0.41	13,600
Less share issue costs		-	-	(1,323)
Balance as at 30 June 2026		**397,151,458**		**190,739**

Footnote:

1. On 23rd July 2024, the Company raised $80.0 million (before costs) by issuing 126,984,127 ordinary shares through the Company's Initial Public Offering.
2. On 17th February 2026, the Company raised $16.4 million (before costs) by issuing 40,000,000 ordinary shares through Tranche 1 of the Placement as part of the acquisition of Riverside Marine. These ordinary shares were issued under the Company's existing placement capacity.
3. On 31st March 2026, 48,780,488 ordinary shares were issued as part of the consideration for the Riverside Marine acquisition. Refer to note 21 for further detail.
4. On 31st March 2026, following Shareholder Approval on 24th March 2026, the Company raised $13.6 million (before costs) by issuing 33,170,732 ordinary shares through Tranche 2 of the Placement as part of the acquisition of Riverside Marine.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares

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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Reserves

Revaluation reserve

This reserve is used to recognise the fair value adjustment on revaluation of vessels.

Share-based payment reserve

This reserve is used to record the value of share-based payments provided to employees, including KMP, as part of their remunerations. Refer to note 20 for further details of these plans.

Profit reserve
The profits reserve represents current year profits (net) transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in the future should the directors declare by resolution.

Accumulated losses
Accumulated losses represents current year and historical losses separated from profits to preserve their loss character.

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Note 19. Capital and reserves (continued)

(b) Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Revaluation Reserve	Profit Reserve	Share-Based Payment Reserve	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**56,942**	**-**	**-**	**56,942**
Movement for the year	-	12,486	446	12,932
Balance at 30 June 2025	**56,942**	**12,486**	**446**	**69,874**
Movement for the year	5,762	(2,952)	452	3,262
Balance at 30 June 2026	**62,704**	**9,534**	**898**	**73,136**

(c) Dividends

Dividends

Dividends paid during the current financial year totalled $3.0 million (2025: nil), which were paid out of the profit reserve. Subsequent to year end the Board of Directors has declared a final dividend of 0.3 cents per share (2025: 0.5 cents). The dividend is fully franked, has a record date of 10 September 2026, and will be paid to shareholders on 6 October 2026. The total value of the dividend distribution to be paid is $1.2 million (2025: $1.4 million), this has not been recognised as a liability at year end.

Franking Credits

	Consolidated	
	2026	2025
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**40,306**	**23,522**

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Franking credits are related to the Australian operations of the Group.

The increase in available franking credits during the year primarily reflects franking credits acquired as part of the Riverside acquisition, which have been recognised within the Group's franking account balance.

(d) Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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Note 20. Share-based payment arrangements

The Company has adopted an incentive awards plan which provides the framework under which individual grants of equity or equity-based incentive awards may be made to executives, employees and individual service providers of the Company and any Associated Body Corporate of the Company. The incentive awards plan has been designed to allow the Board to grant awards to attract and retain talent, and to align the interest of its executives and employees with those of the Company.

During the current year performance rights have been issued to certain executives and employees under the 2024 Incentive Awards Plan.

(a) Equity settled awards outstanding

A summary of the performance rights granted under the incentive awards plan are set out below:

	2026		2025	
	Number of share rights	Weighted average fair value at grant date	Number of share rights	Weighted average fair value at grant date
Outstanding balance at the beginning of the year	3,064,245	0.51	-	-
Rights issued during the year	3,874,760	0.45	3,064,245	0.51
Rights vested during the year	-	-	-	-
Rights lapsed and cancelled during the year	(482,645)	0.46	-	-
	6,456,360	**0.48**	**3,064,245**	**0.51**

The share-based payment expense relating to performance rights included in the profit or loss for the year totalled $0.5 million (2025: $0.4 million).

On 7 October 2025, 2,523,698 performance rights were issued to Executives (**Other Executives**) and on 4 November 2025, 1,351,062 performance rights were issued to Executives, following Shareholder approval, (**Shareholder Approved**) as part of the Company's long-term remuneration incentive. The performance rights (**FY26 LTI**), for both issues, will convert to ordinary shares upon the following conditions being achieved:

- Tranche 1 (50%): Subject to a Relative Total Shareholder Return (**rTSR**) over the three-year performance period, measured against the Total Shareholder Return performance of those in the Comparator Group (**rTSR Hurdle**); and
- Tranche 2 (50%): Subject to a performance condition based on the Company's EBITDA compound annual growth rate (**EBITDA CAGR**) of 5% to 15% per annum over the three-year performance period.

The fair value of the performance rights – long-term incentives for Tranche 1 are determined using a hybrid employee share option pricing model which incorporates a Monte Carlo simulation. The fair value of Tranche 2 is determined using a Black Scholes option pricing model. The assumptions used in assessing the indicative fair value of the performance rights are set out below:

	FY26 LTI – Shareholder Approved		FY26 LTI – Other Executives	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	30 October 2025	30 October 2025	23 September 2025	23 September 2025
Exercise price	$nil	$nil	$nil	$nil
Vesting date	30 June 2028	30 June 2028	30 June 2028	30 June 2028
Underlying share price	$0.57	$0.57	$0.54	$0.54
Risk free rate	4.30%	4.30%	4.27%	4.27%
Volatility	50%	50%	50%	50%
Valuation per performance right	$0.37	$0.57	$0.35	$0.54
Probability of success	N/A	0%	N/A	0%
Provision for employee exit	100%	100%	82%	82%
Number of performance rights granted	675,531	675,531	1,261,849	1,261,849

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Note 20. Share-based payment arrangements (continued)

(b) Vesting conditions of share rights and performance rights granted

Relative TSR:

The comparator group is a peer group comprised of ASX-listed, or otherwise recognised security exchange, companies as determined by the Board. The TSR for Bhagwan Marine and comparator companies is measured over three financial years (e.g. 1 July 2025 to 30 June 2028 for the FY26 LTI grant).

Relative TSR measures the percentage change in a company's share price, plus the value of dividends received during the period, assuming all those dividends are reinvested into new shares.

The proportion of Performance Rights that may vest based on rTSR performance is determined based on ranking approach. The TSR for Bhagwan Marine and each company in the comparator group is measured and the companies are ranked by their TSR performance with vesting based on the following schedule:

Relative TSR performance	Level of vesting
Less than 50th percentile	0%
At 50th percentile	50%
Between the 50th and 75th percentile	50% plus a pro-rata straight-line percentage increase between 50% and 75%
At or above the 75th percentile	100%

EBITDA CAGR:

The EBITDA CAGR will be measured over the three-year performance period and will not be retested.

The vesting schedule for the 50% of the performance rights subject to EBITDA CAGR testing is set out below:

EBITDA CAGR performance	Level of vesting
Less than 5% EBITDA CAGR	0%
At 5% EBITDA CAGR	25%
Between 5% and 15% EBITDA CAGR	25% plus a pro-rata straight-line percentage increase between 5% and 15%
At or above 15% EBITDA CAGR	100%

(c) Recognition and measurement

The performance measures are tested at the end of the three-year performance period to determine the number of Performance Rights that vest. There is no opportunity for re-testing. Rights will lapse if the performance measures are not met at the end of the performance period.

Where a participant ceases employment, whether due to special circumstances (including death, terminal illness or permanent disablement) or due to the participant's resignation or termination, unless the Board determines otherwise and subject to applicable laws, unvested Performance Rights will automatically lapse.

If a participant ceases employment after Performance Rights have vested but not exercised, the participant may continue to hold such vested Performance Rights depending on the circumstances of the cessation of employment.

In these circumstances, vesting will be determined at the discretion of the Board.

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Note 21. Acquisition of Riverside Marine

On 31 March 2026, the Group acquired 100% of the issued capital of Riverside Marine Holdings Pty Ltd (**Riverside Marine**). Riverside Marine specialises in the management and operation of approximately thirty diverse vessels, including nine owned vessels, across five established brands. The acquisition represents a step-change in scale and scope for Bhagwan Marine, strengthening the Group's position as a preferred marine solutions partner.

For the three months ended 30 June 2026, Riverside Marine contributed revenue of $15.1 million, and profit before tax of $2.8 million to the Group's results. If the acquisition had occurred on 1 July 2025, management estimates that consolidated revenue would have been $60.0 million, and consolidated profit before tax for the year would have been $14.3 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2025.

There were no business combinations in the year ended 30 June 2025.

(a) Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	2026 $'000
Cash (see (a)(i))	100,000
Equity instruments (48.8m ordinary shares) (see (a)(ii))	20,000
Working capital and net debt adjustments	2,607
Contingent consideration (see (a)(iii))	-
Total consideration transferred	**122,607**

(i) Cash

The Company paid initial cash consideration of $100.0 million at date of acquisition.

The initial cash consideration was funded in two parts, being $30.0 million funded from equity raising and $70.0 million funded by a three-year facility from Commonwealth Bank of Australia (refer to note 17).

Equity raising:

The Company secured binding commitments to raise $30.0 million (before costs) at an issue price of $0.41 per share, as set out below.

- 40.0 million placement shares (**Tranche 1**) were issued under the Company's existing placement capacity pursuant to Listing Rule 7.1 on 17 February 2026; and
- 23.9 million placement shares (**Tranche 2**) were issued following shareholder approval at a general meeting held on 24 March 2026.
- 9.3 million placement shares (**Director Shares**) were issued following shareholder approval at the general meeting held on 24 March 2026 to Directors and other related parties of Bhagwan Marine.

(ii) Equity instruments issued

The fair value of the 48.8 million ordinary shares issued was based on the listed share price of the Company at 31 March 2026 of $0.41 per share. The ordinary shares will be subject to voluntary escrow (50% escrowed for one year and 50% escrowed for two years) under voluntary escrow agreements.

(iii) Contingent consideration

The Group has agreed to pay the selling shareholders linear earn out consideration of up to $10.0 million if the acquiree's adjusted earn-out EBITDA assessed from 1 July 2025 to 30 June 2026 reaches $25.2 million and capped at $27.2 million. The Group has not included any contingent consideration in the consideration transferred balance, which represents its fair value at the date of acquisition.

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Note 21. Acquisition of Riverside Marine (continued)

(b) Acquisition-related costs

The Group incurred acquisition-related costs of $2.0 million including legal fees and due diligence costs. These costs have been included in 'professional fees'.

(c) Identifiable assets acquired and liabilities assumed

The provisionally accounted for assets and liabilities recognised as a result of the acquisition are as follows:

	2026 $'000
Property, plant and equipment	47,720
Intangible assets – customer contracts and relationships	26,439
Inventories	4,350
Trade and other receivables	19,765
Right of use asset	4,295
Cash and cash equivalents	10,104
Trade and other payables	(23,073)
Lease liabilities	(4,295)
Deferred tax liabilities	(6,935)
Total identifiable net assets acquired	**78,370**

(i) Measurement of fair values

The valuation techniques used for measuring the fair values of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment - Vessels	*Cost approach method* – The fair value assessment of vessels was determined using the depreciated replacement cost method. This approach estimates the current replacement cost of a vessel with equivalent service potential and deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence, existing at the acquisition date.
Property, plant and equipment - Other	*Market comparison* – The fair value assessment for property, plant and equipment other than vessels was determined by reference to observable market transactions for similar assets, where available. Adjustments were made for differences in age, condition, capacity, location and remaining useful life to reflect the characteristics of the acquired assets at the acquisition date.
Intangible assets – customer contracts and relationships	*Multi-period excess earnings metho*d – The excess earnings method is appropriate where the associated cashflows from customer contracts and relationships can be reasonably estimated. The premise of this method is that the value of an intangible asset is equal to the present value of the earnings it generates, net of a reasonable return on other assets contributing to those earnings.
Inventories	*Cost and net realisable value approach method* – The fair value of inventories was assessed based on the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale (net realisable value), where this was lower than cost. The assessment considered the condition and age of inventory, expected future demand, inventory turnover rates and any obsolescence risks existing and the acquisition date.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

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Note 21. Acquisition of Riverside Marine (continued)

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	2026 $'000
Consideration transferred	122,607
Fair value of identifiable net assets	(78,370)
Goodwill	**44,237**

The goodwill is attributable mainly to the skills and technical talent of Riverside Marine's work force and the synergies expected to be achieved from integrating Riverside Marine into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Note 22. Related party disclosures

(a) Parent entity

The Parent entity of the Group is Bhagwan Marine Limited.

(b) Transactions with key management personnel

Key management personnel compensation comprised the following:

	Consolidated	
	2026 $	2025 $
Short-term employee benefits	1,678,017	1,798,786
Long-term employee benefits	(44,020)	15,511
Post-employment benefits	138,731	99,033
Non-monetary car parking employment benefits	6,931	6,935
Share-based payments	141,072	111,941
	1,920,731	**2,032,206**

Detailed remuneration disclosures are provided in the remuneration report on pages 55 to 69.

(c) Related party transactions

Related party transactions disclosed in this note are determined in accordance with AASB 124 Related Party Disclosures. While there is overlap with the related party provisions of the *Corporations Act 2001 (Cth)*, AASB 124 applies a broader definition that includes key management personnel, persons with control, joint control or significant influence over the Company, their close family members, subsidiaries, associates, joint ventures and certain other related entities.

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Note 22. Related party disclosures (continued)

(c) Related party transactions (continued)

The following people are considered related parties for the purposes of disclosure in this note and are subject to transactions with the Company:

Name	Position / Role	Associates	Commentary
Board Members			
Loui Kannikoski	Founder, Managing Director & CEO	BM Fleet Pty Ltd[1] Bhagwan Properties Pty Ltd[2] Guru Pty Ltd[3]	Receives remuneration in his Executive role. Transactions between the Company and with related parties. Holds a material relevant interest of 30.32% in the capital of the Company.
Anthony Wooles	Chair and Non-Executive Director	BM Fleet Pty Ltd[1] AEW Holdings Pty Ltd[4] Trudo Consulting Pty Ltd[5]	Receives Directors Fees in his Board role. Transactions between the Company and with related parties. Holds a material relevant interest of 6.29% in the capital of the Company.
Andrew Wackett	Executive Director – Finance	N/A	Receives remuneration in his Executive role.
Tracey Horton AO	Independent Non-Executive Director	N/A	Receives Director Fees in her Board role.
Persons related to Board Members			
Kerren Kannikoski	General Manager Corporate Services	Bhagwan Properties Pty Ltd[2] Guru Pty Ltd[3]	Spouse of Loui Kannikoski. Receives remuneration in her role as an employee. Transactions between the Company and with related parties. Holds a material relevant interest in the capital of the Company with Loui Kannikoski.
Tom Kannikoski	General Manager Operations – WA	KFAMS Pty Ltd[6]	Son of Loui Kannikoski and Kerren Kannikoski. Receives remuneration in his role as an employee. Transactions between the Company and with related parties.
Chloe Kannikoski	Culture and Engagement Advisor	N/A	Daughter of Loui Kannikoski and Kerren Kannikoski. Receives remuneration in her role as an employee.

Footnote:

1. BM Fleet Pty Ltd is an entity associated with Loui Kannikoski and Anthony Wooles. Refer to note (c) below.
2. Bhagwan Properties Pty Ltd is the trustee of the Kannikoski Property Trust, an entity associated with Loui Kannikoski and Kerren Kannikoski.
3. Guru Pty Ltd, is an entity associated with Loui Kannikoski and Kerren Kannikoski.
4. AEW Holdings Pty Ltd is an entity associated with Anthony Wooles and holds shares in the Company.
5. Trudo Consulting Pty Ltd atf TRUDO Consulting Trust, an entity associated with Anthony Wooles, received Directors Fees for the services of Anthony Wooles as Chairman and Director of the Company.
6. KFAMS Pty Ltd is an entity associated with Tom Kannikoski.

Total Related Party Transactions

As a Founder-led Company, which was converted into a public company in May 2024, there are several related party transactions, which are deemed necessary for the continuing operation of the Company.

During the year, the Company was a party to an ongoing arrangement with entities associated with Founder and Managing Director & CEO Loui Kannikoski and his immediate family members, as well as with Anthony Wooles.

For the purposes of Chapter 2E of the Corporations Act, the Directors (excluding those Directors receiving the financial benefit) consider that the terms and conditions of the related party transaction described in this note were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-KMP related companies on an arm's length basis and within market practice for transactions of the nature of the industry in which the Company operates.

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Note 22. Related party disclosures (continued)

(c) Related party transactions (continued)

Total Related Party Transactions (continued)

The Company did not obtain shareholder approval for any of the related party arrangements referred to in notes (c) (i) to (iv) on the basis that each of the transactions was entered into at a time when the Company was a proprietary company and such related party arrangements did not attract the operation of Chapter 2E of the Corporations Act.

Total transactions with related parties (excluding remuneration) are set out in the table below and described in more detail in notes (i) to (iv) below.

The aggregate value of each of the above transactions and outstanding balances related to related parties and entities over which they have control or significant influence was as follows:

		Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
		2026	2025	2026	2025
	Note	$	$	$	$
Amounts recognised as revenue					
Services provided to BM Fleet Pty Ltd	(i)	468,501	159,892	247,777	155,474
		468,501	**159,892**	**247,777**	**155,474**
Amounts recognised as expense					
Vessel Leases – BM Fleet Pty Ltd	(ii)	632,534	853,263	27,225	736,464
Vessel Leases – KFAMS Pty Ltd	(ii)	760,010	755,569	366,911	386,364
Property Lease – The Kannikoski Property Trust	(iii)	190,805	275,831	-	-
		1,583,349	**1,884,663**	**394,136**	**1,122,828**
Loans					
Loan receivable and related interest – BM Fleet Pty Ltd	(iv)	478,464	425,458	11,977,558	11,730,176
Loan payable and related interest – Kannikoski Shareholder Loan	(iv)	-	(322,283)	-	-
		478,464	**103,175**	**11,977,558**	**11,730,176**

(i) Services

During the year, Bhagwan Marine provided services to BM Fleet Pty Ltd (**BM Fleet**) totalling $468,501 (2025: $159,892). The services were rendered under arm's length terms, consistent with standard commercial practices and market rates.

These services are predominately in connection with the construction, finishings and commissioning of the Bhagwan Micah vessel (formerly known as Bhagwan Phoenix). Bhagwan Marine's direct costs were recovered from BM Fleet at cost price plus 10% by invoice to BM Fleet. Bhagwan Marine has a 5-year lease over the Bhagwan Micah vessel commencing upon delivery and it was therefore in Bhagwan Marine's interests for the vessel build to be completed.

(ii) Vessel leases

As disclosed in sections 6.7.1 and 6.7.2 of the Company's Prospectus, the related party vessel leases arose from historical operational and financing requirements. At the time, the Company's financier was not prepared to fund the acquisition of vessels needed to meet customer demand, requiring the Company to obtain alternative funding arrangements through BM Fleet Pty Ltd and KFAMS Pty Ltd.

BM Fleet Pty Ltd was established under these arrangements to acquire and make vessels available to the Company. Its Directors, Anthony Wooles and Loui Kannikoski, provided personal guarantees and security over BM Fleet-owned vessels to support BM Fleet's financing. The structure was established in good faith, for proper purposes and in the Company's best interests, with the personal financial risk assumed by those Directors considered necessary to support the Company's ongoing operations.

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Note 22. Related party disclosures (continued)

(c) Related party transactions (continued)

(ii) Vessel leases (continued)

These arrangements were entered into before the Company became a public company and have continued where necessary to support its operations. The Directors, excluding conflicted Directors, consider that the ongoing arrangements are made in good faith, for proper commercial purposes, and on terms no more favourable than those available, or reasonably expected to be available, under comparable arm's length arrangements.

Total amounts paid during the year were $1.4 million, including GST (2025: $1.9 million).

The total commitments to related parties, included in vessel lease liabilities is $0.4 million (2025: $3.9 million).

During the year and for the prior year, the Company leased vessels from related parties as set out in the table below:

Vessel	Related Party / Entity	Term	Lease Expiry
Matilda Mae	Tom Kannikoski / KFAMS Pty Ltd	Leased since Nov 2021	21 November 2026
AMS 6	Tom Kannikoski / KFAMS Pty Ltd	Leased since Nov 2022	15 May 2027
BM 2101	Tom Kannikoski / KFAMS Pty Ltd	Leased since Nov 2021	31 October 2026
Rhumb 4113	Tom Kannikoski / KFAMS Pty Ltd	Leased since Dec 2023	11 December 2026
Bhagwan Micah (formerly Phoenix)	Anthony Wooles and Loui Kannikoski / BM Fleet Pty Ltd	5-year term from delivery of vessel	
Henderson Barge	Anthony Wooles and Loui Kannikoski / BM Fleet Pty Ltd	Leased since May 2023 and off-hired in Nov 2025	30 November 2025

(iii) Property leases

The Company has leased Lot 375 Nielsen Place, Dampier, Western Australia (**Premises**) since 2010 from the Bhagwan Properties Pty Ltd ATF the Kannikoski Property Trust.

The Premises continues to have strategic value to the Company's operations in WA due to its location and the design, including office and five crew accommodation units. In June 2026, the Board (excluding conflicted Directors) approved to renew the lease for a one-year term, expiring 30 June 2027, with an increase to the monthly rental charge in line with CPI.

Total amounts paid during the year were $0.3 million, including outgoings and GST (2025: $0.3 million). Total amounts recognised as an expense were $0.2 million (2025: $0.3 million).

The total commitments to related parties, included in property lease liabilities is $0.3 million (2025: $nil).

(iv) Loans with related parties

Loan Receivable from BM Fleet Pty Ltd

As set out in the Company's Prospectus (section 9.6.4.4), the Company (as lender) entered into a loan arrangement with BM Fleet (as borrower) on or around February 2022. The purpose of the loan was to acquire and/or construct certain vessels. The loan amount outstanding at 30 June 2026 due from BM Fleet Pty Ltd is $6.1 million (2025: $5.8 million). Interest accrued of $0.5 million (2025: $0.4 million) is charged at 8% per annum as from 1 July 2023.

In addition to the above, a loan of $5.9 million (2025: $5.9 million) due from BM Fleet Pty Ltd, resulted from the transfer of 50% ownership in a joint venture from Bhagwan Marine to BM Fleet Pty Ltd in 2023. There is no interest paid or payable on this amount. Arm's length interest would have been charged at 8% per annum, totalling $0.5 million ($0.5 million).

These amounts outstanding loans are unsecured and not expected to be settled within the next 12 months. No write downs and no expense has been recognised in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

Repayment of these loans by BM Fleet Pty Ltd is required from any available operating cash (after BM Fleet Pty Ltd has first repaid any amounts owing under the NAB facility), or on sale of an asset where release of the NAB security has occurred.

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Note 22. Related party disclosures (continued)

(d) Securities granted as remuneration

On 29 October 2025, Shareholders approved, under ASX Listing Rules 10.14 and 10.11, the grant of performance rights to Loui Kannikoski, Tom Kannikoski, Kerren Kannikoski, and Andrew Wackett. The performance rights for part of their long-term incentive for FY26 are contingent upon performance hurdles that vest over a three-year period ending 30 June 2028. Details are set in the Remuneration Report on pages 55 to 69 and in the Company's Notice of 2025 Annual General Meeting.

On 12 November 2024, Shareholders approved, under ASX Listing Rules 10.14 and 10.11, the grant of performance rights to Loui Kannikoski, Tom Kannikoski, Kerren Kannikoski, and Andrew Wackett. The performance rights for part of their long-term incentive for FY25 are contingent upon performance hurdles that vest over a three-year period ending 30 June 2027. Details are set in the Remuneration Report on pages 55 to 69 and in the Company's Notice of 2024 Annual General Meeting.

On 8 July 2024, pursuant to the Company's Prospectus and prior to the Company listing on the ASX, the Company granted 74,627 share rights to Directors, Andrew Wackett and Tracey Horton, respectively. These share rights were granted for these services in overseeing the Company's Initial Public Offer and associated processes. Details are set in the Remuneration Report on pages 55 to 69.

(e) Remuneration relating to close family members

During the year, the Company paid employee remuneration related to three (2025: five) Close Family Members of Directors.

These costs include salary and other remuneration payments, which forms part of their conditions of employment. Their remuneration is applied consistently based on the relevant band for the roles and requisite skills and experience, and externally benchmarked and reviewed periodically.

	Consolidated	
	2026	2025
	$	$
Remuneration expense relating to Close Family Members of Directors	877,912	770,252

The increase in remuneration expense during the year, despite the lower number of Close Family Members of Directors, was primarily attributable to 2025 short term incentive (**STI**) payments made during the period.

Close Family Members include spouses or domestic partners, children and dependents of the Director or their spouse/domestic partner, and any other family members who may be expected to influence, or be influenced by, the Directors in their dealings with the Company.

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Note 22. Related party disclosures (continued)

(f) Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 30(a):

Name	Principal place of business / country of incorporation	ACN	Ownership % 2026	Ownership % 2025
DSL Marine Holdings Pty Ltd	Australia	155 467 271	100%	100%
C-side Marine Engineering Pty Ltd	Australia	150 638 190	100%	100%
Barge Partners Group Australia Pty Ltd	Australia	158 034 229	100%	100%
Work Boats Northern Australia 2 Pty Ltd	Australia	158 034 256	100%	100%
Ugly Boats Northern Australia Pty Ltd	Australia	153 173 310	100%	100%
Bhagwan Marine Security Pty Ltd	Australia	087 894 577	100%	100%
RCWB Northern Australia Pty Ltd	Australia	158 034 265	100%	100%
North Australian Barge Services Pty Ltd	Australia	130 684 203	100%	100%
Barge Partnership Pty Ltd	Australia	158 034 247	100%	100%
Bhagwan Marine (NT) Pty Ltd	Australia	609 927 102	100%	100%
Delta Subsea Australasia Pty Ltd	Australia	158 078 043	100%	100%
Bhagwan Employee Incentive Custodian Pty Ltd	Australia	164 188 925	100%	100%
Fourtrees Pty Ltd[1]	Australia	087 320 974	100%	-
Riverside Marine Holdings Pty Ltd[1]	Australia	009 797 791	100%	-
Riverside Industrial Sands Pty Ltd[1]	Australia	009 942 849	100%	-
Riverside Marine Townsville Pty Ltd[1]	Australia	010 961 690	100%	-
Riverside Oceanic Pty Ltd[1]	Australia	010 596 933	100%	-
Rivtow Marine Pty Ltd[1]	Australia	601 268 115	100%	-
Rivtow Marine Queensland Pty Ltd[1]	Australia	612 478 181	100%	-

Footnote:

1. As announced on 31 March 2026, the Company completed its acquisition of 100% of Riverside Marine Holdings Pty Ltd and associated entities and Fourtrees Pty Ltd.

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Note 23. Remuneration of auditors

The Board has considered the non-audit services provided during the year, by the auditor, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

The following fees were paid or payable to the Group's auditors, KPMG, and services provided by other firms:

	Consolidated	
	2026	2025
	$	$
Audit services		
Audit of the financial statements – *KPMG*	435,000	289,000
	435,000	**289,000**
Other services		
Tax compliance and advisory – *KPMG*	54,530	52,250
	54,530	**52,250**
Total fees	**489,530**	**341,250**

Note 24. Contingent liabilities

The Group has given bank guarantees and letters of credit to third party customers, in the normal course of business, as at 30 June 2026 totalling $5.6 million (2025: $2.7 million). The outflow of settlement is considered remote and additional information is not considered practicable to disclose.

Note 25. Deed of cross guarantee

Bhagwan Marine Limited together with certain wholly owned subsidiaries set out below have entered into a Deed of Cross Guarantee (Deed) dated 11 June 2026. The effect of the Deed is that Bhagwan Marine Limited has guaranteed to pay any outstanding liabilities upon the winding up of any wholly owned subsidiary that is party to the Deed. Subsidiaries that are party to the Deed have also given a similar guarantee in the event that Bhagwan Marine Limited or another party to the Deed is wound up.

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and Directors' reports.

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Note 25. Deed of cross guarantee (continued)

The subsidiaries subject to the Deed are:

- Riverside Marine Holdings Pty Ltd
- Fourtrees Pty Ltd
- Riverside Industrial Sands Pty Ltd
- Riverside Marine Townsville Pty Ltd
- Riverside Oceanic Pty Ltd
- Rivtow Marine Pty Ltd
- Rivtow Marine Queensland Pty Ltd

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and the controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2026 is set out as follows:

(a) Statement of profit or loss and other comprehensive income and retained earnings

	2026 $'000
Revenue from contracts with customers	235,914
Raw materials and consumables	(12,544)
Vessel expenses	(51,546)
Employee benefits expense	(108,160)
Depreciation and amortisation expense	(35,395)
Impairment of assets	(1,877)
Other direct costs	(4,401)
Professional fees	(8,747)
Other income	288
Other expenses	(6,363)
Operating profit	**7,169**
Finance income	896
Finance costs	(5,469)
Profit before tax	**2,596**
Income tax expense	(1,730)
Profit for the period	**866**
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Revaluation of vessels, net of tax	4,454
Other comprehensive income for the year, net of tax	**4,454**
Total comprehensive income for the year	**5,320**

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Note 25. Deed of cross guarantee (continued)

(b) Statement of financial position

	2026 $'000
Assets	
Current assets	
Cash and cash equivalents	23,847
Trade and other receivables	66,495
Inventories	7,596
Other current assets	5,065
Total current assets	**103,003**
Non-current assets	
Other investments	28,217
Deferred tax assets	-
Property, plant and equipment	191,151
Right-of-use assets	47,909
Intangible assets and goodwill	69,500
Non-current financial assets	8,947
Total non-current assets	**345,724**
Total assets	**448,727**
Liabilities	
Current liabilities	
Trade and other payables	52,060
Loans and borrowings	23,541
Lease liabilities	12,963
Employee benefits	6,932
Total current liabilities	**95,496**
Non-current liabilities	
Loans and borrowings	86,786
Lease liabilities	34,322
Deferred tax liabilities	19,233
Employee benefits	1,152
Total non-current liabilities	**141,493**
Total liabilities	**236,989**
Net assets	**211,738**
Equity	
Issued capital	190,739
Reserves	42,251
Profit reserve	11,702
Accumulated losses	(32,954)
Total equity	**211,738**

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Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026	2025
	$'000	$'000
(Loss)/Profit after income tax	(1,093)	13,794
Revaluation of vessels	4,454	-
Total comprehensive income	**3,361**	**13,794**

Statement of financial position

	Parent	
		Restated[1]
	2026	2025
	$'000	$'000
Total current assets	61,013	75,002
Total assets	**397,423**	**276,351**
Total current liabilities	66,236	77,258
Total liabilities	**187,642**	**116,104**
Equity		
Issued capital	190,739	142,062
Reserves	42,251	37,346
Accumulated losses	(34,047)	(32,955)
Profit reserve	10,838	13,794
Total equity	**209,781**	**160,247**

[1] Refer to note 29 for more details on the restatement.

Comparative figures

The comparative figures for the previous period have been reclassified where necessary, in order to conform to the current year's presentation. Such reclassification does not affect the previously reported net profits or net assets for the Group.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had given guarantees in relation to the debts of its subsidiaries as at 30 June 2026 of $0.6 million (2025: $nil).

Contingent liabilities

The parent entity has given bank guarantees as at 30 June 2026 of $5.6 million (2025: $2.7 million).

Capital commitments - Property, plant and equipment

The Group has capital commitments of $2.1 million for property, plant and equipment at as 30 June 2026 (2025: $0.6 million).

The Parent entity has capital commitments of $1.9 million for property, plant and equipment at as 30 June 2026 (2025: $0.6 million).

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Note 26. Parent entity information (continued)

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 30(a), except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

(i) Fair value hierarchy

When measuring the fair value of a vessel, the Group uses market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

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

The fair value measurements of vessel assets have been categorised as Level 3 fair values based on the valuation techniques used by the vessel valuer. In acknowledging Cost Approach, the valuer makes significant unobservable inputs per vessel, being the estimated replacement cost of each vessel.

(ii) Level 3 fair values

The following table shows a breakdown of the total gains recognised in respect of Level 3 fair values (vessel assets).

	2026 $'000	2025 $'000
Gain included in 'Other Income'		
Change in fair value (pre-tax)	275	-
Gain included in Other Comprehensive Income		
Change in fair value (pre-tax)	8,232	-
Total change in fair value (pre-tax) – refer note 12	**8,507**	**-**

The Company's core fleet of vessels has an estimated replacement cost ranging from $0.1 million to $31.5 million per vessel (2025: $0.1 million to $16.8 million). The Company's purpose-built dive support vessel has an estimated replacement cost of $50.5 million (2025: $50.5 million).

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Note 27. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

(iii) Valuation techniques and significant unobservable inputs

***Type*:**

Vessel assets

***Valuation technique*:**

Depreciated replacement cost is based on the principle of substitution; a prudent buyer will not pay more for a vessel than the cost of acquiring a substitute vessel of equivalent utility. The appraiser starts with the current replacement cost new of the vessel being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence.

***Significant unobservable inputs*:**

Estimated replacement cost.

***Inter-relationship between key unobservable inputs and fair value measurement*:**

The estimated fair value would increase/(decrease) if the estimated replacement cost of the vessels was higher/(lower).

Other than the 'other investment', the Group does not have financial assets measured at fair value.

Cash and cash equivalents (refer to note 8) and Trade and other receivables (refer to note 9) are financial assets at amortised cost which approximates fair value.

Financial liabilities not measured at fair value include bank overdrafts and secured bank loans (refer to note 17).

(b) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (b)(ii));
- Liquidity risk (see (b)(iii)); and
- Market risk (see (b)(iv))

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

The Group's 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 maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) 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 and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	2026 $'000	2025 $'000
Impairment loss on trade receivables and contract assets arising from contracts with customers	1,933	219
	1,933	**219**

Expected credit loss (ECL) assessment for individual customers

The ECL of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by considering the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The Group writes off a trade receivable when there is information indicating that the debtor is in significant financial difficulty and there is no realistic prospect of recovery. Subsequent recoveries of amounts previously written off are credited against the allowance account.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2026:

30 June 2026	Weighted-average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit-impaired
Current (not past due)	0.31%	15,856	(49)	No
1-30 days past due	0.17%	17,185	(29)	No
31-60 days past due	0.07%	6,979	(5)	No
61-90 days past due	41.16%	450	(185)	No
More than 90 days past due	37.78%	5,587	(2,111)	Yes
		46,057	**(2,379)**	

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2025:

30 June 2025	Weighted-average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit-impaired
Current (not past due)	0.38%	15,794	(61)	No
1-30 days past due	0.14%	14,862	(22)	No
31-60 days past due	0.05%	11,664	(6)	No
61-90 days past due	0.97%	1,540	(15)	No
More than 90 days past due	12.02%	3,834	(460)	Yes
		47,694	**(564)**	

Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2026 $'000	2025 $'000
Balance at 1 July	564	345
Amounts written off	(118)	-
Net remeasurement of loss allowance	1,933	219
Balance at 30 June	**2,379**	**564**

Insignificant trade receivables written off during 2026, are still subject to enforcement activity.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 4.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and two months for individual and corporate customers, respectively.

More than 69% of the Group's customers have been transacting with the Group for over five years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

The Group manages credit risk exposure of trade receivables by monitoring each individual customer, utilising data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. The credit risk is defined using qualitative and quantitative factors that are indicative of the risk of default.

Collectability of trade receivables is reviewed on an ongoing basis and managed through regular meetings with the customers, ongoing contractual arrangements and regular receipts for the balances outstanding. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group does not require collateral in respect of trade and other receivables.

The exposure to credit risk for trade receivables, other receivables and accrued revenue by geographic region was as follows:

	2026 $'000	2025 $'000
Australia		
Trade receivables	46,057	47,694
Less: Allowance for expected credit losses	(2,379)	(564)
	43,678	**47,130**
Accrued revenue	7,047	3,462
Contract costs to be recharged	13,714	-
Other receivables	2,055	1,992
Total Australia exposure	**66,494**	**52,584**

The exposure to credit risk for trade receivables and accrued revenue by type of counterparty was as follows;

	2026 $'000	2025 $'000
End-user customers		
Trade receivables	46,057	47,694
Less: Allowance for expected credit losses	(2,379)	(564)
	43,678	**47,130**
Accrued revenue	7,047	3,462
Contract costs to be recharged	13,714	-
Total End-user customers	**64,439**	**50,592**
Other receivables	2,055	1,992
	66,494	**52,584**

At 30 June 2026, the carrying amount of the receivable from the Group's most significant customer (an Australian end-user) for the year ended 30 June 2026 was $1.8 million. At 30 June 2025, the carrying amount of the receivable from the Group's most significant customer (an Australian end-user) for the year ended 30 June 2025 was $3.8 million.

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In addition, the Group maintains the following lines of credit;

- $30.0 million working capital facility can be drawn down to meet short-term financing needs. At 30 June 2026, $20.0 million was drawn down. Interest is payable at the nominal rate of BBSY + 0.80%.
- $70.0 million cash advance facility can be drawn down to meet long-term financing needs. At 30 June 2026, $70.0 million was drawn down. Interest is payable at the nominal rate of 2.40%.
- $10.0 million market rate loan facility can be drawn down to meet short-term financing needs. At 30 June 2026, $5.0 million was drawn down. Interest is payable at the nominal rate of BBSY + 1.50%.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

The carrying amount of variable interest rate instruments is in agreement with note 17 terms and repayment schedule, bank overdraft facility and commercial advance facilities carrying amounts.

30 June 2026	Carrying amount $'000	Total $'000	2 months or less $'000	2-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Variable interest rate instruments	25,000	(26,482)	(209)	(21,047)	(5,226)	-	-
Fixed interest rate instruments	85,327	(91,640)	(1,007)	(10,536)	(17,044)	(63,053)	-
Lease liabilities	47,285	(61,864)	(2,831)	(12,262)	(10,541)	(16,148)	(20,082)
Trade payables and accruals	52,813	(52,813)	(52,813)	-	-	-	-
Payable to related party	394	(394)	(394)	-	-	-	-
	210,819	**(233,193)**	**(57,254)**	**(43,845)**	**(32,811)**	**(79,201)**	**(20,082)**

30 June 2025	Carrying amount $'000	Total $'000	2 months or less $'000	2-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Variable interest rate instruments	20,000	(20,893)	(149)	(20,744)	-	-	-
Fixed interest rate instruments	13,191	(15,436)	(454)	(2,270)	(2,724)	(9,988)	-
Lease liabilities	32,913	(37,619)	(2,271)	(13,580)	(8,221)	(13,079)	(468)
Trade payables and accruals	34,443	(34,443)	(34,443)	-	-	-	-
Payable to related party	736	(736)	(736)	-	-	-	-
	101,283	**(109,127)**	**(38,053)**	**(36,594)**	**(10,945)**	**(23,067)**	**(468)**

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity risk (continued)

The Group has a secured Facility Agreement that contains financial covenants, specifically the Debt Service Cover Ratio (**DSCR**), Gross Leverage Ratio and Minimum Equity Ratio. A future breach of a covenant may require the Group to repay the facility earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis by the Board of Directors to ensure compliance with the agreement. For the year ended 30 June 2026, all such financial covenants have been complied with in accordance with the Facility Agreement.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iv) Market risk

Market risk is the risk that changes in market prices, will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where required, the Group can enter into a range of derivative financial instruments to manage exposure to these risks.

At a Group level, these market risks are managed through sensitivity analysis, within the guidelines set by the Board of Directors. There is no change in the manner in which these risks are managed and measured in the current year.

Foreign currency risk management

Foreign currency risk is the risk that exchange rate fluctuations arise, primarily to the Group's operating activities, when revenue or expense is denominated in a foreign currency. Exchange rate exposures are managed within the approved policy parameters utilising forward foreign exchange contracts when it is considered appropriate.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	2026 USD $'000	2025 USD $'000
Trade receivables	254	203
Cash at bank and on hand	105	445
Trade payables	(63)	(356)
Net statement of financial position exposure	**296**	**292**

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Note 27. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(iv) Market risk (continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to US dollar exchange rate fluctuations.

The following table details the Group's sensitivity to a 10% strengthening/(weakening) in the Australian dollar against the US dollar. The 10% sensitivity represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive value below indicates an increase in profit or equity, with a negative value being the opposite impact. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
	$'000	$'000	$'000	$'000
30 June 2026				
USD (10% movement)	**(39)**	**39**	**-**	**-**
30 June 2025				
USD (10% movement)	(44)	44	-	-

Interest rate risk management

Interest rate risk is the risk that interest rate fluctuations arise, the Group is exposed to interest rate risk because it borrows funds primarily at floating interest rates. The risk is managed by the Group's Board of Directors, through the use of interest rate swap contracts when considered appropriate. Hedging activities are evaluated regularly to align with interest rate views ensuring the most cost-effective hedging strategies are applied, if required. At this point in the interest rate cycle the Group is unhedged.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At the reporting date, if interest rates had been 100-basis points higher/lower and all other variables remain constant, the impact on the net profit of the Group would be a decrease/increase in net profit of $1.1 million (2025: decrease/increase by $0.4 million).

Note 28. Events after the reporting period

The Board has declared a final dividend of 0.3 cents per share for the year ended 30 June 2026. The final dividend is fully franked, has a record date of 10 September 2026, and will be paid to shareholders on 6 October 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

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Note 29. Prior period restatements

Restatement of 2022 deferred tax:

During the year, the Group identified an error in the measurement of deferred tax liabilities recognised in prior reporting periods. The error arose from historical tax calculations associated with the FY2022 financial year and affected the recognition of certain temporary differences.

The Group determined that deferred tax liabilities had been overstated, with a corresponding understatement of retained earnings. In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the error has been corrected retrospectively, and comparative periods have been restated.

The correction relates solely to the accounting treatment of deferred tax balances and has no impact on the Group's underlying operating performance, cash flows or compliance with debt covenants.

The impact of the correction on the affected financial statement line items is summarised below:

Consolidated Statement of Financial Position:

	As previously reported $'000	Adjustment $'000	As restated $'000
For the year ended 30 June 2025			
Deferred tax liability	5,758	2,901	8,659
Total non-current liabilities	**35,944**	**2,901**	**38,845**
Total liabilities	**113,983**	**2,901**	**116,884**
Net assets	**167,808**	**(2,901)**	**164,907**
Accumulated losses	(44,128)	(2,901)	(47,029)
Total equity	**167,808**	**(2,901)**	**164,907**
For the year ended 30 June 2024			
Deferred tax assets	1,083	(1,083)	-
Total non-current assets	**164,166**	**(1,083)**	**163,083**
Total assets	**254,154**	**(1,083)**	**253,071**
Deferred tax liability	-	1,818	1,818
Total non-current liabilities	**40,115**	**1,818**	**41,933**
Total liabilities	**176,078**	**1,818**	**177,896**
Net assets	**78,076**	**(2,901)**	**75,175**
Accumulated losses	(44,128)	(2,901)	(47,029)
Total equity	**78,076**	**(2,901)**	**75,175**

There was no impact to the Group's consolidated statement of profit or loss and other comprehensive income or statement of cash flows.

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Note 30. Other material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

Set out below are the Group's material accounting policies, the details of which are available on the pages that follow.

(a) Principles of consolidation

(b) Foreign currency transactions

(c) Current and non-current classification

(d) Intangible assets and goodwill

(e) Investments and other financial assets

(f) Finance costs

(g) Provisions

(h) Goods and Services Tax ('GST') and other similar taxes

(i) Changes in comparative amounts

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bhagwan Marine Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Bhagwan Marine Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (refer to note 21). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (refer to note 21).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to the pre-combination service.

(ii) Subsidiaries

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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Note 30. Other material accounting policies (continued)

(a) Principles of consolidation (continued)

(ii) Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received, and the fair value of any investment retained together with any gain or loss recognised in profit or loss.

(b) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Other intangible assets	Other intangible assets, including customer relationships, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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Note 30. Other material accounting policies (continued)

(d) Intangible assets and goodwill (continued)

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Customer contracts	3.1 – 5.8 years
Customer relationships	5.8 years

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

(e) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets. The expected loss rates are based on historical evidence of collection. The historical loss rates are adjusted to reflect current and future information such as estimated future cash flows or by using fair value where this is available through observable market prices and review of macroeconomic factors which may affect the counterparty's ability to settle the receivables. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the income statement on a basis consistent with the original charge.

(f) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(g) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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Note 30. Other material accounting policies (continued)

(h) 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(i) Changes in comparative amounts

Certain amounts in these financial statements have been restated as a result of a correction of a prior period error (see note 29).

Note 31. New and amended accounting standards and interpretations

(a) New and amended standards and interpretations adopted by the Group

In the year ended 30 June 2026, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operation and effective for the current annual reporting period.

As a result of this review, the Group has determined that there is no material impact of the new and revised Standards and Interpretations and, therefore, no material change is necessary to the Group accounting policies.

(b) New and amended standards and interpretations not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(i) AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the “management-defined performance measure” to financial statements and requires the classification of transactions presented with the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.

(ii) Other standards

The following new and amended standards are not expected to have a significant impact on the Group’s consolidated financial statements.

- Classification and Measurement of Financial Instruments – amendments to AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures.*

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Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2026

Set out below is a list of entities that are consolidated in this set of consolidated financial statements at the end of the financial year:

Entity name	Body corporate, partnership or trust	Place incorporated /formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or foreign tax resident	Jurisdiction for foreign tax resident
Bhagwan Marine Limited	Body Corporate	Australia		Australian	N/A
DSL Marine Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
C-side Marine Engineering Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Barge Partners Group Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Work Boats Northern Australia 2 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Ugly Boats Northern Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bhagwan Marine Security Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RCWB Northern Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
North Australian Barge Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Barge Partnership Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bhagwan Marine (NT) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Delta Subsea Australasia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bhagwan Employee Incentive Custodian Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Fourtrees Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Riverside Marine Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Riverside Industrial Sands Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Riverside Marine Townsville Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Riverside Oceanic Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Rivtow Marine Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Rivtow Marine Queensland Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

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Basis of preparation:

This consolidated entity disclosure statement has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Key assumptions and judgements:

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which give rise to a different conclusion or residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2026

1. In the opinion of the directors of Bhagwan Marine Limited (the 'Company'):
   a) the consolidated financial statements and notes that are set out on pages 71 to 123 and the Remuneration report on pages 55 to 69 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*
   b) the Consolidated entity disclosure statement as at 30 June 2026 set out on page 124 is true and correct; and
   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2026.
3. There is reasonable grounds to believe that the Company and the group entities identified in note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee between the Company and those group entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785.*
4. The directors draw attention to note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Anthony Wooles
Chairman and Non-Executive Director

27 August 2026
Perth, WA

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Independent Auditor's Report

To the shareholders of Bhagwan Marine Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Bhagwan Marine Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group****'s* financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Emphasis of matter – restatement of comparative balances

We draw attention to Note 29 to the Financial Report, which describes that deferred tax balances disclosed as comparatives in this Financial Report have been restated due to an error in the tax cost base of certain assets. Our opinion is not modified in respect of this matter.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Revenue Recognition
- Acquisition Accounting

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.

Revenue recognition ($235.9m)

Refer to Note 4 to the Financial Report

The key audit matter	How the matter was addressed in our audit

The Group derives the majority of its revenue from marine services to its customers, which requires the Group to analyse recognition over the period the service is provided. It is the Group's policy to recognise revenue based on contractual rates as performance obligations are met.
 	
Revenue recognition was a key audit matter for us due to the quantum of the balance, and the significant audit effort we have applied in assessing the Group's recognition and measurement of revenue.
 	
This was the result of the:
• Quantum and high volume of services revenue recognised during the year.
• Amount of accrued revenue recorded at year end for services rendered but not yet invoiced is prepared manually by the Group and is prone to greater risk of manipulation for fraudulent revenue recognition.
 	
In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.
	Our procedures included:
	• Understanding the nature of the Group's revenue streams and the related revenue recording processes, systems and controls.
	• Evaluating the appropriateness of the Group's accounting policies related to revenue recognition against the requirements of the accounting standard and our understanding of the business and industry practice.
	• Utilising data analysis to identify gross revenue transactions with higher risk characteristics to focus our further testing.
	• Testing a sample of revenue transactions throughout the year and checking:
	  • The existence of an underlying contract with the customer;
	  • The rates used to invoice customers against underlying documents such as customer contracts or customer acknowledgement letters;
	  • Evidence of the service delivery to the customer against underlying

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	documents such as customer approved activity schedules, progress claims or job reports; • We also checked customer receipts to bank statements. We compared our testing against amounts recorded in the Group's general ledger; and • The timing of revenue recognition for consistency with timing of completed performance obligations and the Group's revenue recognition policy. • Testing a sample of accrued revenue recorded as of year end for consistency of the financial year in which it should be recorded as revenue. Samples were checked against underlying documents such as customer approved contracts, progress claims or job reports. • Testing a sample of revenue recorded subsequent to year end for consistency of the financial year in which it should be recorded as revenue. Samples were checked against underlying documents such as customer approved contracts, progress claims or job reports. • Evaluating the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.
Acquisition Accounting ($122.6m)	
Refer to Note 21 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
On 31 March 2026, the Group acquired 100% of Riverside Marine Holdings Pty Ltd for consideration of $122.6m, resulting in the recognition of working capital, right-of-use assets, vessels, customer contracts and other intangible assets, and goodwill. This transactions are considered to be a key audit matter due to the: • Size of the acquisition having a significant impact on the Group's Financial Report;	Our procedures included: • We evaluated the acquisition accounting by the Group against the requirements of the accounting standards; • We read the underlying transaction agreements to understand the terms of the acquisition and nature of the assets and liabilities acquired; • We assessed the accuracy of the calculation and measurement of consideration paid to acquire Riverside

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• Group's judgement and complexity relating to the determination of the fair values of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged various external valuation experts to assess the fair value of certain assets including right-of-use assets, vessels, customer contracts and other intangible assets.
• Group's valuation model used to determine the fair value of acquired intangibles assets is complex and sensitive to changes in a number of key assumptions. This drives additional audit effort specifically on the feasibility of these key assumptions and consistency of application to the Group's strategy.
 	
The key assumptions we focused on in the valuations of intangible assets included forecast earnings, discount rates and useful lives.
 	
We involved our valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Marine Holdings Pty Ltd based on the underlying transaction agreements and the Group's bank statements;
	• Working with our valuation specialists, we assessed the Group's external expert reports and;
	  • Considered the objectivity, competence and scope of the Group's external valuation experts;
	  • Evaluated the valuation methodology used to determine the fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practices;
	  • Assessed the key assumptions in the Group's external valuation expert report prepared in relation to the identification and valuation of customer contracts and other intangible assets including:
	  • Checking forecast earnings assumptions, including revenue and margin, for consistency with the Group's valuation model used as part of the pre-acquisition due diligence process; and
	  • Assessing key customer contracts by using our industry experience and knowledge of the terms and conditions of a sample of the underlying agreements and against the accounting standard requirements.
	• We independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in;
	• We challenged the forecast cash flows assumptions for the entity acquired, as it forms part of the contingent consideration fair value. We assessed the feasibility of these assumptions and consistency of application to industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the Group, past

	performance, business and customers, and our industry experience; • We assessed the fair value of the vessels acquired based on valuations performed by independent external valuation experts engaged by the Group, including assessing the appropriateness of the valuation methodology utilised; • We recalculated the goodwill balance recognised as a result of the transaction and compared it to the goodwill amount recorded by the Group; and • We assessed the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Bhagwan Marine Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our respective assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as

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applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Bhagwan Marine Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 55 to 69 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Hayden Rutters

Partner

Perth

27 August 2026

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Additional ASX Information

Additional information is given in accordance with ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. The information is current as of 12 August 2026.

Stock Exchange Listing

The Company's ordinary fully paid shares are listed on the Australian Securities Exchange (**ASX**) under ASX Code: BWN.

Distribution Schedule of Ordinary Shares quoted on the ASX

The distribution schedule of the Company's fully paid ordinary shares, as quoted on the ASX, is as follows:

Share spread	Number of shareholders	Shares	Percentage of shares on issue (%)
1 - 1,000	114	84,441	0.02
1,001 - 5,000	366	1,002,180	0.25
5,001 - 10,000	197	1,597,633	0.40
10,001 - 100,000	667	24,768,608	6.24
100,001 and over	216	369,698,596	93.09
Total	**1,560**	**397,151,458**	**100.00**

There were 212 holders of less than a marketable parcel of shares (<$500 in value) based on the closing market price of Bhagwan Marine Limited shares on 12 August 2026.

Top 20 Shareholders of Ordinary Fully Paid Shares (ASX: BWN)

Name of registered holder	Number of shares	Percentage of shares on issue (%)
Matilda Mae Kannikoski	73,635,669	18.54
Velrosso Pty Ltd <harvey 1995 a/c>	51,178,717	12.89
Lauri Keven Kannikoski	27,042,947	6.81
AEW Holdings Pty Ltd <aew capital a/c>	25,000,000	6.29
Fullahead Pty Ltd <the hk campbell trust 99 a/c>	24,390,244	6.14
Guru Pty Ltd <kannikoski family a/c>	17,080,513	4.30
UBS Nominees Pty Ltd	12,857,877	3.24
Claire Mina Campbell Stokes & Drew Kenneth Campbell <the Maryon Campbell Family Trust a/c>	12,195,122	3.07
Inverary Pty Ltd <the wright family trust a/c>	12,195,122	3.07
T Mitchell Pty Ltd <the T Mitchell s/f a/c>	6,552,929	1.65
J P Morgan Nominees Australia Pty Limited	5,025,274	1.27
Citicorp Nominees Pty Limited	4,542,433	1.14
Southern Steel Investments Pty Ltd	3,552,268	0.89
Brazil Farming Pty Ltd	3,254,501	0.82
BNP Paribas Nominees Pty Ltd <hub24 custodial serv ltd>	3,113,777	0.78
BNP Paribas Nominees Pty Ltd <ib au noms retailclient>	2,751,917	0.69
BNP Paribas Noms Pty Ltd	2,560,668	0.64
Warbont Nominees Pty Ltd <unpaid entrepot a/c>	2,354,211	0.59
Offshore Plant Hire Pty Ltd <the DMG family a/c>	2,338,707	0.59
Netwealth Investments Limited <wrap services a/c>	2,081,861	0.52
TOTAL	**295,770,753**	**74.48**

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Substantial shareholders of Ordinary Fully Paid Shares

Substantial shareholders are as follows, and information is as at the date of the substantial shareholders notice provided to the Company and to the ASX:

Substantial Holder	Number of shares held	Percentage of shares on issue
The Kannikoski Family (note 1)	120,424,125	30.32
Velrosso Pty Ltd	48,916,522	12.32
Bhagwan Marine Limited (note 2)	48,780,488	12.28
Anthony Wooles (note 3)	25,000,000	6.29
Fullahead Pty Ltd and Hume Kenneth Campbell (note 4)	24,390,244	6.14

1. The Shares held by the Kannikoski Family compromise Shares held directly by Lauri Kannikoski (27,042,947 Shares), an indirect interest through Guru Pty Ltd (17,080,513 Shares), an entity that Lauri and his wife, Kerren Kannikoski, control, and an indirect interest in the Shares held by Lauri's mother, Matilda Kannikoski, who has provided Lauri (jointly with Lauri's sister) with an enduring power of attorney over Matilda's Shares (73,635,669 Shares), and Shares held by Lauri and Kerren Kannikoski as trustees for the Kannikoski Superannuation Fund (2,074,996 Shares), and Shares held by Bhagwan Properties Pty Ltd as Trustee for the Kannikoski Property Trust (590,000 Shares).
2. The Company has an aggregate voting power of 12.28% in the Company, as a consequence of restrictions on the disposal of shares under voluntary escrow arrangements, which give the Company a deemed 'relevant interest' in its own shares under section 608(1)(c) of the *Corporations Act 2001 (Cth).* The voluntary escrow arrangements were disclosed on 31 March 2026 and relate to the escrow arrangements for vendors of Riverside Marine. The Shares issued are subject to voluntary escrow, with 50% escrowed for 12 months and 50% for 24 months, pursuant to voluntary escrow deeds entered into with the relevant vendors of Riverside Marine.
3. Anthony Wooles holds indirect interests in Shares through AEW Holdings Pty Ltd (AEW Capital Account), an entity that Anthony controls.
4. Shares were acquired under the scrip consideration for the Company's acquisition of Riverside Marine. The Shares are subject to voluntary escrow, with 50% escrowed for 12 months and 50% for 24 months, pursuant to voluntary escrow deeds entered into with the relevant vendors of Riverside Marine.

Unquoted securities – Performance rights

The number of unquoted securities on issue as at 12 August 2026 is set out below.

No holder held more than 20% of the number of performance rights or share rights on issue.

The Performance Rights were issued under the Company's Employee Incentive Awards Plan, which was approved by Shareholders on 12 November 2024. The Share Rights were issued under the Company's Prospectus and Incentive Awards Plan.

Further details on the Performance Rights and Share Rights are set out in the Remuneration Report within this Annual Report.

	Number of holders	Number on issue
Performance Rights issued under the Bhagwan Marine Awards Incentive Plan	16	5,672,774
Share Rights issued under the Bhagwan Marine Awards Incentive Plan.	13	783,586

The distribution schedule of the Company's, unquoted Performance Rights and Share Rights is as follows:

Performance Rights spread	Number of holders	Performance Rights and Share Rights	Percentage of shares on issue (%)
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	6	238,808	3.70
100,001 and over	13	6,217,552	96.30
Total	**21**	**6,456,360**	**100.00**

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Voting rights

The voting rights attached to each class of equity securities are set out below:

Ordinary shares: Every member present at a meeting of the Company in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights and share rights (unquoted): No voting rights

Shares held in voluntary escrow

As at the date of this report, a total of 48,780,488 shares are subject to voluntary escrow and are already quoted on the ASX.

The voluntary escrow arrangements were disclosed on 31 March 2026 and relate to the escrow arrangements for vendors of Riverside Marine. The Shares issued are subject to voluntary escrow, with 50% escrowed for 12 months and 50% for 24 months, pursuant to voluntary escrow deeds entered into with the relevant vendors of Riverside Marine.

Compliance statement under ASX LR 4.10.19

Bhagwan confirms that it used cash and assets in a form readily convertible to cash, at the time it was admitted to the ASX (being 26 July 2024) to the date of this Annual Report, in a way that was consistent with its business objectives as stated in its Replacement Prospectus dated 28 June 2024.

Annual Report

Under the *Corporations Act 2001* regarding the provision of Annual Reports to shareholders, the default option for receiving Annual Reports is an electronic copy via Bhagwan Marine's website at www.investors.bhagwanmarine.com.

Corporate Governance Statement

Bhagwan Marine's 2026 Corporate Governance Statement is available on the Company's website at: www.bhagwanmarine.com.au.

Bhagwan Marine also operates with a number of Policies, which are available on its website.

2026 Annual General Meeting

The Company's 2026 Annual General Meeting will be held on 23 October 2026 in Perth, Western Australia, unless otherwise advised.

Members of our Board and Management team will be available to answer questions pertaining to the Company's performance and operations.

Dividend Payment Method

The Company does not issue dividend payments by cheque to shareholders. Shareholders should provide the share registry with their Australian or New Zealand nominated Australian bank, credit union, building society or nominated account.

Shareholder Information and Email Alert Service

Information about Bhagwan Marine, including its announcements, presentations and reports, can be accessed on our Investorhub website: www.investors.bhagwanmarine.com

Shareholders can also register to receive an email alert notifying them of new Bhagwan Marine's media releases, financial announcements, or presentations

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Registered Office and Head Office
Level 11, 15-17 William Street
Perth, Western Australia 6000
Telephone: +61 8 9424 2300
Email: investor.relations@bhagwanmarine.com

Directors
Anthony Wooles – Chair and Non-Executive Director
Tracey Horton AO – Independent Non-Executive Director
Loui Kannikoski – Managing Director & CEO
Andrew Wackett – Executive Director - Finance

Joint Company Secretaries
Cheryl Williams – CFO and Company Secretary
Darryl Edwards – Company Secretary

Stock Exchange Listing
Australian Securities Exchange (ASX)
ASX Code: BWN

Australian Legal Adviser
Clayton Utz
Level 27, QV1 Building
250 St Georges Terrace
Perth, Western Australia 6000

Share Registry
Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 1300 288 664
Website: www.automicgroup.com.au

Auditor
KPMG
Level 8, 235 St Georges Terrace
Perth, Western Australia 6000

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InvestorHub

Bhagwan's InvestorHub provides shareholders, stakeholders, and potential investors with a central location to access recent ASX announcements, company news, and other key updates. The platform will also feature videos, project insights, and industry news, providing investors with opportunities to stay up to date and communicate with the Company's leadership team.

We invite you to stay connected with our investment community at www.investors.bhagwanmarine.com

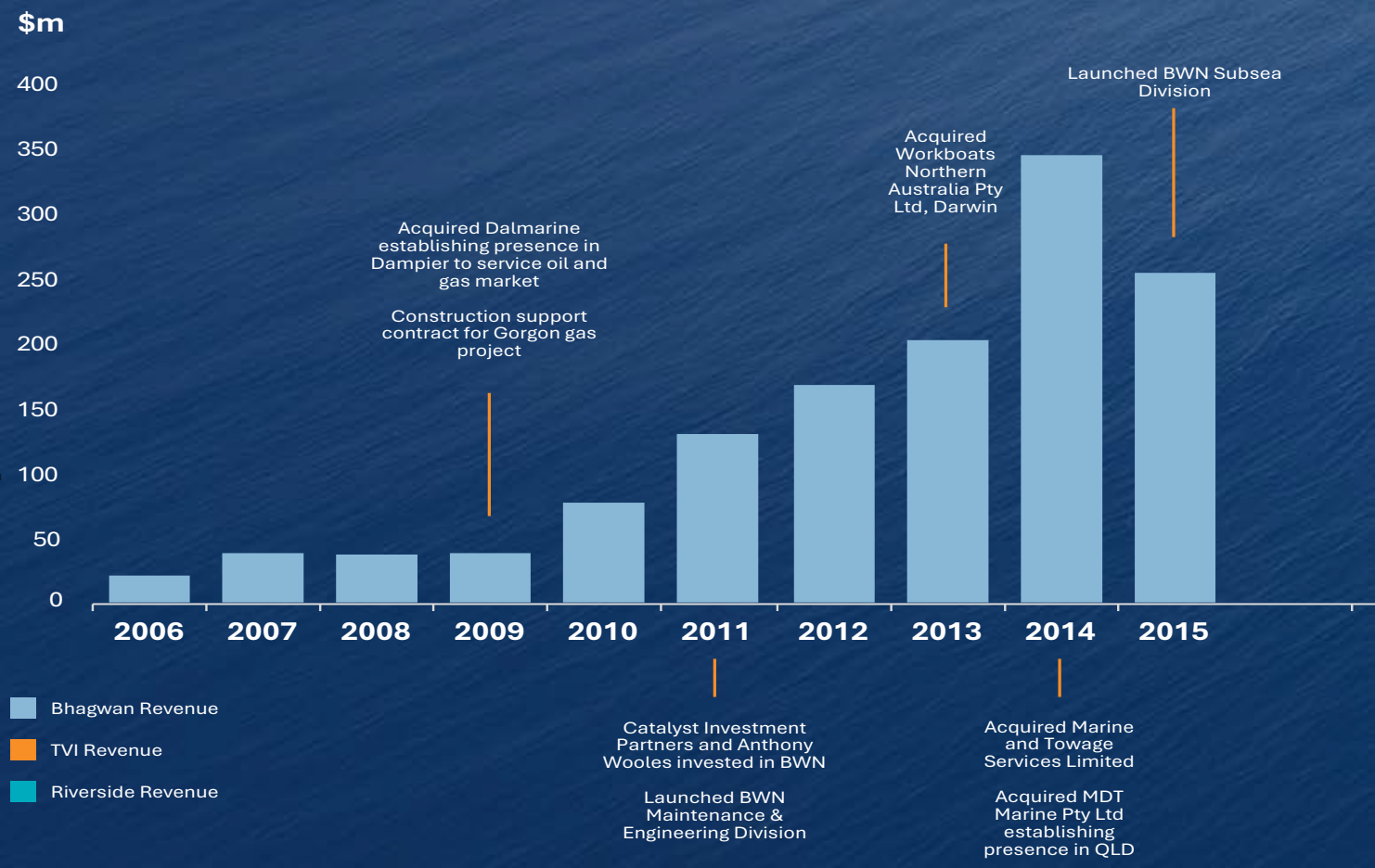
Our Proud History

Our business was founded in 2000 by the Kannikoski family in Geraldton, Western Australia, with a single vessel.

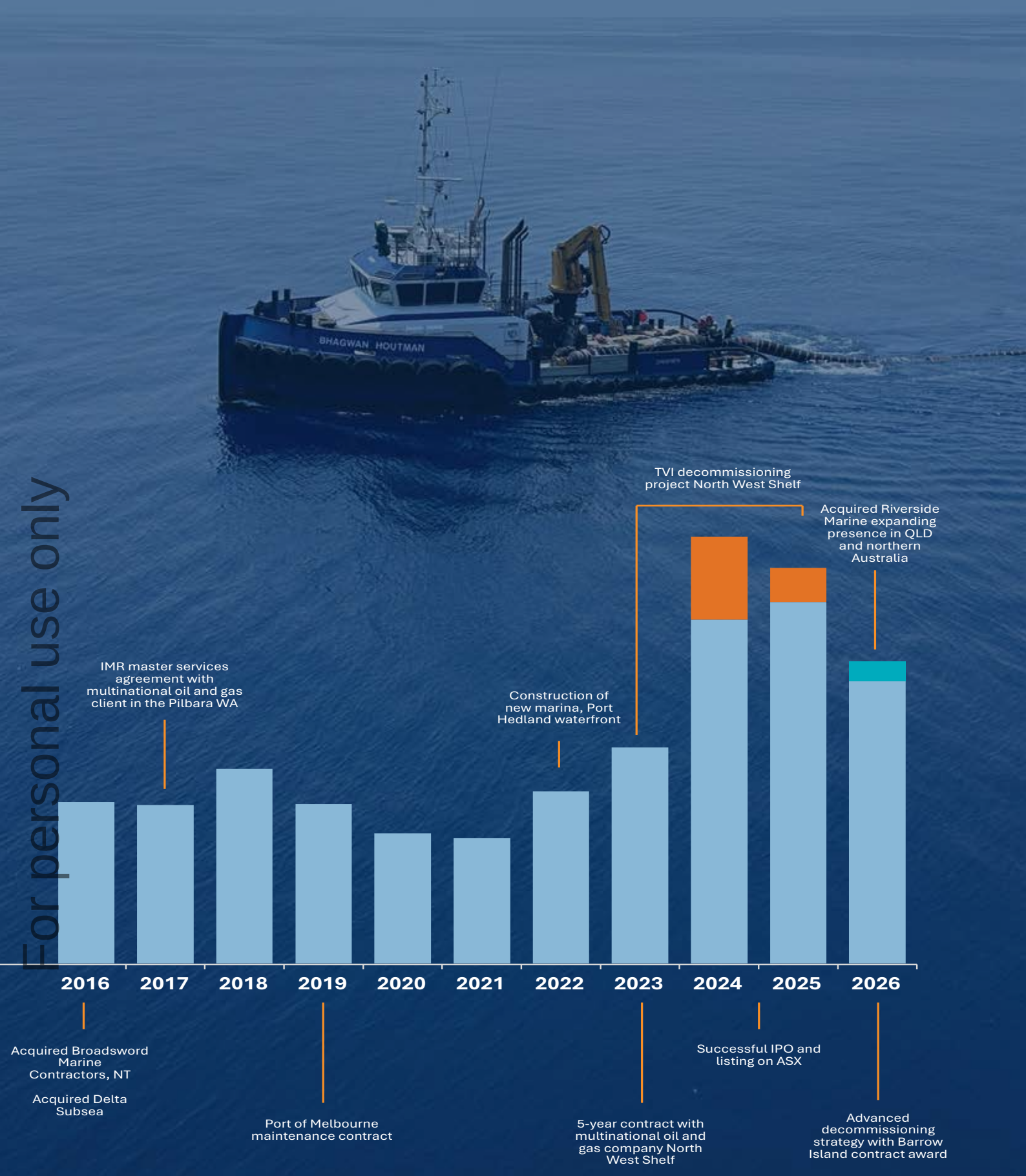
The fleet grew rapidly servicing construction work for the energy industry, with the nature of our services transitioning as projects moved to production and then decommissioning.

From 2015, we began to diversify and successfully won contracts for clients across broader industry sectors such as ports, resources, civil construction and defence.

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Australia's Largest ASX Listed Marine Solutions Provider

BHAGWAN marine

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