Bhagwan Marine Limited

ABN 81 009 154 349

Interim Financial Report
Incorporating ASX Appendix 4D
for the half-year ended
31 December 2025

Appendix 4D

Interim financial report for the six months ended 31 December 2025 ("1H26")

All comparisons are for the six months ended 31 December 2024 ("1H25")

Results for announcement to the market

	Change	31 Dec 2025 1H26 $'M	31 Dec 2024 1H25 $'M
Revenue from ordinary activities	Down 24% to	116.9	154.1
Statutory earnings before interest costs, income taxes, depreciation and amortisation (**EBITDA**[1]) from ordinary activities	Down 18% to	21.9	26.6
Add: Transaction costs[2]	Down 43% to	0.4	0.7
Pro Forma earnings before interest costs, income taxes, depreciation and amortisation (**Pro forma EBITDA**) from ordinary activities	Down 18% to	22.4	27.3
Earnings before interest costs and income tax (**EBIT**)	Down 58% to	5.7	13.5
Profit from ordinary activities after tax attributable to members	Down 67% to	2.9	8.8
Net profit for the period attributable to members (**NPAT**)	Down 67% to	2.9	8.8

Notes:

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 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;

a. Transaction costs for 1H26 include $0.4 million of non-contingent transaction costs related to the Company's potential acquisition of Riverside Marine Holdings Pty Ltd. Transaction costs for 1H25 include $0.7 million of non-contingent transaction costs related to the Company's IPO.

Dividend information

	Dividend Amount per Share	Franked Amount %	Record Date for Dividend Entitlement	Payment Date for Dividend
Half-year ended 31 December 2025				
Interim Dividend	0.5 cents	100% franked	12 March 2026	9 April 2026
Financial year ended 30 June 2025				
Final Dividend	0.5 cents	100% franked	12 September 2025	7 October 2025

No dividend reinvestment plan is applicable.

Net tangible asset backing

	31 Dec 2025	31 Dec 2024
Net tangible asset backing per share[3]	$0.46	$0.52

Notes:

3 Net tangible asset backing per security is calculated as net assets less intangibles and right of use assets.

Information given to ASX under Listing Rule 4.2.A.3

This interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made during the reporting period by the Company in accordance with the continuous disclosure requirements of the ASX Listing Rules and Corporations Act 2001.

Change of control of entities

Bhagwan Marine has not gained or lost control of any entity during the current reporting period or previous corresponding period.

Auditor's report

This Appendix 4D is based on the Interim Financial Statements of Bhagwan Marine Limited for the half-year ended 31 December 2025, which have been reviewed by KPMG. A copy of KPMG's Independent Auditor's Review Report is included in this Report.

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

25 February 2026

Contents

In this report references to 'Bhagwan Marine', 'the Group', 'we' and 'our' refer to the consolidated entity comprising Bhagwan Marine Limited (ABN 81 009 154 349) and its controlled entities, unless otherwise stated.

All amounts are stated in Australian Dollars, unless otherwise stated.

Bhagwan Marine Limited is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange (ASX) under ASX ticker code BWN.

The interim financial report was authorised for issue, in accordance with a resolution of directors, on 25 February 2026.

About Bhagwan Marine Limited

Bhagwan Marine is Australia's largest listed marine solutions company operating within the offshore energy, subsea, ports & inshore and defence sectors. Our diverse, multifunctional fleet is equipped to support a wide range of client operations.

We are Australia's largest in-house marine crewing provider, employing more than 1,000 skilled professionals, including up to 200 qualified divers. Our locally based crews are recognised for their strong safety culture, operational excellence, and ability to deliver high-quality outcomes in complex environments.

Our long-standing partnerships with major energy and mining companies, construction firms, and government agencies reflect our reputation as a trusted and capable partner in marine operations.

For more information, please visit **www.bhagwanmarine.com**

The Directors present their report on the consolidated entity (referred to hereafter as 'Bhagwan Marine' or 'Group') consisting of Bhagwan Marine Limited (the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The following persons were Directors of Bhagwan Marine Limited during the whole financial period and up to the date of this report:

Anthony Wooles

Chairman and Non-Executive Director

Loui Kannikoski

Founder
Managing Director & CEO

Tracey Horton AO

Independent Non-Executive Director

Andrew Wackett

Executive Director - Finance

Principal Activities

During the financial year the principal activities of the consolidated entity consisted of operating a diverse range of vessels providing marine solutions across the offshore energy, subsea, ports & inshore, and defence sectors.

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

Review of Operations

Highlights

Financial and Operating Highlights	1H26	1H25	% Change
Net revenue ($'000)	116,850	154,134	(24%)
Pro forma EBITDA[1] ($'000)	22,377	27,306	(18%)
EBITDA margin (%)	19%	18%	1%
EBITDA ($'000)	21,946	26,580	(17%)
Net profit after tax ($'000)	2,927	8,815	(67%)
Net cash from operations ($'000)	25,404	21,039	21%
Net debt[2] ($'000)	(42,049)	(11,495)	266%
Basic earnings per share (cents per share)	1.06	3.39	(69%)
Sustainability highlights			
Total recordable injury frequency rate (TRIFR)	8.32	10.72	22%
Total lost-time injury frequency rate (LTIFR)	0.00	0.89	100%

1 Pro forma EBITDA has been calculated to provide a like-for-like view of the current reporting period. Adjustments to EBITDA have been made to exclude non-contingent transaction costs related to the Company's potential acquisition of Riverside Marine Holdings Pty Ltd of $0.4 million in 1H26 ($nil million in 1H25), as well as additional non-contingent transaction costs related to the Company's IPO of $nil in 1H26 ($0.7 million in 1H25).

2 Net debt includes capitalised leases.

Commentary on Interim Results

For the half-year ended 31 December 2025, Bhagwan Marine Limited delivered a solid operating performance, underpinned by improved margins and strong cash generation from core operations. Core revenue was steady, reflecting the timing of major contract awards, while EBITDA margins increased due to disciplined cost control, margin expansion initiatives and improved vessel utilisation. Operating cash flow strengthened materially, reflecting higher margins, quality earnings and continued capital discipline.

Subsequent to the half-year end, the Group announced the acquisition of Riverside Marine Holdings Pty Ltd, which is expected to further enhance scale, capability and diversification. The Company remains well positioned, supported by a strong pipeline of opportunities and a positive outlook for the second half of the financial year.

Dividends

Final dividend for the year ended 30 June 2025 of 0.5 cents per share was paid on 7 October 2025. Subsequent to period end the Board have declared an interim dividend of 0.5 cents per share. The dividend is fully franked, has a record date of 12 March 2026, and will be paid to the shareholders on 9 April 2026.

Cash Flow

Operating cash flows for the period ended 31 December 2025 increased by 21% to $25.4 million (31 December 2024: $21.0 million) due to higher EBITDA margins, lower interest charges and a strong focus on working capital management.

Cash outflows from investing activities were $12.5 million (31 December 2024: $16.7 million).

Financing cash flows for the period resulted in a net outflow of $11.8 million (31 December 2024: $5.6 million).

FY26 Outlook and Focus

The Group's performance in the first half of FY26 reflects the increasing resilience of its core operations, underpinned by expanding EBITDA margins, strong operating cash flow generation and disciplined capital management.

For the remainder of FY26, the Group's focus is on:

- Delivering margin-led earnings quality, supported by a higher proportion of repeatable revenue, improved fleet utilisation and continued benefits from margin expansion initiatives implemented across the business.
- Converting a strong pipeline of opportunities across offshore energy, subsea, ports and inshore, and defence into contracted work during the second half of the year and beyond.
- Maintaining disciplined capital allocation, prioritising free cash flow generation, balance sheet strength and returns on invested capital.
- Execute the integration of Riverside Marine Holdings in a disciplined and considered manner, ensuring seamless operations, continuity of customer partnerships, and the preservation of the culture and core strengths that drive Riverside Marine's value.

Growth Strategy

The Group continues to execute a clear growth strategy focused on enhancing resilience, expanding scale and improving earnings quality through disciplined performance in core marine services and the integration of value-accretive, complementary acquisitions. Bhagwan Marine will continue to focus on the following four strategic priorities:

Strengthening Core Business:

The Group remains focused on driving growth within its core offshore energy, subsea, ports and inshore, and defence businesses, leveraging long-standing customer relationships, proven operational capability, and a strong safety culture. Growth is increasingly driven by repeatable, long-duration contract work, higher fleet utilisation and sustained investment in vessel capability and marine technology. This disciplined approach strengthens revenue quality, supports margin improvement, and delivers more stable and predictable earnings through the cycle.

Strengthening Core Operations:

The Group is expanding into adjacent and emerging marine services markets aligned with its capabilities, including offshore decommissioning, infrastructure maintenance, offshore wind and defence. These markets are underpinned by long-term structural demand and allow existing assets and expertise to be deployed with disciplined risk and capital management.

Growth Strategy (continued)

Portfolio Diversification and Acquisitions:

The Group continues to execute a disciplined acquisition strategy focused on diversification, recurring revenue, and free cash flow growth. A key priority in 2H26 is the integration of Riverside Marine Holdings, following the anticipated completion of the acquisition in March 2026. Riverside Marine materially enhances the Group's operating platform through increased diversification, a high proportion of repeatable, contract-backed revenue and a capital-light business model with strong free cash flow characteristics.

Capital Management and Cash Generation:

The Group's growth strategy is firmly underpinned by disciplined capital allocation, strong balance sheet management, and a focus on returns on invested capital. Priority is given to free cash flow generation, targeted investment in fleet and systems, and maintaining the flexibility to fund organic growth and future acquisitions.

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of the Group during the reporting period.

Subsequent Events

On 9 February 2026, the Group announced it has entered into a share sale and purchase agreement to acquire 100% of Riverside Marine Holdings Pty Ltd ('Riverside Marine'). The acquisition will be on a debt free cash free basis with a normal level of working capital, for an enterprise value of up to $130 million. Completion of the acquisition is subject to satisfaction of conditions precedents including receipt of all required shareholder approvals, securing key customer consents to the acquisition, Bhagwan Marine arranging debt finance and completing the capital raising, probate and estate related approvals, there being no material adverse change in respect to Riverside Marine, and other customary conditions.

Subject to the satisfaction (or waiver) of the conditions precedent, the Company will on completion pay initial cash consideration of $100 million ('Initial Cash Consideration') and issue 48.8 million fully paid ordinary shares in Bhagwan Marine ('Scrip Consideration'). The Scrip Consideration will be subject to voluntary escrow (50% escrowed for one year and 50% escrowed for two years) under voluntary escrow agreements. Depending on the adjusted earn-out EBITDA assessed from 1 July 2025 to 30 June 2026, earn out cash consideration of up to $10 million may become payable by Bhagwan Marine.

The Initial Cash Consideration will be funded with $30 million from the completion of a successful equity raising, details below, and the balance will be funded by drawing a 3-year, $70 million facility from the Commonwealth Bank of Australia.

The Company has secured binding commitments to raise $30 million (before costs) as set out below;

$26.2 million (before costs) of binding commitments have been secured through a two-tranche placement of 63.9 million new Shares to institutional, sophisticated and professional investors ('Placement Shares') at an issue price of $0.41 per Placement Share ('Placement'). Under the Placement;

- 40.0 million Placement Shares ('Tranche 1') was issued under the Company's existing placement capacity pursuant to Listing Rule 7.1 on 17 February 2026; and
- Subject to shareholder approval at a general meeting which is to be held on 24 March 2026 (General Meeting), 23.9 million Placement Shares ('Tranche 2') will be issued.

In addition to, and concurrently with the Placement, the Directors and other related parties of Bhagwan Marine have committed to subscribe to 9.3 million new shares on the same terms as the Placement Shares ('Director Shares'), raising a further $3.8 million (before costs) ('Director Placement'). The issue of Director Shares under the Director Placement is subject to shareholder approval which will be sought at the General Meeting.

This significant acquisition strengthens the Company's position as a preferred marine solutions partner. The acquisition is expected to finalise at the end of March 2026.

In addition, the Board has declared an interim dividend of 0.5 cents per share for the period ended 31 December 2025. The dividend is fully franked, has a record date of 12 March 2026, and will be paid to shareholders on 9 April 2026.

Other than the above events there has not been any matter or circumstance occurring after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Rounding of Amounts

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless otherwise stated.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on the following page and forms part of the Directors' report for the six months ended 31 December 2025.

Signed in accordance with a resolution of the Directors pursuant to s.306(3) of the Corporations Act 2001.

Anthony Wooles

Chairman and Non-Executive Director

25 February 2026

Perth, WA

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 review of Bhagwan Marine Limited for the half-year ended 31 December 2025 there have been:

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

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

KPMG

KPMG

Hayden Rutters

Partner

Perth

25 February 2026

	Note	Consolidated Six months ended Dec 2025 $'000	Six months ended Dec 2024 $'000
Continuing operations			
Revenue from contracts with customers	3	116,850	154,134
Raw materials and consumables		(6,271)	(11,240)
Vessel expenses		(26,046)	(37,324)
Employee benefits expense		(54,033)	(69,456)
Depreciation and amortisation expense		(16,271)	(13,075)
Other direct costs		(2,503)	(3,963)
Professional fees		(2,998)	(3,268)
Other income		133	908
Other expenses		(3,053)	(2,303)
Operating profit		**5,808**	**14,413**
Finance income		353	215
Finance costs		(1,979)	(2,034)
Profit before tax		**4,182**	**12,594**
Income tax expense		(1,255)	(3,779)
Profit for the period attributable to the owners of Bhagwan Marine Limited		**2,927**	**8,815**
Total comprehensive income for the year attributable to the owners of Bhagwan Marine Limited		**2,927**	**8,815**
Earnings per share			
Basic earnings per share (cents)		**1.06**	3.39
Diluted earnings per share (cents)		**1.05**	3.38

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

	Note	Consolidated Dec 2025 $'000	June 2025 $'000
Assets			
Current assets			
Cash and cash equivalents		17,294	16,192
Trade and other receivables	4	37,096	52,584
Inventories		2,422	2,287
Other current assets		6,528	3,939
Total current assets		**63,340**	**75,002**
Non-current assets			
Other investments		1,454	1,454
Property, plant and equipment	5	162,059	158,300
Right-of-use assets		42,976	35,305
Non-current financial assets		12,014	11,730
Total non-current assets		**218,503**	**206,789**
Total assets		**281,843**	**281,791**
Liabilities			
Current liabilities			
Trade and other payables	7	26,868	35,178
Loans and borrowings	8	17,718	21,996
Lease liabilities		16,830	14,771
Employee benefits		6,055	6,094
Total current liabilities		**67,471**	**78,039**
Non-current liabilities			
Loans and borrowings	8	12,627	11,195
Lease liabilities		24,182	18,142
Deferred tax liabilities		7,013	5,758
Employee benefits		732	849
Total non-current liabilities		**44,554**	**35,944**
Total liabilities		**112,025**	**113,983**
Net assets		**169,818**	**167,808**
Equity			
Issued capital	9	142,062	142,062
Reserves		57,847	57,388
Profit reserve		14,037	12,486
Accumulated losses		(44,128)	(44,128)
Total equity		**169,818**	**167,808**

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

Consolidated	Issued capital $'000	Reserves $'000	Profit reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	65,262	56,942	-	(44,128)	78,076
Profit for the period	-	-	-	8,815	8,815
Total comprehensive income for the period	**-**	**-**	**-**	**8,815**	**8,815**
Transactions with owners in their capacity as owners					
Share capital issued, net of transaction costs	76,800	-	-	-	76,800
Equity-settled share-based payments	-	103	-	-	103
Total transactions with owners in their capacity as owners	**76,800**	**103**	**-**	**-**	**76,903**
Balance at 31 December 2024	**142,062**	**57,045**	**-**	**(35,313)**	**163,794**

Consolidated	Issued capital $'000	Reserves $'000	Profit reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	142,062	57,388	12,486	(44,128)	167,808
Profit for the period	-	-	-	2,927	2,927
Total comprehensive income for the period	**-**	**-**	**-**	**2,927**	**2,927**
Transactions with owners in their capacity as owners					
Equity-settled share-based payments	-	459	-	-	459
Transfer to profit reserve	-	-	2,927	(2,927)	-
Dividends paid	-	-	(1,376)	-	(1,376)
Total transactions with owners in their capacity as owners	**-**	**459**	**1,551**	**(2,927)**	**(917)**
Balance at 31 December 2025	**142,062**	**57,847**	**14,037**	**(44,128)**	**169,818**

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

	Note	Consolidated Dec 2025 $'000	Consolidated Dec 2024 $'000
Cash flows from operating activities			
Receipts from customers		143,920	202,457
Payments to suppliers and employees		(116,831)	(180,935)
Interest and other finance costs paid		(1,685)	(483)
Net cash from operating activities		**25,404**	**21,039**
Cash flows from investing activities			
Payments for property, plant and equipment		(12,522)	(17,655)
Proceeds from disposal of property, plant and equipment		4	999
Net cash used in from investing activities		**(12,518)**	**(16,656)**
Cash flows from financing activities			
Proceeds from ordinary shares issued		-	80,000
Payments for transaction costs		-	(3,200)
Proceeds from borrowings		3,300	-
Repayment of borrowings		(6,145)	(74,755)
Transaction costs related to borrowings		(1)	(83)
Principal element of lease payments		(7,562)	(7,580)
Dividends paid to shareholders		(1,376)	-
Net cash used in financing activities		**(11,784)**	**(5,618)**
Net increase/(decrease) in cash and cash equivalents		**1,102**	**(1,235)**
Cash and cash equivalents at 1 July		**16,192**	**1,351**
Cash and cash equivalents at 31 December		**17,294**	**116**

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

Note 1. Reporting Entity

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

These interim financial statements were authorised for issue by the Company's board of directors on 25 February 2026.

A. Basis of Preparation

The interim financial report is a general-purpose financial report prepared in accordance with AASB *134 'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

The interim financial report does not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The company is of a kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise stated.

B. New and amended standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

C. Going concern

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

For the half-year ended 31 December 2025, the Group recorded a net profit after tax of $2.9 million (31 December 2024: $8.8 million). As at 31 December 2025, current liabilities exceeded current assets by $4.1 million (30 June 2025: exceeded by $3.0 million).

To support this assessment, the Company has prepared a detailed 12-month cash flow forecast, which demonstrates its ability to meet all operational and financial obligations as they fall due. The forecast incorporates expected cash inflows from operational activities and considers committed expenditure and working capital requirements.

Accordingly, the Directors believe that, at the date of approving the interim financial report, 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.

Note 2. Segment information

(a) Basis for segmentation

The Group manages its operations as a single business operation and there are no parts of the business that qualify as operating segments under AASB 8 *Operating Segments*. The Board assesses the financial performance of Bhagwan Marine on an integrated basis only and accordingly, Bhagwan Marine is managed on the basis of a single segment which is equivalent to the 30 June 2025 consolidated financial statements results.

(b) Information about reportable segments

Information related to the single segment is set out below. EBITDA (Earnings before interest, tax, depreciation and amortisation) is used to measure performance as management believe that this information is the most relevant in evaluating the results of the Group relative to other entities that operate in the same industries. The Group's reporting segments cover Australia. The Group does not operate in any other geographical locations.

Six months ended 31 December 2025	**Consolidated $'000**
External revenues	116,850
Less: Passthrough revenue[1]	-
Net revenue	116,850
Cost of sales	(75,892)
Gross profit	40,958
Admin costs	(18,581)
Pro forma EBITDA	22,377
Net Pro forma adjustments	(431)
EBITDA	21,946
Adjustments for:	
Finance income	353
Other income	133
Depreciation and amortisation expense	(16,271)
Finance costs	(1,979)
Income tax expense	(1,255)
Profit for the half-year	**2,927**

Six months ended 31 December 2024	**Consolidated $'000**
External revenues	163,336
Less: Passthrough revenue[1]	(9,202)
Net revenue	154,134
Cost of sales	(110,477)
Gross profit	43,657
Admin costs	(16,351)
Pro forma EBITDA	27,306
Net Pro forma adjustments	(726)
EBITDA	26,580
Adjustments for:	
Finance income	215
Other income	908
Depreciation and amortisation expense	(13,075)
Finance costs	(2,034)
Income tax expense	(3,779)
Profit for the half-year	**8,815**

Footnote:

1. Non AASB15 *Revenue from Contracts with Customers*

Note 3. Revenue from contracts with customers

A. Revenue streams

	Consolidated	
	Dec 2025	Dec 2024
	$'000	$'000
Sales revenue		
Rendering of Services	116,850	154,134
	116,850	**154,134**

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	
	Dec 2025	Dec 2024
	$'000	$'000
Primary geographical markets:		
Australia	116,850	154,134
	116,850	**154,134**
Primary industry sector:		
Offshore energy services	50,734	67,156
Port & inshore services	39,994	44,441
Subsea services	22,964	14,331
Defence & other services	3,158	1,758
TVI project	-	26,448
External revenue as reported	**116,850**	**154,134**
Revenue recognised over time:		
Products and services transferred over time	116,850	154,134
External revenue as reported	**116,850**	**154,134**

Note 4. Trade and other receivables

	Consolidated	
	Dec 2025	June 2025
	$'000	$'000
Trade receivables	29,501	47,539
Related party receivables	592	155
Less: Allowance for expected credit losses	(1,003)	(564)
	29,090	**47,130**
Accrued revenue	6,081	3,462
Other receivables	1,925	1,992
	37,096	**52,584**

Note 5. Property, plant and equipment

Property, plant and equipment has a carrying amount at 31 December 2025 of $162.1 million (30 June 2025: $158.3 million). This includes $5.0 million (30 June 2025: $0.5 million) in relation to capital work in progress.

Acquisitions of property, plant and equipment has resulted in cash outflows of $12.5 million during the half-year ending 31 December 2025 (31 December 2024: $17.7 million).

As at 31 December 2025, no impairment triggers had been identified and the key estimates and judgements have not materially changed to those disclosed in the financial statements for the year ended 30 June 2025.

Note 6. Financial instruments – Fair values

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 market value, the valuer makes significant unobservable inputs per vessel, being the replacement cost of each vessel.

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 2025 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).

Note 7. Trade and other payables

	Consolidated	
	Dec 2025	June 2025
	$'000	$'000
Trade payables	17,679	19,117
Payable to related party	1,420	1,123
Accrued expenses	7,769	14,938
	26,868	**35,178**

Note 8. Loans and borrowings

	Consolidated Dec 2025 $'000	Consolidated June 2025 $'000
Current liabilities		
Working capital facility	15,000	20,000
Asset finance facility	2,058	1,996
Market rate loan facility	660	-
	17,718	**21,996**
Non-current liabilities		
Asset finance facility	10,152	11,195
Market rate loan facility	2,475	-
	12,627	**11,195**

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows.

	Currency	Nominal Interest Rate	Year of Maturity	Dec 2025 Limit $'000	Dec 2025 Carrying Amount $'000	June 2025 Limit $'000	June 2025 Carrying Amount $'000
Working capital facility	AUD	BBSY + 0.80%	2026[1]	30,000	15,000	30,000	20,000
Total bank overdraft facility				**30,000**	**15,000**	**30,000**	**20,000**
Asset finance facility	AUD	6.01%	2030[2]	30,000	12,210	30,000	13,191
Market rate loan facility	AUD	BBSY + 1.50%	2027[3]	10,000	3,135	10,000	-
Contingent liability facility	AUD	1.75%	2026[1]	10,000	-	10,000	-
Corporate card facility	AUD	17.99%	2026[1]	1,500	-	1,500	-
Total interest-bearing liabilities				**81,500**	**30,345**	**81,500**	**33,191**

Footnote:

1. 01 November 2026.
2. 06 February 2030.
3. 20 December 2027.

Security provided for 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
- Derivative Master Agreement.

Note 9. Capital and reserves

Share capital

	Dec 2025 Shares	June 2025 Shares	Dec 2025 $'000	June 2025 $'000
Ordinary shares fully paid	**275,200,238**	275,200,238	**142,062**	142,062

Movements in ordinary share capital

	Date	Shares	$'000
Balance at beginning of financial period	1 July 2025	275,200,238	142,062
Balance at end of half-year	**31 Dec 2025**	**275,200,238**	**142,062**

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.

Share-based payment reserve

As at 31 December 2025, the Company has on issue 6,939,005 Performance Rights, which are unquoted. Subject to the satisfaction of performance hurdles, each Performance Right entitles the holder to one fully paid share for no consideration. Further details on the Performance Rights on issue are set out in Note 10.

Profit reserve

The profits reserve represents current period 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.

Note 10. Share-based payment arrangements

The Company has adopted an incentive awards plan that took effect from 10 June 2024 which provides the framework under which individual grants of equity or equity-based incentive awards may be made to Directors, 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 Directors and employees with those of the Company.

The terms and conditions of the performance rights issued under the incentive awards plan during the six months ended 31 December 2025 are as follows:

Grant Date	Employees entitled	Number of performance rights issued	Vesting conditions	Expiry Date
23 September 2025	Senior Executives	2,523,698	The Performance Rights will be weighted as follows: 1. 50% of the Performance Rights will be subject to a performance measure based on the Company's EBITDA compound annual growth rate (**EBITDA CAGR**) of 5% to 15% over the Performance Period; and 2. 50% of the Performance Rights will be subject to a relative total shareholder return (**RTSR**) performance measure over the Performance Period.	23 September 2040
30 October 2025	Executive Directors and Senior Executives requiring shareholder approval	1,351,062	The Performance Rights will be weighted as follows: 1. 50% of the Performance Rights will be subject to a performance measure based on the Company's EBITDA compound annual growth rate (**EBITDA CAGR**) of 5% to 15% over the Performance Period; and 2. 50% of the Performance Rights will be subject to a relative total shareholder return (**RTSR**) performance measure over the Performance Period.	30 October 2040

Each performance right gives the holder, subject to the satisfaction of any applicable vesting conditions (unless waived by the Board in accordance with the incentive awards plan and the ASX Listing Rules), the right to subscribe for one fully paid ordinary share (subject to any adjustments under the Incentive Awards Plan); or at the discretion of the Board, to a cash amount equal to the market value of a share, less any superannuation, taxes, duties or other amounts Bhagwan Marine is required to pay or withhold.

The performance rights were issued for no consideration and there is no exercise price.

Note 11. Capital commitments

The Group has capital commitments for purchases of assets and supporting equipment totalling $1.6 million (30 June 2025: $0.6 million).

Note 12. Contingent liabilities

The Group has given bank guarantees and letters of credit to third party customers, in the normal course of business, as at 31 December 2025 totalling $5.9 million (30 June 2025: $2.7 million). The outflow of settlement is considered remote and additional information is not considered practicable to disclose.

Note 13. Events after the reporting period

On 9 February 2026, the Group announced it has entered into a share sale and purchase agreement to acquire 100% of Riverside Marine Holdings Pty Ltd ('Riverside Marine'). The acquisition will be on a debt free cash free basis with a normal level of working capital, for an enterprise value of up to $130 million. Completion of the acquisition is subject to satisfaction of conditions precedents including receipt of all required shareholder approvals, securing key customer consents to the acquisition, Bhagwan Marine arranging debt finance and completing the capital raising, probate and estate related approvals, there being no material adverse change in respect to Riverside Marine, and other customary conditions.

Subject to the satisfaction (or waiver) of the conditions precedent, the Company will on completion pay initial cash consideration of $100 million ('Initial Cash Consideration') and issue 48.8 million fully paid ordinary shares in Bhagwan Marine ('Scrip Consideration'). The Scrip Consideration will be subject to voluntary escrow (50% escrowed for one year and 50% escrowed for two years) under voluntary escrow agreements. Depending on the adjusted earn-out EBITDA assessed from 1 July 2025 to 30 June 2026, earn out cash consideration of up to $10 million may become payable by Bhagwan Marine.

The Initial Cash Consideration will be funded with $30 million from the completion of a successful equity raising, details below, and the balance will be funded by drawing a 3-year, $70 million facility from the Commonwealth Bank of Australia.

The Company has secured binding commitments to raise $30 million (before costs) as set out below;

$26.2 million (before costs) of binding commitments have been secured through a two-tranche placement of 63.9 million new Shares to institutional, sophisticated and professional investors ('Placement Shares') at an issue price of $0.41 per Placement Share ('Placement'). Under the Placement;

- 40.0 million Placement Shares ('Tranche 1') was issued under the Company's existing placement capacity pursuant to Listing Rule 7.1 on 17 February 2026; and
- Subject to shareholder approval at a general meeting which is to be held on 24 March 2026 (General Meeting), 23.9 million Placement Shares ('Tranche 2') will be issued.

In addition to, and concurrently with the Placement, the Directors and other related parties of Bhagwan Marine have committed to subscribe to 9.3 million new shares on the same terms as the Placement Shares ('Director Shares'), raising a further $3.8 million (before costs) ('Director Placement'). The issue of Director Shares under the Director Placement is subject to shareholder approval which will be sought at the General Meeting.

This significant acquisition strengthens the Company's position as a preferred marine solutions partner. The acquisition is expected to finalise at the end of March 2026.

In addition, the Board has declared an interim dividend of 0.5 cents per share for the period ended 31 December 2025. The dividend is fully franked, has a record date of 12 March 2026, and will be paid to shareholders on 9 April 2026.

Other than the above events there has not been any matter or circumstance occurring after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

In the opinion of the Directors of Bhagwan Marine Limited (the 'Company'):

(a) The interim financial report and notes set out on pages 10 to 21 for the half-year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Anthony Wooles
Chairman and Non-Executive Director

25 February 2026
Perth, WA

Independent Auditor's Review Report

To the shareholders of Bhagwan Marine Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Bhagwan Marine Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Bhagwan Marine Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2025
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 13 including selected explanatory notes
- The Directors' Declaration.

The ***Group*** comprises Bhagwan Marine Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim 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 annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Hayden Rutters

Partner

Perth

25 February 2026

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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

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InvestorHub

Bhagwan Marine'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**