

Annual Report 2025



Bhagwan Marine Limited

ACN 009 154 349

bhagwanmarine.com



BHAGWAN^{BM}
marine



2025 Annual Report

About this report

This Annual Report provides an overview of Bhagwan Marine Limited's operations and performance for the 2025 financial year (FY25), covering the period from 1 July 2024 to 30 June 2025. On 26 July 2024, the Company was admitted to the ASX (ASX: BWN). This report reflects the first year as an ASX listed entity.

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.

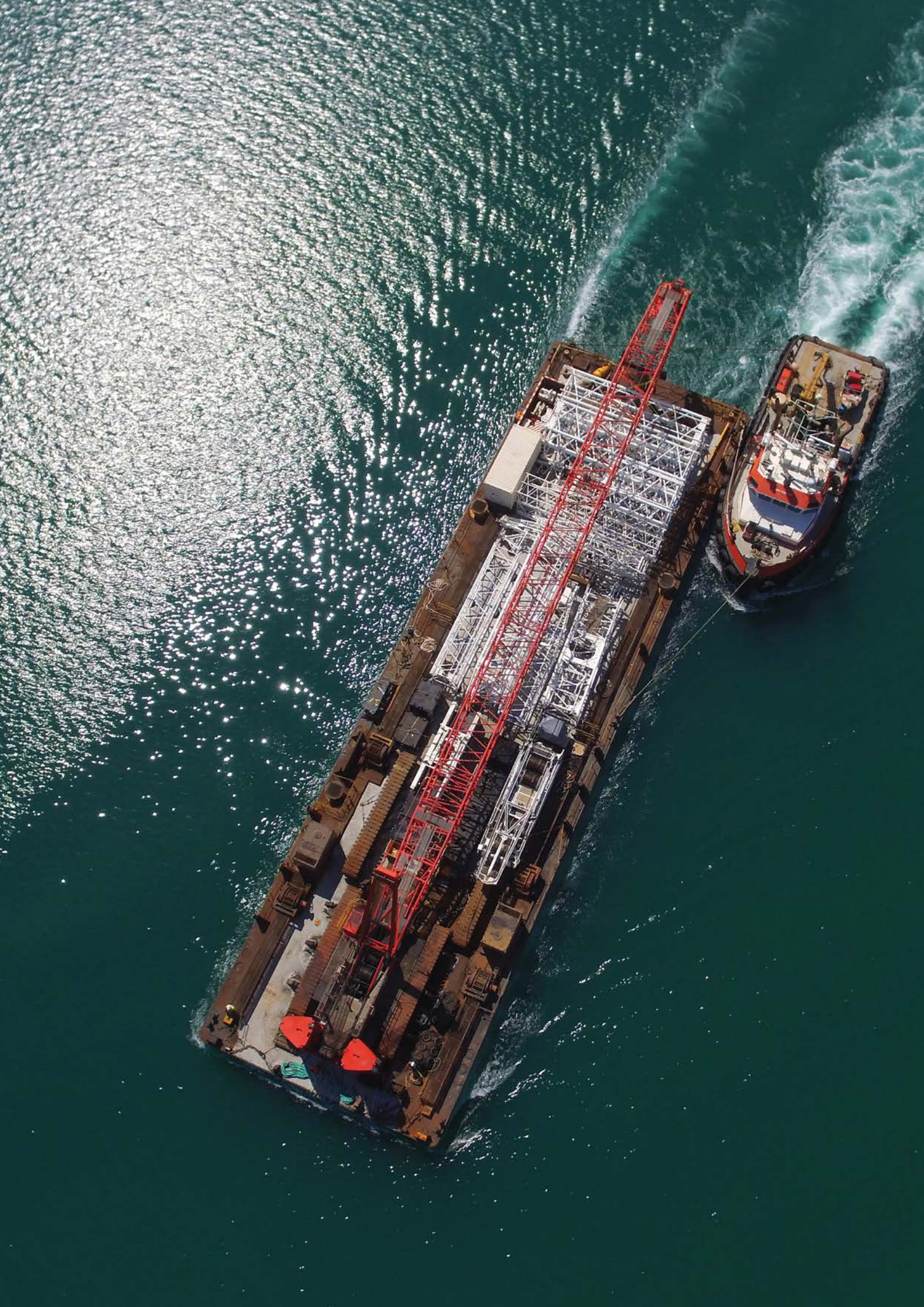
All dollar figures are expressed in Australian dollars (\$) unless otherwise stated.

Further information

We welcome questions or feedback about the Company.



Please contact us at
investor.relations@bhagwanmarine.com





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BUSINESS OVERVIEW



ABOUT BHAGWAN MARINE

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.



Australia’s largest listed marine solutions company with a leading market position

Diversified revenue streams with a presence across all key marine locations

Large, diverse and multi-functional fleet in a market where global vessel supply is limited

Strong and sustained demand for core services

Significant expansion potential in high-growth sectors, including decommissioning, offshore wind and defence

A strong financial platform to drive organic and acquisitive growth

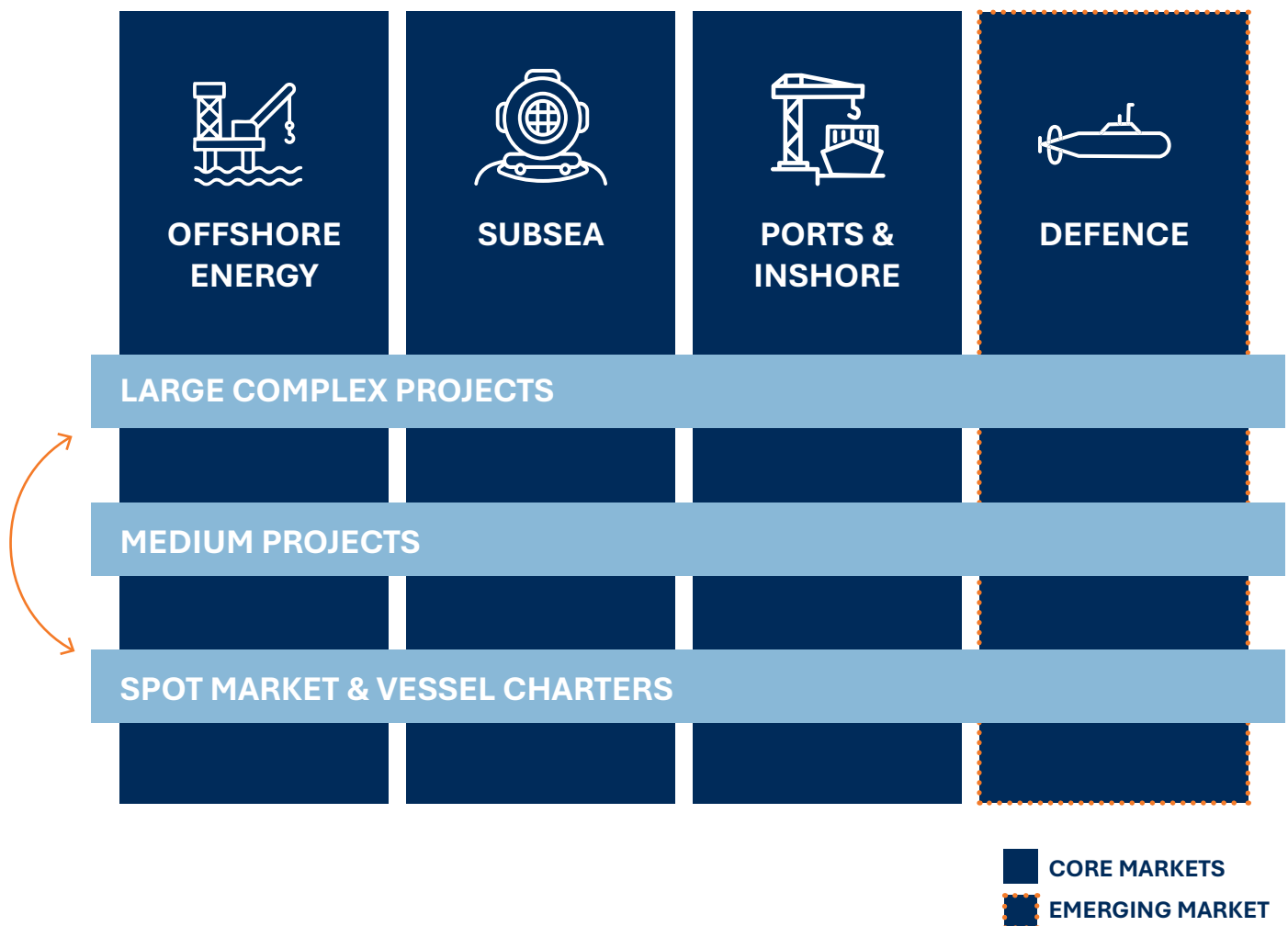
Founder-led, with a strong culture of safety, service delivery and operational excellence

Experienced and engaged Board, committed to supporting robust governance and financial discipline



OUR DIVERSIFIED BUSINESS MODEL

Supporting Core and Emerging Markets



Resources & Capabilities

1. Nationwide Facilities Providing Local Support
2. Diverse and Multi-Functional Vessel Fleet
3. Highly Experienced Team & Local Crews
4. Leading Marine Innovation & Technology



COMPREHENSIVE VESSEL SERVICES

Offshore Energy

Our diverse fleet, outstanding safety record and deep offshore experience enable us to deliver efficient support across all phases of offshore operations – from exploration to decommissioning, including the emerging offshore wind sector.

- Full asset lifecycle support from exploration, construction to decommissioning
- Oil and gas field support
- Platform supply and logistics
- Crew change operations
- Vessel and ROV support for drilling, completions and production
- Complete marine project management

Subsea

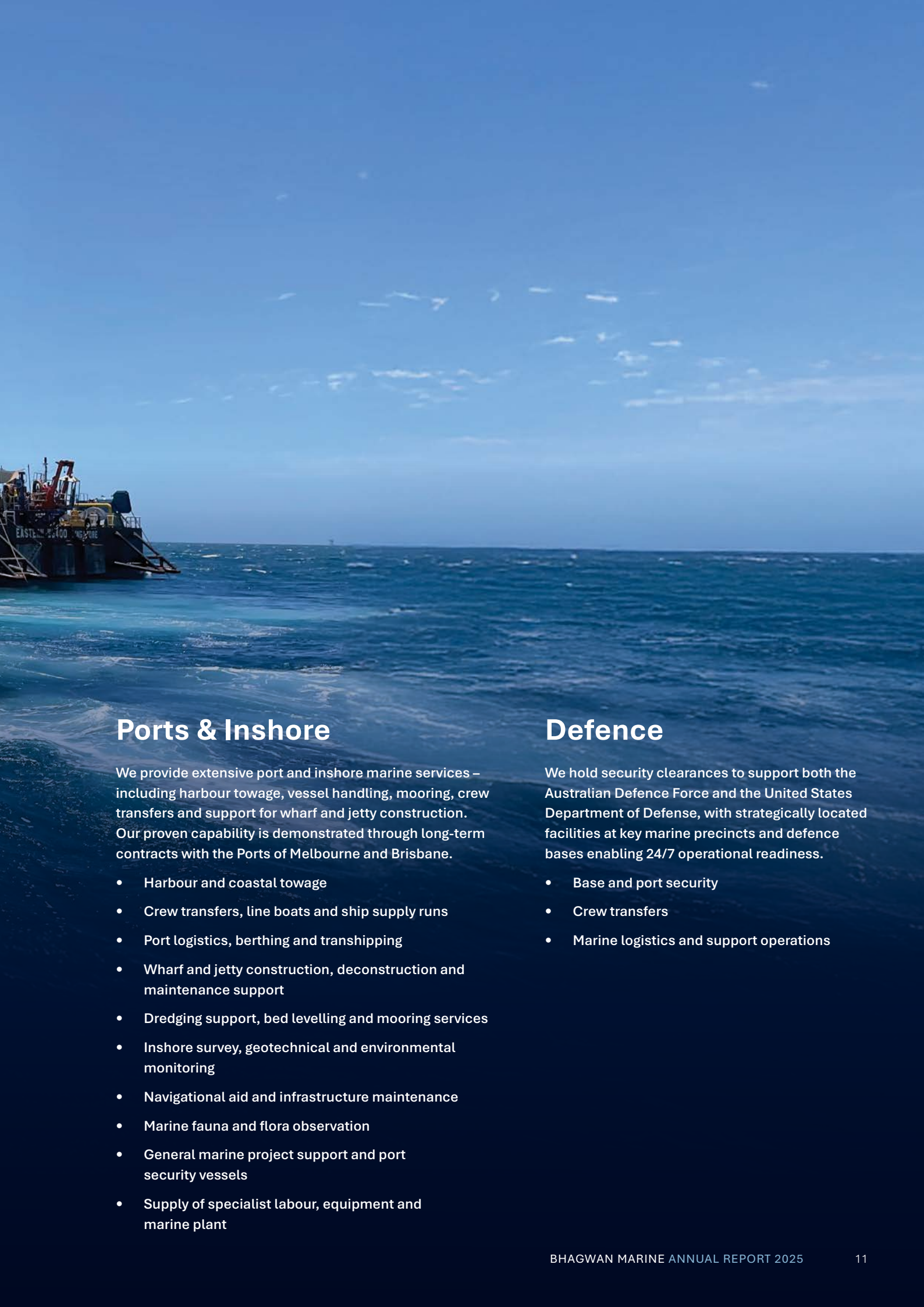
We operate purpose-built vessels, subsea systems and marine assets – backed by an experienced team of air divers – to deliver integrated subsea IMR, construction and decommissioning services.

- IMR, asset integrity and life extension
- Air diving and integrated ROV operations
- Pipeline, riser and structure inspection and repair
- Subsea tie-ins and light construction
- Hydrographic, geophysical and geotechnical surveys
- Subsea engineering and site clearance
- In-water inspections, class surveys and UWILD
- Anode fitting, pile wrapping and vessel husbandry
- Mooring, navigation aid and marine asset support
- Decommissioning, salvage and stabilisation
- Pipeline pigging, testing and invasive species surveys
- Wharf, jetty and scour remediation works

Remotely Operated Vehicle (ROV)

Inspection Maintenance & Repair (IMR)

Underwater Inspection in Lieu of Drydocking (UWILD)



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.

- Harbour and coastal towage
- Crew transfers, line boats and ship supply runs
- Port logistics, berthing and transshipping
- Wharf and jetty construction, deconstruction and maintenance support
- Dredging support, bed levelling and mooring services
- Inshore survey, geotechnical and environmental monitoring
- Navigational aid and infrastructure maintenance
- Marine fauna and flora observation
- General marine project support and port security vessels
- Supply of specialist labour, equipment and marine plant

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.

- Base and port security
- Crew transfers
- Marine logistics and support operations

NATIONWIDE FACILITIES PROVIDING LOCAL SUPPORT

We operate at 15 locations around Australia, close to the assets and operations of our key clients and major projects in the sectors we serve.



DIVERSE AND MULTI-FUNCTIONAL VESSEL FLEET

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

Our broad range of purpose-built charter vessels and marine assets enable us to deliver tailored solutions that meet specific client requirements quickly and efficiently, with the highest levels of safety and reliability.

We take pride in upgrading and maintaining our quality fleet, ensuring that new vessels incorporate the latest technologies and standards.



Dive Support Vessels



Tug Boats



Multicats



Utility Vessels



Barges



Crew Transfer Vessels



Anchor Handling Tug Supply (AHTS) Vessels



LEADING MARINE INNOVATION & TECHNOLOGIES

We are constantly evaluating, trialling and implementing new and evolving technologies that enhance the safety and efficiency of our operations and reduce our environmental impact.

Remote Operations Vessels

During 2025, we commenced a paid trial with a large global energy company using our remote operations vessel, 26m inspection vessel. This is the first remote operations vessel of its size in Australia and will reduce crew numbers and costs. Additionally, with reduced crew on board, we are significantly reducing safety risks of our operations, while minimising the need for crews to spend extended periods away from their loved ones.

We will continue to explore and evaluate the development of remote operations vessels which have the potential to deliver a range of benefits to our clients, as well as enhancing Bhagwan's operations.

Advancing Sustainability

We are evaluating a range of initiatives to upgrade our existing vessels by incorporating green technologies designed to improve fuel efficiency and reduce carbon emissions. This includes upgrading engines and systems with more efficient and environmentally friendly alternatives, including hybrid or fully electric engine systems.



FY25 HIGHLIGHTS

RECORD NET REVENUE

\$283.0 Million

Up 5% on FY24 \$268.8m¹

RECORD EBITDA²

\$50.9 Million

Up 23% on FY24 \$41.3m

STRENGTHENING AS AN ASX COMPANY

Refined strategy and appointed highly experienced COO to lead operations, deliver results and focus on growth. Enhanced systems for greater internal efficiencies. Implemented InvestorHub to increase shareholder engagement.

MAINTAINED SAFETY FOCUS

LTIFR³ ZERO – improved from 0.90

TRIFR³ 11.05 – up from 7.65

Implemented Safety Improvement Plan

¹ FY25 gross revenue of \$292.2m inclusive of pass-through revenue, FY24 gross revenue \$303.2m

² Pro Forma EBITDA

³ Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) per million hours worked v FY24

⁴ Thevanard Island (TVI)

“Over the past 12 months, we focused on strengthening all parts of the business to set ourselves up for long-term, sustainable growth.”

LOUI KANNIKOSKI – MANAGING DIRECTOR AND CEO

NET CASH FROM OPERATIONS

\$35.8 Million

Up 23% on FY24 \$29.0m

INAUGURAL DIVIDEND

0.5cps

Fully franked

GROWTH & INNOVATION WITHIN CORE BUSINESS

Strong performance across all sectors. Six-year contract extension with Port of Melbourne. Further expansion into larger vessel market supported by Coral Knight acquisition. Invested in electrification and remote technologies.

PROGRESSION WITHIN NEW GROWTH SECTORS

Grew presence in decommissioning and completed significant TVI⁴ project. Expanded operations to support offshore wind projects. Positioning for growth within emerging defence sector.

CHAIRMAN'S ADDRESS



Dear Shareholders,

On behalf of Bhagwan Marine's Board of Directors, I am delighted to present the Company's Annual Report for the 2025 fiscal year (FY25).

This year marked Bhagwan's first full reporting period as a public company, following its successful IPO in July 2024. In the short time since listing, the Company has made significant operational progress and delivered solid financial results, despite broader market volatility.

Throughout FY25, Bhagwan's Board and leadership team concentrated on three priorities: strengthening internal capabilities; embedding financial discipline and robust governance; and refining its strategy to deliver sustainable earnings growth.

As always, the Company's progress was underpinned by its commitment to operational excellence, customer service and safety.

Safety & Wellbeing

Importantly, Bhagwan's Lost Time Injury Frequency Rate (LTIFR) was zero, improving from 0.90 in FY24. The Total Recordable Injury Frequency Rate (TRIFR) was 11.05, up from 7.65. These outcomes reflect the strength of the Company's safety culture, supported by engaged leadership and a sustained focus on the wellbeing of its people, particularly those operating in remote and challenging marine environments.

Financial Performance

During FY25, Bhagwan generated record net revenue of \$283.0 million, representing a 5% increase over FY24 and a three-year compound annual growth rate of 28%. Pro Forma EBITDA reached \$50.9 million, a 23% uplift from the previous year and a three-year CAGR of 33%. EBITDA margins increased to 18%, up from 15% in FY24.

It was also pleasing to declare the Company's maiden fully franked dividend of 0.5 cps, reflecting confidence in Bhagwan's financial strength and outlook.



Growth Strategy

Bhagwan's immediate focus remains on strengthening its diverse core business and pursuing opportunities in emerging growth markets, including the decommissioning, offshore wind and defence sectors. In parallel, the Company is exploring targeted, value-enhancing acquisitions to further expand its national presence. Bhagwan's approach to mergers and acquisitions prioritises fleet capability and operational fit, reflecting a disciplined and deliberate growth strategy.

Innovation & Leading Marine Technologies

Innovation remains central to Bhagwan's strategy and its broader commitment to sustainable operations. The Company is partnering with battery and hybrid vessel technology firms, along with other emerging solutions aimed at reducing its environmental footprint. Trials of autonomous vessel technology are also progressing, in collaboration with strategic partners.

Acknowledgements

I sincerely thank Loui, Kerren and the entire Leadership Team for their outstanding stewardship in guiding Bhagwan through its first full year as a listed company. They have embraced the rigours of public markets, whilst preserving the unique culture, authenticity and professionalism, which remain central to Bhagwan's identity and success.

I also extend my gratitude to my fellow Board members for their ongoing contributions and commitment, which continue to strengthen the Company's governance and strategic direction.

Together, this collective effort positions Bhagwan for further success as Australia's leading marine solutions provider.



Anthony Wooles
Non-Executive Chairman



BOARD OF DIRECTORS

The Bhagwan Board comprises Directors with extensive experience and skills in the marine industry, business management, financial oversight and corporate governance.



Anthony Wooles

BCom, MBA (Finance), FAICD, SA FIN

Non-Executive Chairman

Anthony Wooles was appointed Non-Executive Chairman of Bhagwan Marine on 8 March 2012.

He brings considerable experience in executive and advisory roles across diverse industries, including mining, oil and gas, power generation, manufacturing, telecommunications, food and beverages and retail. Anthony currently serves as Chairman of IMDEX Limited and as a Non-Executive Director of High Peak Royalties Limited.

He is a Fellow of the Australian Institute of Company Directors (AICD) and holds a Bachelor's degree in Commerce (Economics) and an MBA in Finance from the Wharton School, University of Pennsylvania.

Anthony chairs Bhagwan's Remuneration Committee and is a member of the Audit and Risk Committee.



Loui Kannikoski

Founder

Managing Director and Chief Executive Officer

Loui Kannikoski is the Founder and Managing Director & CEO of Bhagwan Marine.

He began his career in the family cray fishing business and led the enterprise from the mid-1980s. In 1998, Loui expanded the family's marine operations into the oil and gas sector as a marine charter operator, and in 2000 he formally established Bhagwan.

His deep knowledge of all aspects of the marine industry, combined with strategic and operational expertise, underpins his ability to drive Bhagwan's performance and growth.



Tracey Horton AO

BEC (Hons), MBA, FAICDLife

Independent Non-Executive Director

Tracey Horton was appointed Independent Non-Executive Director of Bhagwan Marine on 5 June 2024.

She is a professional director with experience across ASX-listed companies, together with government and not-for-profit boards. Tracey currently serves as Chair of IDP Education Limited and as a Non-Executive Director of GPT Group and IMDEX Limited.

Tracey has comprehensive knowledge as a management consultant in Australia and internationally, holding executive and senior roles with Bain & Company, Poynton and Partners and the Reserve Bank of Australia. She also served as Winthrop Professor and Dean of the Business School at the University of Western Australia.

Tracey is a Life Fellow of the Australian Institute of Company Directors (AICD) and holds a Bachelor of Economics (Hons) from the University of Western Australia and an MBA from Stanford Graduate School of Business.

She chairs Bhagwan's Audit & Risk Committee and is a member of the Remuneration Committee.



Andrew Wackett

BCom, FCPA, FFIN, GAICD

Executive Director – Finance

Andrew Wackett joined Bhagwan Marine as Executive Director – Finance on 1 May 2024.

He brings extensive knowledge in investment banking, securities management, and finance, with significant commercial experience in large Australian and international listed companies.

Andrew has held executive roles guiding businesses, departments, and teams in strategy development and execution. He was previously CFO of Fleetwood Limited and served for 20 years as a Division Director at Macquarie Securities Group, following six years at Wesfarmers.

Andrew 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).



**“I am immensely proud of
our teams and all we have
achieved during FY25.”**

LOUI KANNIKOSKI – MANAGING DIRECTOR AND CEO

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER REVIEW OF OPERATIONS



Dear Shareholders,

FY25 Review: Strengthening our Foundations for Long-Term Success

FY25 marked a significant milestone for Bhagwan, our first full year as a listed company. Over the past 12 months, we focused on strengthening all parts of the business to set ourselves up for long-term, sustainable growth.

We maintained growth across our core sectors, progressed further expansion within new growth sectors and made meaningful improvements to our operations, systems and strategic capability. All of this was achieved against a backdrop of an inflationary cost environment, oil and gas price volatility and broader macroeconomic uncertainty, demonstrating the strength and adaptability of our business and our people.

Financial Performance

This resilience was reflected in our financial performance for FY25. Net revenue of \$283.0 million represented an uplift of 5% on the prior year. This result includes the significant Thevenard Island (TVI) project, which contributed \$26.4 million in FY25 compared with \$65.4 million in FY24. Importantly, our core business expanded by 26% on the prior corresponding period.

We delivered a record Pro Forma EBITDA of \$50.9 million, an uplift of 23% on FY24 with an EBITDA margin of 18%, up from 15% in FY24, or 17% in FY24 excluding the TVI project. Pro Forma EBIT was \$22.8 million, an uplift of 27% on \$17.8 million in FY24.

Cash generated from operations was \$35.8 million, with the 23% uplift reflecting higher EBITDA and lower interest charges partially offset by high activity levels towards the end of the financial year resulting in temporary working capital use.

Sustaining capital expenditure was higher than in FY24 principally due to completion of the 10-year docking of our largest vessel, the Bhagwan Dryden. Other factors included a larger fleet along with cost inflation and lead times in the maintenance market. Growth capital expenditure included the acquisition of an anchor handling vessel, the Coral Knight, to expand within the larger vessel market.

For FY26, generating quality revenue alongside pricing discipline, cost control, enhanced operational efficiencies and procurement optimisation will remain priorities.

Operational Overview

During FY25 we remained focussed on our operations, which span offshore energy, subsea, ports and inshore and defence. Through disciplined execution and strong project delivery across these core sectors, we extended key contracts, secured new work with both existing and new clients and delivered high-quality outcomes on complex projects.

Notable operational highlights and achievements within our core sectors included:

- Completion of horizontal directional drilling support at Australia's largest LNG project off Barrow Island, Western Australia
- Support services for the Mardie Salt and Potash wharf project in the Pilbara, Western Australia
- Completion of subsea pipe laying support for a major gas and condensate project off the coast of Darwin, Northern Territory
- Continuation of a five-year contract for standby support off the Pilbara coast, Western Australia
- Ongoing support for the Groote Eylandt wharf repair project, Northern Territory
- A six-year contract extension with the Port of Melbourne, Victoria plus subsequent associated works

Within our growth sectors, decommissioning, offshore wind and defence, a major milestone was the commercial completion of the multi-year TVI project in the Northwest. This multidisciplinary operation involved offshore teams of approximately 180 people and the successful removal of nine wells. It clearly demonstrated Bhagwan's capability in large-scale project delivery and lays a strong foundation for future opportunities within the growing decommissioning market.

We expanded our fleet services to support offshore wind projects and commenced upgrading our facility at the Henderson Marine Precinct to meet rising demand, particularly from government-backed defence projects. Concurrently, we invested in innovation, including remote operations and the conversion of vessels to hybrid power. This includes the commencement of our first commercial contract using remotely operated technology for a major global oil and gas client, as well as our first vessel conversion to hybrid power, demonstrating our commitment to sustainable, technology-driven growth.

Safety Culture

Safety remains central to everything we do – it is not an area we ‘set and forget’. In FY25, we achieved two key safety highlights that underscore our strong safety culture:

- Achieving an LTIFR of zero, down from 0.90 in FY24
- Completion of over 850,000 offshore working hours without a lost-time injury during the major TVI project, an outstanding reflection of our team’s care for one another and focus on safe execution

As reported with our FY24 results, we welcomed Daniel Shields to lead our QHSE function. A key aspect of Daniel’s role is the implementation of a new Safety Improvement Plan across the business.

During the year we were also pleased to welcome Mark Annand as our Chief Operational Officer. Mark shares the importance we place on safety and is tasked with driving efficient operations and supporting growth across both our core and new sectors.



Looking Ahead

During FY26, our focus is on four priorities:

1. Market penetration and technology development within our core sectors
2. Further market development within our new growth sectors
3. Continued margin expansion
4. Refinement of our strategy and systems as we mature as an ASX-listed company

As always, we will pursue these priorities without losing sight of safety, operational excellence for our customers and our unique company culture.

While short-term macroeconomic uncertainty is likely to continue, the medium-term outlook for pricing and utilisation across our sectors remains positive. With a solid operational base and momentum across multiple markets, we are ready to take on the opportunities ahead.

My Thanks to a Talented Team

I am immensely proud of our teams and all we have achieved during FY25. I also extend my sincere appreciation to our Board members for their ongoing guidance, support and strategic leadership. Their contributions have been invaluable in helping us navigate our first year as a listed company and establish strong foundations for future growth.

Together, we remain confident in our ability to continue our steady progress in FY26, while building a stronger and more resilient business. As a leading marine solutions provider with facilities at key marine hubs across the country, supported by a diverse multi-functional fleet and a team of quality people, we are well equipped to create lasting value for our customers and shareholders.



Loui Kannikoski

Managing Director and CEO







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 and
Joint Company Secretary

Cheryl commenced with Bhagwan in February 2018.

She 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.



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.



Kerren Kannikoski

General Manager - Corporate Services

Kerren is a co-founder of the business and commenced employment with Bhagwan in 2000 together with Managing Director and CEO, Loui Kannikoski.

Kerren is responsible for human resources, crewing of vessels, payroll, information systems and marketing.



Daniel Shields

General Manager - QHSE

Daniel joined Bhagwan in April 2024. His expertise include quality management, occupational health & safety management and environmental Management. Daniel holds an Advanced Diploma in Occupational Health and Safety.



Grant Bedford

General Manager - Commercial

Grant joined Bhagwan in July 2023, he is responsible for the management of commercial functions and business development activities for the Company.

Grant holds a Master of Business Administration (MBA), is a Graduate of the Australian Institute of Company Directors, a Certified Practicing Accountant (CPA Australia) and has a Bachelor of Commerce (BCom) - Accounting from the University of Western Australia. Previously Grant had 19 years' experience in similar roles globally, including Europe, Middle East and Asia.



Peter Carmichael

General Manager - Corporate and Strategic Development

Peter is an Australian Maritime Safety Authority (AMSA) qualified Marine Master and Engineer who commenced employment with Bhagwan in 2006.

Peter has significant operational and marine industry experience. Prior to his current role, Peter was General Manager of Bhagwan's west coast operations.

As General Manager of Corporate and Strategic Development, Peter is responsible for driving business development initiatives and fostering client relationships.



Kevin Clifford

General Manager - East Coast Operations

Kevin commenced employment with Bhagwan in 2014 and is responsible for managing the commercial and operational aspects of tug, barge, towing, marine construction and salvage operations for Bhagwan on the East Coast of Australia.

Kevin is an AMSA qualified Marine Master and Engineer.



Gregory Standish

General Manager - Subsea

Gregory commenced employment with Bhagwan in November in 2021. He is responsible for Bhagwan's Subsea marine services. This includes business development and technical operations.

Gregory has 20 years' experience in the oil and gas and defence sectors with companies including DOF Subsea and defence contractor, Phoenix International. Gregory holds a BEng (Hons), Civil Engineering from the University of Edinburgh.



Tom Kannikoski

General Manager - West Coast Operations

Tom commenced employment with Bhagwan in 2014 and has worked in various positions across all regions of the company.

Tom is also the Deputy Designated Person Ashore (DPA) as appointed under the Company's Safety Management System.

Tom is an AMSA qualified Marine Master with over 15 years' industry experience.



Luke Morand

General Manager - Northern Territory

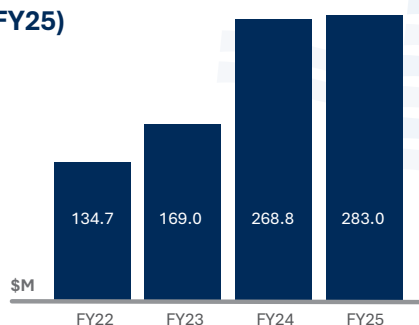
Luke began his career with Bhagwan in 2014 as the Northern Territory Fleet Manager and grew within the region to his current role due to his extensive operational and technical knowledge.

Luke is an AMSA qualified Marine Engineer and has over 15 years of industry experience.

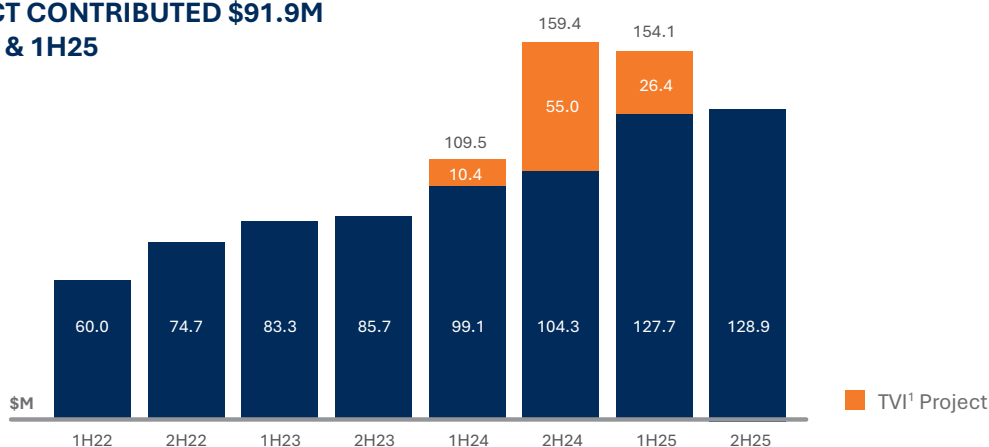
FINANCIAL PERFORMANCE

YEAR-ON-YEAR CORE REVENUE GROWTH DIVERSIFIED PROFILE

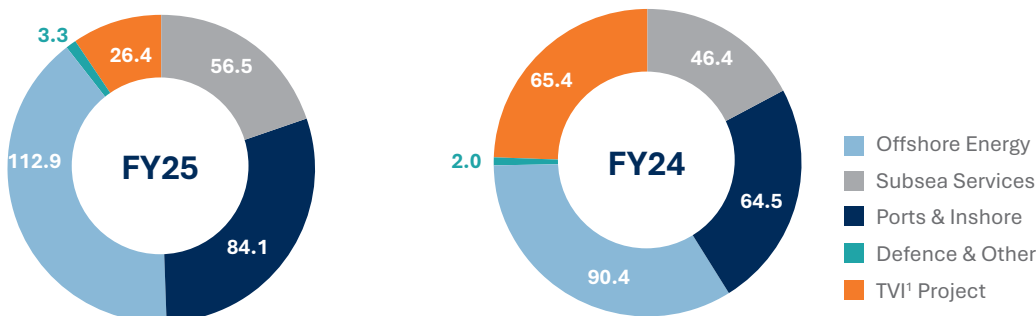
NET REVENUE
CAGR 28% (FY22 - FY25)



**TVI PROJECT CONTRIBUTED \$91.9M
OVER FY24 & 1H25**



REVENUE PROFILE²

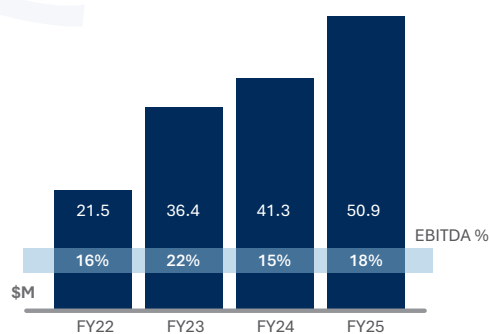


¹ Thevenard Island (TVI)

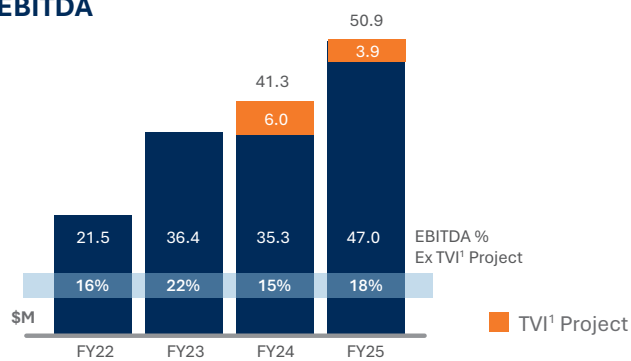
² FY24 revenue profile restated

YEAR-ON-YEAR CORE EBITDA GROWTH CONTINUED FOCUS ON MARGIN EXPANSION

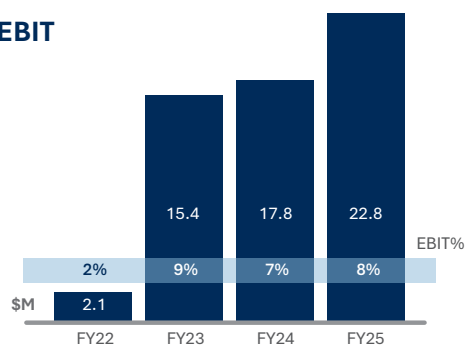
PRO FORMA EBITDA CAGR 33% (FY22 - FY25)



PRO FORMA EBITDA



PRO FORMA EBIT



REVENUE & EBITDA BREAKDOWN

STRONG UNDERLYING CORE OVERLAYED WITH SIGNIFICANT TVI PROJECT

Half Year Revenue and Pro Forma EBITDA Breakdown (Core excludes TVI Project)								
\$ Million	FY22	FY23	FY24	FY25	1H24	2H24	1H25	2H25
Core revenue	134.7	169.0	203.4	256.6	99.1	104.3	127.7	128.9
TVI ¹ project revenue	-	-	65.4	26.4	10.4	55.0	26.4	-
Total revenue	134.7	169.0	268.8	283.0	109.5	159.3	154.1	128.9
Gross profit	40.2	57.4	71.2	84.4	34.8	36.4	43.7	40.7
Administrative expense & other	(17.2)	(20.7)	(29.8)	(33.5)	(14.3)	(15.5)	(16.4)	(17.1)
Core EBITDA	21.5	36.4	35.3	47.0	20.9	14.5	23.4	23.6
Core EBITDA margin (%)	16%	22%	17%	18%	21%	14%	18%	18%
TVI ¹ project EBITDA	-	-	6.0	3.9	(0.3)	6.2	3.9	-
TVI ¹ project EBITDA margin (%)	-	-	9%	15%	(0.3%)	11%	15%	-
Total EBITDA	21.5	36.4	41.3	50.9	20.6	20.7	27.3	23.6
Total EBITDA margin	16%	22%	15%	18%	19%	13%	18%	18%

- Core revenue growth of 26% to \$256.6m on increased fleet numbers, utilisation and average day rates
- TVI¹ project contributed \$91.9m in revenue and \$9.9m in EBITDA (11% margin) over FY24 and 1H25
- Administrative expenses to core revenue improved to 13%
- Core EBITDA margins returned to 18% in line with expectations
- Continued focus on EBITDA margin improvement in FY26

¹ Thevenard Island (TVI)

Small variances may occur due to rounding

CASH FLOW

EBITDA GROWTH FLOWING THROUGH TO CASH

Statutory Cash Flow	FY25	FY24
\$ Million	Actual	Actual
EBITDA	50.2	39.7
Interest and finance costs	(2.4)	(4.9)
Tax paid	-	-
Working capital (and other)	(12.0)	(5.8)
Cash generated from operations	35.8	29.0
Net sustaining capital expenditure	(17.9)	(12.1)
Lease repayments	(15.8)	(13.2)
Free cash flow	2.2	3.7
Growth capital expenditure	(19.6)	-
Capital raised	76.8	(0.6)
Total cash generated	59.4	3.1

Increase in operating cash flow from:

- Higher EBITDA
- Lower interest charges
- Partially offset by high operational activity at year end resulting in temporary use of working capital

Increase in sustaining capital expenditure from:

- 10 year docking of flagship vessel (Dryden)
- Fleet expansion, inflation and longer lead times in the vessel maintenance market
- Growth capital includes \$13.7m for Coral Knight a large anchor handling vessel

CAPITAL EXPENDITURE DETAIL

ENHANCING FLEET QUALITY, SIZE & CAPABILITY

Capital Expenditure Detail	FY25	FY24
\$ Million	Actual	Actual
Growth	19.6	-
Sustaining	11.9	13.6
Discretionary	6.9	-
Asset sales	(0.9)	(1.6)
Total	37.5	12.1

Growth capex includes:

- Acquisition of the Coral Knight to support continued expansion into larger offshore vessel market
- Acquisition of new tug for Dampier Port operations
- 10-year dry docking and upgrade of the Dryden – \$2.8m growth and \$3.9m sustaining capex (\$6.7m)
- Investment in innovation targeting advancements in remote operations and hybrid vessel technologies

Sustaining & Discretionary capex includes:

- Enhancing quality and operational efficiency of existing fleet. Spending impacted by inflation and longer lead times in the vessel maintenance market
- Early maintenance of vessels in preparation for longer-term projects



BALANCE SHEET

EARNINGS GROWTH DRIVING IMPROVED RETURN ON ASSETS

Statutory Balance Sheet	FY 25	FY 24	Change
\$ Million	Actual	Actual	%
Net working capital	7.0	2.8	147%
Property, Plant and Equipment ¹	193.6	150.6	
Intangibles	-	1.1	
Other	5.4	4.9	
Capital employed	206.0	159.5	29%
Net debt (including leases)	38.2	81.4	(53%)
Shareholders funds	167.8	78.1	115%
Capital employed	206.0	159.5	29%
ROA ² (annualised)	9%	7%	

- Focus on working capital management – activity towards year end resulted in higher debtors
- FY25 PPE reflects increase in growth capex and additional leased vessels
- Net debt to equity ratio 23% including operating leases
- Net financial debt of \$5.3m excluding operating leases
- Earnings growth driving improved ROA performance
- Proceeds from IPO allocated in line with Prospectus

¹ Includes Right of Use Assets

² Return on Assets (ROA) – EBIT divided by Total Assets less Financial Assets

Small variances may exist due to rounding

DEBT AND LEASE STRUCTURE

CAPITALISED LEASES REFLECT INCREASED FLEET SIZE & TENURE

Net Debt	FY 25	FY 24
\$ Million	Actual	Actual
Cash	16.2	1.4
Financial assets	11.7	11.0
Cash and financial assets	27.9	12.4
Debt	33.2	77.5
Net debt (excluding leases)	5.3	65.1
Net debt (excluding leases)/equity	3%	83%
Net debt (excluding leases)/EBITDA	0.1x	1.6x
Leases	32.9	16.3
Net debt (including leases)	38.2	81.4
Net debt (including leases)/equity	23%	104%
Net debt (including leases)/EBITDA	0.7x	2.0x

- Financial assets – loan to an associated fleet management company
- Financial debt reduced by IPO
- Capex facility drawn to \$13.2m for acquisition of the Coral Knight
- Lease growth driven by new leased vessels:
 - Ada Clara - a remote operations vessel
 - Keller Ocean - a Multicat
 - Increase in vessel lease terms, mainly barges
- Increased tenure on property leases

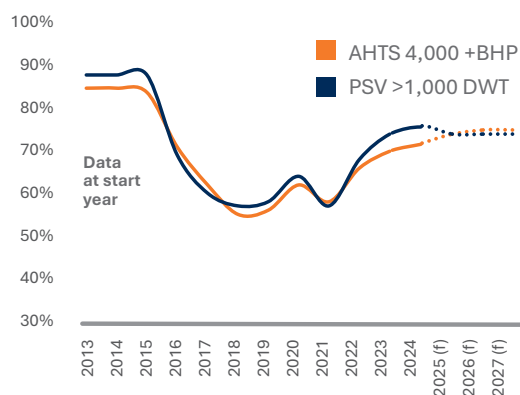


OPERATING ENVIRONMENT

POSITIVE LONG-TERM INDUSTRY OUTLOOK

SUPPLY DEMAND IMBALANCE EXPECTED TO SUPPORT RATES

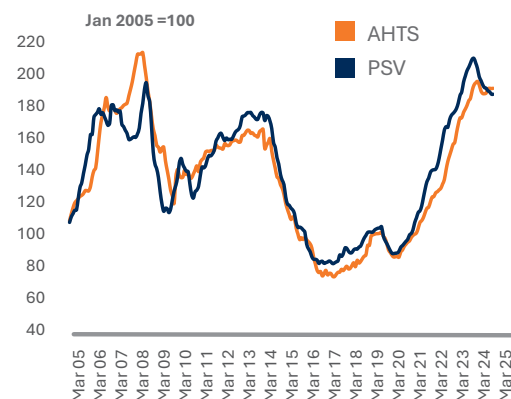
OSV GLOBAL UTILISATION



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

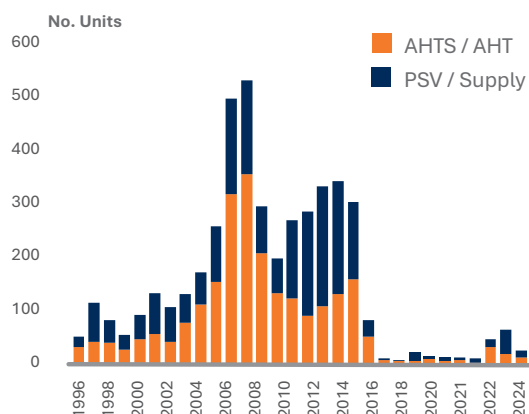
Source: Clarkson Research

OSV RATE INDEX



Source: Clarkson Research

OSV NEW BUILDING CONTRACTING ACTIVITY



Source: Clarkson Research

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

- Global OSV utilisation, including anchor handlers and PSVs, has steadily recovered since COVID-19
- Global day rates have rebounded to mid-2000s levels
- New-build orders remain limited due to high costs, restricted financing and vessel technology uncertainties
- Supply-demand imbalance suggests day rates will continue rising
- Current global day rates insufficient to incentivise volume new builds
- Bhagwan, with the largest fleet in Australia, is in a strong position to meet growing demand in a constrained global vessel market
- Short-term macroeconomic uncertainty expected to persist
- Medium-term pricing and utilisation outlook remains positive across sectors

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 2025 Corporate Governance Statement, including Board and Committee Charters and key governance policies, are available on the Company website.

www.bhagwanmarine.com/investors/corporate-governance

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



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.



**“When it comes to safety,
we are never satisfied.”**

LOUI KANNIKOSKI – MANAGING DIRECTOR & CEO

GROWTH STRATEGY

COMPELLING GROWTH SEGMENTS

 OFFSHORE ENERGY			
	Decommissioning	Offshore Wind	Larger Vessel Market
Growth Drivers	Maturing of Australia's offshore oil and gas industry Movement to reduce emissions and reduce reliance on fossil fuels Proven platform experience and capability	Early-stage growth market across the APAC region Construction and maintenance services are highly vessel intensive	Enhanced profile as Australia's largest listed marine solutions company
Service Examples	Mobilisation of construction barge, with crane and accommodation Anchor handling support Crew transfer	Environmental surveys Geotechnical support Construction support Inspection, maintenance and repair	Platform supply vessels (PSV) Emergency and standby support Anchor handling support
Bhagwan's Current Activity	Delivered Bhagwan's first oil and gas decommissioning project, the largest undertaken by an Australian-owned service provider	Currently supporting initial survey work for offshore wind farms	Emergency and standby support in northern Western Australia

FY26 FOCUS AREAS

STRENGTHENING FOUNDATIONS FOR LONG-TERM SUCCESS

MARKET PENETRATION

- Accelerate the expertise and operational capacity across offshore energy, subsea, ports & inshore and defence sectors
- Leverage profile and competitive advantage as Australia's largest listed marine solutions company
- Further investment in innovation and leading marine technologies
- Remain alert to accretive acquisition opportunities in core sectors

MARKET DEVELOPMENT

- Draw on experience and proven capability in decommissioning sector
- Utilise existing contracts to expand within offshore wind sectors
- Leverage the Coral Knight, to meet growing demand for larger vessels
- Establish presence at key defence hubs
- Remain alert to accretive acquisition opportunities in new growth sectors

LEVERAGING EXPERIENCE AND CAPABILITIES WITHIN CORE BUSINESS

	 SUBSEA	 PORTS & INSHORE	 DEFENCE	
	Ageing offshore assets and marine infrastructure	Ageing port infrastructure Impetus to maintain production levels and optimise asset utilisation	Renewed focus on marine logistics, security and offshore surveys Increasing naval infrastructure spend	Growth Drivers
	Subsea engineering Subsea inspection, maintenance and repair Hydrographic, geophysical and geotechnical surveys	Inspection, maintenance and repair Support for new and upgraded ports and nearshore infrastructure	Geophysical and geotechnical surveys Construction support Infrastructure maintenance	Service Examples
	Support for all phases of subsea project execution from inspection to decommissioning	Ongoing maintenance work across Bhagwan's core service portfolio	Ongoing service delivery for border force contracts	Bhagwan's Current Activity

MARGIN EXPANSION

- Generate quality revenue in an improving pricing environment
- Disciplined cost control and procurement optimisation
- Generation of free cash flow by disciplined capital management
- Enhance systems and processes to achieve operational efficiencies

OPERATIONAL EXCELLENCE

- Further refinement of growth strategy
- Align leadership structure with strategic objectives
- Build on executive team to enhance capabilities and accelerate growth
- Automation of key processes to drive efficiency
- Maturing as an ASX – listed company





FY25 ANNUAL FINANCIAL REPORT

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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 2025.

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

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.

Tracey Horton AO

*BEc (Hons), MBA,
FAICDLife*

Independent Non-Executive Director

Tracey was appointed as an Independent Non-Executive Director on 5 June 2024.

Information on Directors

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

Index 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

23,392,021 ordinary shares

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

Index Ltd (2023 to current)
IDP Education Ltd (2022 to current)
GPT Group Ltd (2019 to current)
Nearmap Ltd (2019 to 2022)

DIRECTORS' REPORT

Name and role

Tracey Horton AO
Continued

Loui Kannikoski

**Founder
Managing Director & CEO**

Loui was appointed as Managing Director & CEO in 1985.

Andrew Wackett

*BCom, FCPA, FFIN,
GAICD*

**Executive Director -
Finance**

Andrew was appointed as Executive Director - Finance on 1 May 2024.

Information on Directors

Board Committee Memberships

Audit & Risk Committee (Chair) – since 5 June 2024
Remuneration Committee – since 5 June 2024

Relevant Interests in Securities in Bhagwan Marine

30,000 ordinary shares
74,627 share rights

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

112,294,051 ordinary shares
571,504 performance rights

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

160,000 ordinary shares
299,604 performance rights
74,627 share rights

DIRECTORS' REPORT

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:

Director	Board		Audit and Risk Committee		Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Anthony Wooles	17	17	4	4	6	6
Tracey Horton	17	17	4	4	6	6
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 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.

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, 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 consolidated entity reported revenue from contracts with customers of \$283.0m for the year ending 30 June 2025 (2024: \$268.8m). The reported profit is \$12.5m for the year (2024: \$5.5m).

The information required under the Corporations Act on the Company's financial performance and operational review for the year ended 30 June 2025 can be found on pages 23 to 25.

DIRECTORS' REPORT

Operating and financial review (continued)

Shareholder returns

	2025	2024	2023	2022
Statutory Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA ¹) (\$'000)	50,200	39,700	36,400	21,500
Net Pro Forma Adjustments (\$'000)	700	1,600	-	-
Pro Forma Earnings Before Interest, Tax, Depreciation & Amortisation (Pro Forma EBITDA ²) (\$'000)	50,900	41,300	36,400	21,500
Profit attributable to owners of the company (\$'000)	12,486	5,547	17,343	2,405
Basic earnings per share (cents per share)	4.67	3.71	11.56	1.60
Fully franked dividends per share (cents per share)	0.50	-	-	-
Movement in share price (%)	(19.84)	N/A	N/A	N/A

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 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 IPO of \$0.7m in FY25 (FY24: \$2.7m) and include estimated additional costs from FY24 of \$1.1m, which would have been incurred as a result of being an ASX-listed company.

Risks – Specific Business Risks

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

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 ports, nearshore, offshore and subsea services.

B. Reliance on key clients

During the financial year ended 30 June 2025, 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 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.

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.

DIRECTORS' REPORT

Risks – Specific Business Risks (continued)

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.

DIRECTORS' REPORT

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 has 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.

DIRECTORS' REPORT

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 2025, 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 28 June 2024, the Company filed its Replacement Prospectus (Prospectus) with the Australian Securities Investment Commission (ASIC) to raise \$80m in new capital, fully underwritten by Euroz Hartley's Limited (IPO Offer) and to list on the ASX. The IPO Offer closed on 23 July 2024, and the Company issued 126,984,127 new shares at an issue price of \$0.63 per share.

On 26 July 2024, the Company was admitted to the official list of the ASX (ASX: BWN) and its shares commenced trading on 30 July 2024.

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

Matters subsequent to the end of the financial year

The Board has declared an inaugural dividend of 0.5 cents per share for the year ended 30 June 2025. The dividend is fully franked, has a record date of 12 September 2025, and will be paid to shareholders on 7 October 2025.

No other matter or circumstance has arisen since 30 June 2025 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	275,200,238
Performance and share rights	3,064,245

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 consolidated entity 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 consolidated entity.

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 COO.

DIRECTORS' REPORT

Climate reporting and environmental regulations

The consolidated entity 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 anticipates it 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.

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

KPMG's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

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 \$52,250 (2024: \$643,400 for taxation services and due diligence).

Rounding of amounts

The Company is of a kind referred to in Corporations 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 the Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

REMUNERATION REPORT

Remuneration Report (Audited)

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

This Report is presented under the following sections:

- A. Introduction and KMP
- B. Summary of 2025 Performance and Remuneration Outcomes
- C. Remuneration Governance
- D. Executive Remuneration Arrangements
- E. Executive Remuneration Outcomes for FY25
- F. Non-Executive Director Remuneration
- G. Remuneration Expenses for KMP
- H. Additional Disclosures

A. Introduction and KMP

Introduction

The Company was listed on the ASX on 26 July 2024. This Report outlines our first full year's remuneration arrangements, as a publicly listed company, for Key Management Personnel (**KMP**).

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

The Board is continuing to build the foundations of the Company's Executive Remuneration Framework to meet stakeholder expectations.

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 FY25. Each was a KMP for the entire period unless, otherwise stated.

Non-Executive Directors	Role	Appointment
Anthony Wooles	Chair and Non-Executive Director	8 March 2012
Tracey Horton AO	Independent Non-Executive Director	5 June 2024
Executives	Role	Appointment
Loui Kannikoski	Managing Director & CEO	31 October 1985
Andrew Wackett	Executive Director - Finance	25 March 2024
Mark Annand	Chief Operating Officer	26 May 2025

Changes to KMP Reporting for the FY25 Reporting Period

During the year, the Company created a new role of Chief Operating Officer (**COO**), which reports to the MD/CEO, Loui Kannikoski. The Company appointed Mark Annand as COO on 26 May 2025. Mark brings over 35 years of operational and commercial leadership experience across the energy and oilfield services sectors, with a strong track record of driving growth and transformation at both regional and global levels. Most recently, he served as Managing Director for Baker Hughes across Australia, New Zealand and Papua New Guinea, where he led the business through a period of significant expansion and increased profitability over a three-year period.

Accordingly, the Board determined that for the FY25 financial period, KMP will comprise the MD/CEO, the Executive Director - Finance, the COO, and Non-Executive Directors.

Details on the experience and skills of each KMP are set out on pages 20, 21 and 28.

REMUNERATION REPORT

B. Summary of 2025 Performance and Remuneration Outcomes

After the Company's listing on the ASX on 26 July 2024, the Board established an Executive Remuneration Framework to support the Company's long-term strategy and annual operational plan. This framework includes a combination of fixed remuneration and at-risk variable remuneration.

In determining the 2025 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.

FY25 Highlights for KMP Remuneration	
Executive Remuneration Framework	During the year, we established our Executive Remuneration Framework, which was developed from evaluating market practice for ASX-listed Companies and external market benchmarks. This assessment also considered individual performance, the complexity of each role and internal relativity.
Executives' Total Fixed Remuneration (TFR) outcomes	Prior to the Company's ASX-listing, TFR for the MD/CEO and the Executive Director - Finance was reviewed against benchmarks by external remuneration consultants and disclosed in the Company's Prospectus. On 1 July 2024, the MD/CEO's base salary increased by CPI - 3.6%. As the Executive Director – Finance and the COO are new to their roles, their TFR remained unchanged for the year.
Executives' Short-Term Incentive (STI) outcomes	During the year, the STI Plan was established to align Executives with the Board-approved targets for Pro Forma EBITDA performance and a safety gateway. FY25 Pro Forma EBITDA of \$50.9 million increased by 23% on the prior year's Pro Forma EBITDA of \$41.3 million exceeding the Board-approved threshold Pro Forma EBITDA by 11.6%. Safety outcomes were LTIFR 0.0, less than the 2.0 Board-approved safety gateway. Based on these performance achievements, the Board has determined a STI outcome of 90% (100% max) for the MD/CEO and the Executive Director Finance. See Section E - Executive Remuneration Outcomes for FY25 for more details.
Executives' Long-Term Incentive (LTI) outcomes	During the year, the LTI Plan was established to align Executives with the Company's long-term performance and returns generated for shareholders. At the 12 November 2024 AGM, Shareholders approved the Employee Incentive Awards Plan and the grant of Performance Rights to Executives that are subject to the performance criteria, including growth in EBITDA (50% weighting) and Company total shareholder return (TSR) relative to comparator companies from the industrials and energy sector (50% weighting). The first vesting will be performance tested at the end of the three-year period, being 30 June 2027. No vesting of LTIs occurred during the year. See Section D - Executive Remuneration Arrangements for more details.
Non-Executive Directors (NEDs) Fixed Remuneration for FY25	During the year, there was no change to the Non-Executive Directors Fees. Non-Executive Directors do not participate in any incentive plans. Prior to the Company's ASX-listing, the Non-Executive Directors' Fees were benchmarked by external remuneration consultants and disclosed in the Company's Prospectus. See Section F - Non-Executive Director Remuneration.

REMUNERATION REPORT

B. Summary of 2025 Performance and Remuneration Outcomes (continued)

2026 Remuneration Approach

As we conclude our first year as a public ASX listed company, we are actively refining both our short-term and long-term remuneration strategies to build our talent. This includes transitioning our remuneration practices to align more closely with those of our peers and other companies listed on the ASX and adjusting our remuneration arrangements to ensure that our overall employee value proposition effectively attracts and retains both Executives and staff.

For the upcoming financial year, and at the date of this Report, the Board does not anticipate any significant changes to the Executive Remuneration Framework. No changes to Non-Executive Director Remuneration will be made during 2026.

C. Remuneration Governance

Remuneration Committee

On 5 June 2024, the Board established the Remuneration Committee (**the Committee**) to assist the Board in fulfilling its corporate governance and oversight responsibilities regarding remuneration arrangements for Non-Executive Directors and Executives.

The Committee comprises two Non-Executive Directors. No Executive is a member of the Committee.

The Committee meets four times during the year. The MD/CEO and the Executive Director - Finance attended certain Committee meetings by invitation, where their input was required and are not present during any discussions related to their own remuneration arrangements.

The responsibilities of the Committee include reviewing, advising, and making recommendations to the Board on:

- Non-Executive Directors' fixed remuneration.
- Review and monitor the effectiveness of the Company's Executive Remuneration Framework.
- The structure, design, and operation of Executives' remuneration arrangements, including approving changes to Executives' TFR, and the design and implementation of STI and LTI incentive plans.
- Making recommendations to shareholders to approve the grant of LTI's to the MD/CEO, the Executive Director - Finance, and the establishment of an Employee Incentive Awards Plan.

During the year, the Committee approved the remuneration arrangements for the MD/CEO and other Executives reporting to the MD/CEO, as well as their participation in the STI and LTI plans.

The grant of unvested LTIs to the MD/CEO and the Executive Director - Finance, as set out in Section E, were approved by shareholders at the Company's Annual General Meeting (**AGM**) on 12 November 2024.

Further information on the Committee's responsibilities is set out in the Remuneration Committee Charter, which is available on the Company's website at www.bhagwanmarine.com/investors/corporate-governance.

Remuneration Consultants

The Group has a protocol for engaging and working with remuneration consultants to ensure that "remuneration recommendations" (being advice relating to the elements of remuneration for KMP, as defined under the Australian Corporations Act 2001) are made free from undue influence by KMP to whom they may relate. We have monitored compliance with these requirements throughout the year ended 30 June 2025. The Reward Practice Pty Ltd ("The Reward Practice") are independent Executive remuneration consultants, not related to the Group, specialising in board, executive and employee reward & recognition programs. The Reward Practice's services were used to provide support on the 2025 Remuneration Policy and providing advice in relation to management proposals. The Board of Directors oversee the selection of the remuneration consultants, who reported directly to the Board of Directors, the engagement letter outlines the scope of work, emphasising independence and objectivity. The Group is satisfied that the remuneration consultants' team is independent.

During the year, the Committee engaged The Reward Practice to provide remuneration services, including the provision of incentive market insights and benchmarking support, at a total fee of \$26,048 (2024: \$23,650). The Reward Practice did not provide other services.

Remuneration Report Approval at 2024 AGM

The FY24 Remuneration Report received strong shareholder support at the 2024 AGM with a vote of 99.97% in favour. This demonstrates shareholder support and confidence in the Company's remuneration approach for KMP.

REMUNERATION REPORT

C. Remuneration Governance (continued)

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.

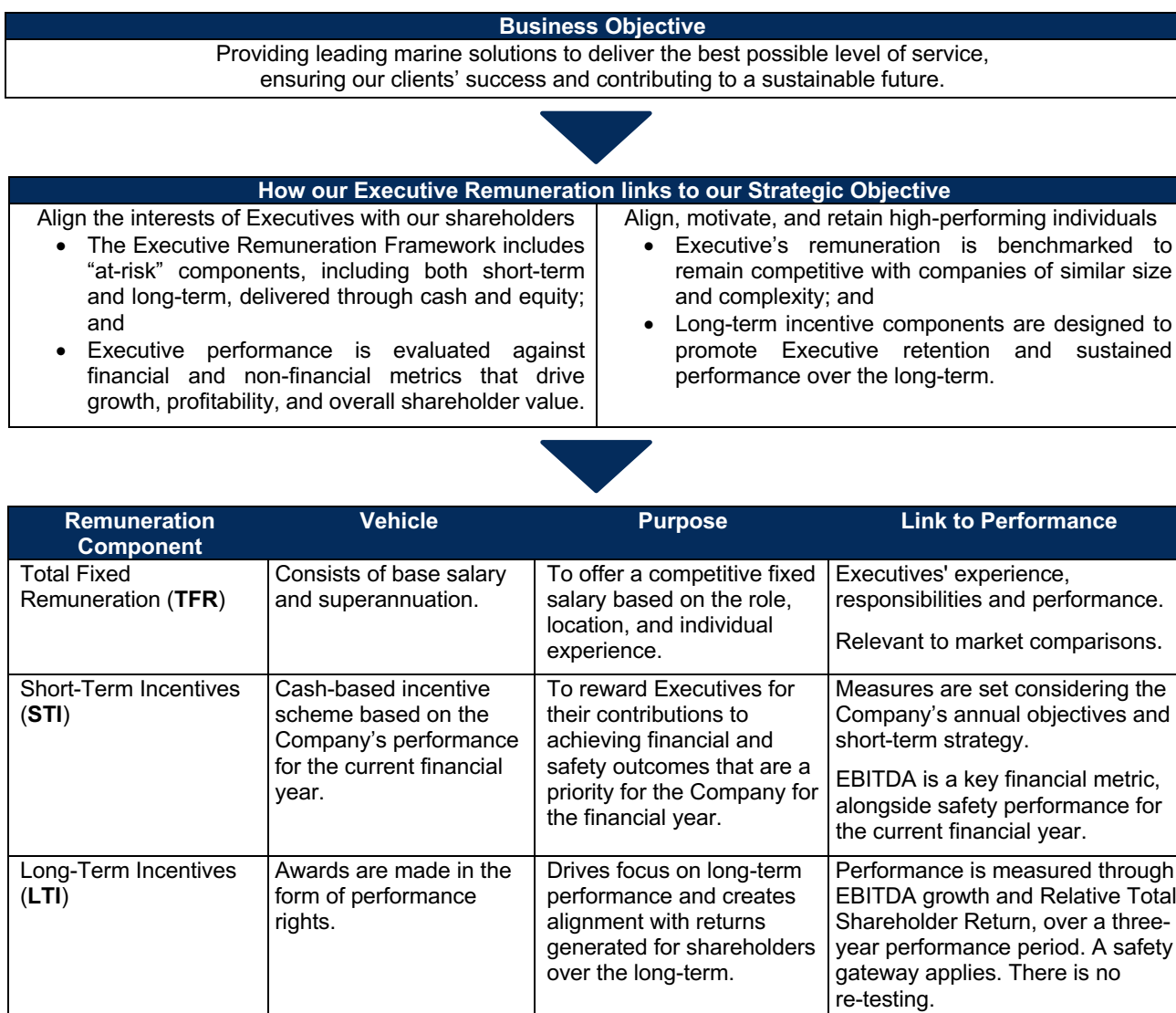
The Security Trading Policy is available on the Company's website.

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.



REMUNERATION REPORT

D. Executive Remuneration Arrangements (continued)

Approach to setting remuneration and details of incentive plans

In FY25, 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.
Variable Remuneration – Short-Term Incentives	
What is the STI Plan?	During the year, the Company introduced the STI Plan to achieve outcomes that are a priority for the Company within 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 FY25 performance measures for Executive KMP included Pro Forma EBITDA (100% weighting) and a safety performance gate, set at the beginning of the year. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) is used as a STI performance measure because it focuses on operational performance, is well understood throughout the business, excludes non-controllable factors, and aligns with shareholder value creation. Any unbudgeted non-recurring or non-operational events or transactions that are not expected to occur regularly or are unrelated to the underlying operating activities (i.e. "One-off" or "Individually Significant Items") such as, gains or losses from business and asset acquisitions, and significant litigation settlements may be excluded from the EBITDA calculation at the sole determination of the Board. The safety gate measures lost time injury frequency rate (LTIFR) to ensure sustainable performance in health and safety. STI outcomes are determined by the Remuneration Committee following an assessment of performance measures at the end of the performance period and with regard to the Company's 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.

REMUNERATION REPORT

Variable Remuneration – Long Term Incentives																					
What is the LTI Plan?	During the year, the Company introduced the LTI Plan to support the achievement of the Company’s long-term strategy, vision, and growth. Participation in the LTI Plan is available to Executives and other senior managers. LTI Plan awards are granted in the form of performance rights at no cost to participants because they are awarded as remuneration. Any vested performance rights are convertible into shares in the Company. Subject to the ASX Listing Rules, the Board may acquire on-market and/or allocate to the participant the number of shares that are exercised in relation to vested performance rights. Alternatively, the Board may, in its absolute discretion, as an alternative to providing shares, provide a cash payment of equivalent market value to those shares that would be issued.																				
Shareholder approvals for LTI Plan and grants?	The LTI Plan operates under the Incentive Awards Plan, which was approved by Shareholders at the 2024 AGM with a vote of 85.19% in favour. Shareholders approve the grant of FY25 LTIs in the form of performance rights to the Executive KMP.																				
How much can Executives earn under the LTI Plan?	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.																				
What performance measures will inform the LTI Plan?	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 3-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 3-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 3-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 2024 Notice of Annual General Meeting. Details of the vesting schedule for rTSR Performance Rights are set out below: <table><tr><th>rTSR over the 3-year performance period</th><th>% of performance rights that vest</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>		Performance Measure	rTSR	EBITDA CAGR	Weighting	50%	50%	Purpose	To recognise the performance of the Company’s shares and shareholder value creation.	To recognise long-term growth in profitability and shareholder value creation.	rTSR over the 3-year performance period	% of performance rights that vest	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%
Performance Measure	rTSR	EBITDA CAGR																			
Weighting	50%	50%																			
Purpose	To recognise the performance of the Company’s shares and shareholder value creation.	To recognise long-term growth in profitability and shareholder value creation.																			
rTSR over the 3-year performance period	% of performance rights that vest																				
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At or above the 75th percentile	100%																				

REMUNERATION REPORT

What performance measures will inform the LTI Plan? (continued)	EBITDA CAGR Hurdle: The Board considers EBITDA CAGR growth over a 3-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>	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%
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%										
How is the number of performance rights granted determined?	The number of performance rights granted to each participant is based on the face value methodology. This is determined by dividing the dollar value of the maximum LTI opportunity by the Volume-Weighted Average Price (VWAP) of Bhagwan Marine shares over the five trading days prior to the commencement of the performance period. For FY25, a face value of 63 cents per share was used being the IPO subscription price and the fact that the Company had not commenced trading on the ASX.										
When is performance criteria measured?	LTI outcomes are determined by the Remuneration Committee following an assessment of performance measures at the end of the 3-year performance period and with regard to the Company's performance and broader market factors. There is no opportunity for re-testing. Performance rights will lapse if the performance measures are not met at the end of the performance period.										
What happens on cessation of employment?	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.										
Do any clawback or malus provisions apply?	The Board may clawback performance rights that have vested to participants in certain circumstances. In addition, performance rights may lapse in certain circumstances during the performance period. For example, performance rights may lapse if a participant acts fraudulently or dishonestly or is dismissed from office.										
What happens if there is a change in control?	Subject to applicable ASX Listing Rules, in the event of a change of control, performance conditions in respect of unvested Performance Rights will be deemed to be automatically waived unless and to the extent the Board otherwise resolves.										
Is hedging permitted on unvested LTIs?	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.										
Are participants entitled to voting rights and dividends?	No dividends are paid on performance rights until they vest. Performance rights do not carry voting entitlements.										
How is Board discretion considered?	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.										

REMUNERATION REPORT

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:	FY25 Base salary of \$489,777 per annum and 11.5% superannuation of \$56,324. Entitled to 17.5% annual leave loading. 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:	FY25 Base salary of \$350,000 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:	FY25 Base salary of \$400,000 per annum and 11.5% superannuation of \$46,000. 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, 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.

REMUNERATION REPORT

E. Executive Remuneration Outcomes for FY25

Company 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	FY2025	FY2024	FY2023	FY2022	FY2021
Pro Forma Earnings Before Interest, Tax, Depreciation & Amortisation (Pro Forma EBITDA ¹)	\$'000	50,900	41,300	36,400	21,500	18,000
Profit/(loss) attributable to owners of the Company	\$'000	12,486	5,547	17,343	2,405	(19,371)
Basic earnings per share	cents per share	4.67	3.71	11.56	1.60	(13.15)
Dividends paid	cents per share	-	-	-	-	-
EBITDA growth	%	26.48	5.55	65.47	18.29	2.03
Decrease in share price ²	%	19.84	-	-	-	-

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 Bhagwan Marine listed on the ASX during the period. The decrease in share price has been calculated as the movement from listing date (26 July 2024) to financial year end (30 June 2025).

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 IPO of \$0.7m in FY25 (FY24: \$2.7m) and include estimated additional costs from FY24 of \$1.1m, which would have been incurred as a result of being an ASX-listed company.

Short-Term Incentives

Company performance and its link to short-term incentives

An STI payment will only be awarded if the Board-approved FY25 Pro Forma EBITDA target is exceeded and the safety gateway is achieved. The Company's actual Pro Forma EBITDA performance exceeded the target for FY25 by 11.6%, and safety LTIFR of zero resulting in STI awards of 90% to participants in the STI Plan. Pro Forma EBITDA excludes costs associated with the Company's IPO.

The following table provides STI outcomes by Executives for FY25:

Name	Position	STI Achieved %	STI Awarded ¹ \$	Maximum Potential Award \$
Loui Kannikoski	Managing Director & CEO	90	245,745	273,051
Andrew Wackett	Executive Director - Finance	90	171,000	190,000
Mark Annand	Chief Operating Officer	-	-	-
Total			416,745	463,051

1 The FY25 STI awards will be paid in September 2025. Mark Annand joined the Company in May 2025 and was not eligible for the STI for the financial year ending 30 June 2025.

Long-Term Incentives

Company performance and its link to long-term incentives

No LTIs vested in FY25.

One-off Grant of IPO Share Rights – Andrew Wackett

On 8 July 2024, the Company granted 74,627 Share Rights to Andrew Wackett under the terms of the Company's Prospectus and in consideration for their contribution to the work undertaken on the Company's successful IPO and successful listing on the ASX. The share rights had a face value of \$47,015.

These share rights will vest on 26 July 2026, which is two years after Bhagwan Marine's ASX listing date and are convertible into shares at no cost.

REMUNERATION REPORT

F. Non-Executive Director Remuneration

Directors Remuneration

The Board seeks to set aggregate 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 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 2025. Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits.

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

One-off Grant of IPO Share Rights – Tracey Horton

As set out in the Company's IPO Prospectus, on 8 July 2024, the Company granted 74,627 Share Rights to Tracey Horton under the terms of the Company's Prospectus and in consideration for her contribution to the work undertaken, prior to her appointment as a Non-Executive Director, on the Company's successful IPO and successful listing on the ASX. The Share Rights had a face value of \$47,015.

These Share Rights will vest on 26 July 2026, which is two years after Bhagwan Marine's ASX listing date and are convertible into shares at no cost.

REMUNERATION REPORT

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 2025 are as follows;

Details of the nature and amount of remuneration of each member of the Board of Directors for FY2025 and FY2024										
Year	Salary and fees \$	Short-term benefits		Post-employment benefits			Long-term benefits		Performance related %	
		Cash bonus ⁵ \$	Non-monetary \$	Annual leave \$	Superannuation \$	Long service leave \$	Share-based payments ⁶ \$	Total \$		
Non-Executive Directors										
2025	290,000	-	-	-	-	-	-	290,000	-	-
2024	295,000	-	-	-	-	-	-	295,000	-	-
2025	152,066	-	-	-	7,934	-	21,610	181,610	-	-
2024	23,543	-	-	-	2,605	-	-	26,148	-	-
Total Non-Executive Director Remuneration	442,066	-	-	-	7,934	-	21,610	471,610	-	-
2024	318,543	-	-	-	2,605	-	-	321,148	-	-
Executive Directors										
2025	492,085	245,745	6,935	35,603	56,637	11,971	40,633	889,609	30%	-
2024	472,758	-	6,716	52,350	52,049	12,544	-	596,417	-	-
2025	350,000	171,000	-	21,465	30,000	3,540	49,698	625,703	32%	-
2024	94,231	-	-	6,712	7,981	-	-	108,924	-	-
Total Executive Director Remuneration	842,085	416,745	6,935	57,068	86,637	15,511	90,331	1,515,312	-	-
2024	566,989	-	6,716	59,062	60,030	12,544	-	705,341	-	-
Other Executive KMP										
2025	38,462	-	-	2,360	4,462	-	-	45,284	-	-
2024	-	-	-	-	-	-	-	-	-	-
Total Executive Directors and other Executive KMPs	38,462	-	-	2,360	4,462	-	-	45,284	-	-
2024	-	-	-	-	-	-	-	-	-	-
Total KMP Remuneration	1,322,613	416,745	6,935	59,428	99,033	15,511	111,941	2,032,206	23%	-
2024	885,532	-	6,716	59,062	62,635	12,544	-	1,026,489	-	-
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 vest on 26 July 2026.										
3. Loui Kannikoski's salary and fees were increased by CPI and changes in statutory superannuation.										
4. Mark Annand was appointed as Chief Operating Officer on 26 May 2025.										
5. Cash bonus represents STIs that were awarded to each Executive KMP in relation to FY25 performance and will be paid in September 2025.										
6. Share-based payments are calculated in accordance with Australian Accounting Standards and are amortised at the fair value of equity-related awards that have been granted to KMPs.										

1. Anthony Woolles is Chairman of the Board and Non-Executive Director. Mr Woolles is Chair of the Remuneration Committee and a Member of the Audit & Risk Committee. Mr Woolles 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 vest on 26 July 2026.
3. Loui Kannikoski's salary and fees were increased by CPI and changes in statutory superannuation.
4. Mark Annand was appointed as Chief Operating Officer on 26 May 2025.
5. Cash bonus represents STIs that were awarded to each Executive KMP in relation to FY25 performance and will be paid in September 2025.
6. Share-based payments are calculated in accordance with Australian Accounting Standards and are amortised at the fair value of equity-related awards that have been granted to KMPs.

REMUNERATION REPORT

H. Additional Disclosures

(a) Share-based Compensation

Ordinary Shares:

During the 2025 financial year, no ordinary shares were issued to KMP as part of their remuneration (2024: nil).

Options:

During the 2025 financial year, no options were issued to KMP as part of their remuneration (2024: nil).

Performance Rights and Share Rights:

During the year, shareholders approved on 12 November 2024 the issue of 733,018 (2024: nil), Performance Rights to the MD/CEO and the Executive Director - Finance, under the Company's Incentive Award Plan.

On 8 July 2024, 149,254 Share Rights were issued to the Independent Non-Executive Director and the Executive Director - Finance, under the terms of the Company Prospectus, as a once-off grant related to the Company's successful IPO and listing on the ASX. Assumptions made in the valuation of the Share Rights issued in the current period are outlined below:

	Share Rights July 2024	Performance Rights December 2024	
		Tranche 1	Tranche 2
Grant date	08 July 2024	12 November 2024	12 November 2024
Exercise price	\$nil	\$nil	\$nil
Vesting date	26 July 2026	30 June 2027	30 June 2027
Performance hurdle	1. The listing of the Company on the ASX by 31 Aug 2024; and 2. The holder remains an eligible participant for 2 years following the listing on the ASX	rTSR performance measure over the performance period - 01 July 2024 to 30 June 2027.	EBITDA CAGR of 5% to 15% over the performance period - 01 July 2024 to 30 June 2027.
Underlying share price	\$0.63	\$0.57	\$0.57
Risk-free rate	N/A	4.14%	4.14%
Volatility	N/A	49.32%	49.32%
Valuation	\$0.63	\$0.36	\$0.57
Probability of success	100%	N/A	75.00%
Expected employee retention rate	100%	73.33%	73.33%
Number granted to KMP	149,254	366,509	366,509

REMUNERATION REPORT

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 2025 is outlined below;

	Balance at 1 July 2024	Shares allocated as remuneration	Other changes during the period	Balance at 30 June 2025
Anthony Wooles ⁴	22,870,077	-	521,944 ¹	23,392,021
Tracey Horton	-	-	30,000 ¹	30,000
Loui Kannikoski ⁴	111,051,811	-	1,242,240 ²	112,294,051
Andrew Wackett	-	-	160,000 ¹	160,000
Mark Annand ³	-	-	32,228 ³	32,228
Total	133,921,888	-	1,986,412	135,908,300

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

- Shares acquired in the July 2024 Initial Public Offering (IPO).
- Loui Kannikoski acquired 476,200 indirectly in the July 2024 IPO and 766,040 indirectly through on-market purchases during the financial year.
- Mark Annand was appointed as Chief Operating Officer on 26 May 2025. Opening balance is at this date. Mark acquired 32,228 shares on-market in June 2025.
- Voluntary Escrow Shares** – a total of 23,392,021 Shares held by Anthony Wooles and 111,528,011 shares held by Loui Kannikoski and their related parties are in voluntary escrow. Shares subject to voluntary escrow will be released on 29 August 2025.

Performance Rights and Share Rights held:

The following table sets out the Performance Rights and Share Rights held by KMP, including the movements in Performance Rights held during FY25:

	Balance at 1 July 2024	Granted	Exercised/ Lapsed	Balance at 30 June 2025	Vested during the year	Vested and Exercisable	Unvested
Anthony Wooles	-	-	-	-	-	-	-
Tracey Horton	-	74,627	-	74,627	-	-	74,627
Loui Kannikoski	-	571,504 ¹	-	571,504	-	-	571,504
Andrew Wackett	-	374,231	-	374,231	-	-	374,231
Mark Annand	-	-	-	-	-	-	-
Total	-	1,020,362	-	1,020,362	-	-	1,020,362

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

- 138,090 performance rights granted during the period 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 12 November 2024, as required by ASX Listing Rule 10.14.

ASX Listing Rule 10.14

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.

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.

Options held:

No Options in the Company were held by any KMP during the year ended 30 June 2025.

REMUNERATION REPORT

H. Additional Disclosures (continued)

(c) Loans to/from KMP and their Related Parties

Details regarding loans outstanding at the end of the reporting period to KMP and their related parties, are as follows:

	Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Loans</i>				
Loan receivable and related interest – BM Fleet Pty Ltd	425,458	244,728	11,730,176	11,014,120
Loan payable and related interest – Kannikoski Shareholder Loan	(322,283)	(640,212)	-	(12,581,532)
	103,175	(395,484)	11,730,176	(1,567,412)

BM Fleet Loan

As set out in the Company's Prospects (section 9.6.4.4), the Company (as lender) entered into a loan arrangement with BM Fleet (as borrower), an entity associated with Anthony Wooles and Loui Kannikoski. The purpose of the loan was to acquire and/or construct certain vessels. NAB also provided BM Fleet with a facility to fund the purchase of the vessels, and the loan from NAB is secured over the relevant vessels.

The loan amount outstanding at 30 June 2025 due from BM Fleet Pty Ltd is \$5,809,302 (2024: \$4,363,841). Interest accrued of \$425,458 is charged at 8% per annum as from 1 July 2024. The outstanding loan receivable was priced on an arm's length basis and is unsecured and is 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. The highest loan balance during the year ended 30 June 2025 was \$5,809,302.

In addition to the above, a loan of \$5,920,876 (2024: \$6,649,680) due from BM Fleet Pty Ltd, which resulted from the transfer of 50% ownership in a joint venture from Bhagwan Marine to BM Fleet Pty Ltd in 2023, is unsecured and is not expected to be settled within the next 12 months. There is no interest paid or payable on the loan. Arm's length interest would have been charged at 8% per annum, totalling \$527,022. The highest loan balance during the year ended 30 June 2025 was \$6,649,680.

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.

Kannikoski Shareholder Loan

As set out in the Company's Prospects (section 9.6.4.3), the Company (as borrower) entered a Shareholder Loan with Loui Kannikoski as lender on 22 August 2014, which was varied on 20 June 2023.

Loui Kannikoski is a related party of the Company by virtue of being a Director, meaning that the Kannikoski Shareholder Loan represents a related party arrangement.

On 24 July 2024, the Company repaid the Shareholder Loan as detailed in section 7.1.3 of the Company's Prospectus. The amount repaid was \$12,903,814, inclusive of interest from 30 June 2024 up to the date of settlement.

REMUNERATION REPORT

H. Additional Disclosures (continued)

(d) 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Amounts recognised as revenue</i>				
Services provided to BM Fleet Pty Ltd	159,892	-	155,474	-
	159,892	-	155,474	-
<i>Amounts recognised as expense</i>				
Lease of Vessel – BM Fleet Pty Ltd	853,263	1,281,000	736,464	1,602,371
Lease of Vessels – KFAMS Pty Ltd	755,569	938,477	386,364	434,605
Lease of Property – Loui Kannikoski	275,831	285,950	-	-
	1,884,663	2,505,427	1,122,828	2,036,976

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 Director, 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 a vessel 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.

Kannikoski Property Trust – Dampier property lease

During the reporting period, the Company leased premises in Dampier, WA 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. The lease agreement is based on normal commercial terms and conditions. Subsequent to the end of the year, the Directors (excluding Loui Kannikoski) agreed to a further one-year extension of the lease.

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.

REMUNERATION REPORT

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

A handwritten signature in black ink, appearing to read 'Anthony Wooles', with a stylized flourish at the end.

Anthony Wooles

Chairman and Non-Executive Director

28 August 2025

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 audit of Bhagwan Marine Limited for the financial year ended 30 June 2025 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

KPMG

Hayden Rutters

Partner

Perth

28 August 2025

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated	
	Note	2025 \$'000	2024 \$'000
Continuing operations			
Revenue from contracts with customers	4	283,038	268,849
Raw materials and consumables		(18,281)	(22,804)
Vessel expenses		(69,247)	(70,594)
Employee benefits expense		(128,493)	(117,184)
Depreciation and amortisation expense		(28,074)	(23,566)
Impairment of assets		(219)	(280)
Other direct costs		(6,745)	(6,520)
Professional fees		(5,378)	(7,195)
Other income		923	990
Other expenses		(4,487)	(4,591)
Operating profit		23,037	17,105
Finance income		533	247
Finance costs	5	(4,242)	(9,414)
Profit before tax		19,328	7,938
Income tax expense	6	(6,842)	(2,391)
Profit for the period attributable to the owners of Bhagwan Marine Limited		12,486	5,547
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of vessels, net of tax	17	-	8,966
<i>Items that will be reclassified to profit or loss</i>			
Foreign currency reserve		-	78
Other comprehensive income for the year, net of tax		-	9,044
Total comprehensive income for the year attributable to the owners of Bhagwan Marine Limited		12,486	14,591
Earnings per share			
Basic earnings per share (cents)	7	4.67	3.71
Diluted earnings per share (cents)	7	4.65	3.71

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	16,192	1,351
Trade and other receivables	9	52,584	82,957
Inventories		2,287	2,200
Other current assets	10	3,939	3,480
Total current assets		75,002	89,988
Non-current assets			
Other investments		1,454	1,454
Deferred tax assets	6	-	1,083
Property, plant and equipment	11	158,300	134,191
Right-of-use assets	12	35,305	16,424
Non-current financial assets	13	11,730	11,014
Total non-current assets		206,789	164,166
Total assets		281,791	254,154
Liabilities			
Current liabilities			
Trade and other payables	14	35,178	76,758
Loans and borrowings	15	21,996	45,352
Lease liabilities	12	14,771	9,126
Employee benefits	16	6,094	4,727
Total current liabilities		78,039	135,963
Non-current liabilities			
Loans and borrowings	15	11,195	32,121
Lease liabilities	12	18,142	7,155
Deferred tax liabilities	6	5,758	-
Employee benefits	16	849	839
Total non-current liabilities		35,944	40,115
Total liabilities		113,983	176,078
Net assets		167,808	78,076
Equity			
Issued capital	17	142,062	65,262
Reserves	17	57,388	56,942
Profit reserve	17	12,486	-
Accumulated losses		(44,128)	(44,128)
Total equity		167,808	78,076

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

Consolidated	Issued capital \$'000	Reserves \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	65,910	47,898	-	(49,675)	64,133
Profit for the period	-	-	-	5,547	5,547
Other comprehensive income					
Foreign currency reserve	-	78	-	-	78
Revaluation of vessels net of tax	-	8,966	-	-	8,966
Total comprehensive income for the period	-	9,044	-	5,547	14,591
<i>Transactions with owners in their capacity as owners</i>					
Repurchase of share capital	(648)	-	-	-	(648)
Total transactions with owners in their capacity as owners	(648)	-	-	-	(648)
Balance at 30 June 2024	65,262	56,942	-	(44,128)	78,076

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	-	-	-	12,486	12,486
Other comprehensive income					
Foreign currency reserve	-	-	-	-	-
Revaluation of vessels net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	12,486	12,486
<i>Transactions with owners in their capacity as owners</i>					
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	142,062	57,388	12,486	(44,128)	167,808

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		351,247	280,417
Payments to suppliers and employees		(313,041)	(246,513)
Interest and other finance costs paid		(2,385)	(4,867)
Net cash from operating activities	8	35,821	29,037
Cash flows from investing activities			
Payments for property, plant and equipment		(38,363)	(13,648)
Proceeds from disposal of property, plant and equipment		900	1,584
Net cash used in investing activities		(37,463)	(12,064)
Cash flows from financing activities			
Repayment of borrowings		(60,907)	(3,664)
Proceeds from working capital facility	15	20,000	-
(Repayment)/Proceeds from overdraft facility	15	(18,769)	1,885
Proceeds from borrowings		15,125	-
Payment of lease liabilities		(15,766)	(13,237)
Proceeds from issue of ordinary shares		76,800	-
Repurchase of share capital		-	(648)
Net cash from/(used in) financing activities		16,483	(15,664)
Net increase/(decrease) in cash and cash equivalents		14,841	1,309
Cash and cash equivalents at the beginning of the financial year		1,351	42
Cash and cash equivalents at the end of the financial year	8	16,192	1,351

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 1. Basis of preparation

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 3, 251 St Georges Terrace, 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 28 August 2025.

(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 25.

(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.

In July 2024, the Company successfully raised \$80.0 million through the capital raising detailed in Bhagwan's Replacement Prospectus dated 28 June 2024. The proceeds from this offer were used to settle the bank facilities outlined below, thereby strengthening the Company's financial position and supporting the going concern assumption.

On 24 July 2024, the funds raised under the Initial Public Offering (IPO) and Prospectus were used to:

- repay bank loans of \$45.0 million related to the Company's overdraft facility, term debt facility, and commercial advance facility;
- repay in full the shareholder loan of \$12.9 million, inclusive of interest accrued from 30 June 2024 to repayment date;
- repay in full the other loans of \$12.7 million, inclusive of interest accrued from 30 June 2024 to repayment date; and
- pay the cost of the IPO.

The settlement of the bank facilities as outlined above significantly reduces financial risk and supports the going concern assumption. The absence of this debt eliminates exposure to interest payments, refinancing risk, and covenant breaches, thereby enhancing liquidity and operational flexibility. In addition, the Group has access to a committed working capital facility, which provides flexibility to meet short-term liquidity requirements and support ongoing operational needs.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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 consolidated entity'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 2016/191, 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 consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Note 2. Critical accounting judgements, estimates and assumptions

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

(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 12 - 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 11 and Note 23(a) – Fair value of vessels
- Note 18 – Share-based payment arrangements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 3. 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, as chief operating decision maker, the financial performance of Bhagwan Marine on a consolidated basis only and accordingly, Bhagwan Marine is managed on the basis of a single segment. The results presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position represent the financial performance and position of the sole operating segment.

(b) Information about reportable segment

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.

2025	Consolidated \$'000
External revenues	292,240
Passthrough revenue ¹	(9,202)
Net revenue	283,038
Cost of sales	(198,664)
Gross profit	84,374
Admin costs	(33,967)
Impairment of assets	(219)
EBITDA	50,188
<i>Adjustments for:</i>	
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
2024	Consolidated \$'000
External revenues	303,231
Passthrough revenue ¹	(34,382)
Net revenue	268,849
Cost of sales	(197,497)
Gross profit	71,352
Admin costs	(31,391)
Impairment of assets	(280)
EBITDA	39,681
<i>Adjustments for:</i>	
Finance income	247
Other income	990
Depreciation and amortisation expense	(23,566)
Finance costs	(9,414)
Income tax expense	(2,391)
Profit for the year	5,547

Footnote:

1. Non AASB15 Revenue from Contracts with Customers

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 3. Segment information (continued)

(c) Major customers

The Group's major customers vary year on year, being dependant on the projects and services occurring. The largest customers individually representing over 10% of total revenue for the year ended 30 June 2025, represented approximately 33% (\$92.6m) of total revenue reported (2024: \$148.3m).

Note 4. Revenue

(a) Revenue streams

	Consolidated 2025 \$'000	2024 \$'000
<i>Sales revenue</i>		
Rendering of Services	283,038	268,849
	283,038	268,849

(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 2025 \$'000	2024 \$'000
Primary geographical markets:		
Australia	283,038	268,849
External revenue as reported	283,038	268,849
Primary industry sector:		
Offshore energy services	112,873	90,388
Port & inshore services	84,091	64,518
Subsea services	56,353	46,371
TVI project	26,448	65,400
Defence & other services	3,273	2,172
External revenue as reported	283,038	268,849
Revenue recognised over time:		
Products and services transferred over time	283,038	268,849
External revenue as reported	283,038	268,849

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 4. Revenue (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, nearshore, offshore 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.

Note 5. Finance costs

	Consolidated	
	2025	2024
	\$'000	\$'000
Interest and finance charges paid/payable	2,635	8,417
Interest on lease of right of use assets	1,063	781
Net foreign exchange loss	544	216
Total finance costs	4,242	9,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 6. Income tax expense

	Consolidated 2025 \$'000	2024 \$'000
Amounts recognised in profit or loss:		
<i>Current tax expense</i>		
Current year	-	-
Changes in estimates related to prior years	-	-
	-	-
Deferred tax expense:		
Utilisation of prior period tax loss	(5,637)	(3,288)
Origination and reversal of temporary differences	(1,205)	897
Tax expense on continuing operations	(6,842)	(2,391)
Reconciliation of effective tax rate:		
Profit before tax from continuing operations	19,328	7,938
Tax at the statutory tax rate of 30%	(5,799)	(2,381)
<i>Non-deductible expenses:</i>		
Entertainment expenses	(134)	(25)
Other	-	(3)
	(134)	(28)
(Under) / over provided in prior years	(909)	18
Income tax expense	(6,842)	(2,391)

Balance 30 June 2025	Net balance 1 July \$'000	Charged to Income Statement \$'000	Charged to Equity \$'000	Net balance 30 June \$'000	Deferred tax assets \$'000	Deferred tax liabilities \$'000
Movements in tax balances	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	(13,456)	(180)	-	(13,636)	-	(13,636)
Prepaid expenses	-	(108)	-	(108)	-	(108)
Intangible assets	885	(147)	-	738	738	-
AASB16 - Right of use assets	(4,926)	(5,664)	-	(10,590)	-	(10,590)
AASB 16 - Leases	4,884	4,989	-	9,874	9,874	-
Other items	(599)	(26)	-	(625)	-	(625)
Foreign exchange	-	43	-	43	43	-
Tax assets/(liabilities) before offset	1,083	(6,842)	-	(5,758)	19,201	(24,959)
Tax liabilities offset					(24,959)	
Net deferred tax liabilities					(5,758)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 6. Income tax expense (continued)

Balance 30 June 2024	Net balance 1 July	Charged to Income Statement	Charged to Equity	Net balance 30 June	Deferred tax assets	Deferred tax liabilities
Movements in tax balances	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Tax losses carried forward	14,859	(3,288)	-	11,571	11,571	-
Impairment of receivables	56	48	-	104	104	-
Accrued expenses	1,393	1,227	-	2,620	2,620	-
Property, plant and equipment	(9,045)	(567)	(3,844)	(13,456)	-	(13,456)
Prepaid expenses	(89)	89	-	-	-	-
Intangible assets	844	41	-	885	885	-
AASB16 - Right of use assets	(6,106)	1,180	-	(4,926)	-	(4,926)
AASB 16 - Leases	6,178	(1,294)	-	4,884	4,884	-
Other items	(772)	173	-	(599)	-	(599)
Tax assets/(liabilities) before offset	7,318	(2,391)	(3,844)	1,083	20,064	(18,981)
Tax liabilities offset					(18,981)	
Net deferred tax assets					1,083	

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 7. Earnings per share

	Consolidated 2025	2024
Basic earnings per ordinary share (cents)	4.67	3.71
Diluted earnings per ordinary share (cents)	4.65	3.71
<i>The calculation of basic and diluted earnings per share is based on the following:</i>		
Profit for the period attributable to ordinary shareholders – basic and diluted (\$'000)	12,486	5,547
Weighted average number of ordinary shares – basic ('000)	267,525	149,666
Weighted average number of ordinary shares – diluted ('000)	268,323	149,666

Basic earnings per share

Basic 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 earnings per share

Diluted 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.

Note 8. Cash and cash equivalents

	Consolidated 2025 \$'000	2024 \$'000
Cash at bank and on hand	16,192	1,351

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 8. Cash and cash equivalents (continued)

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

	Consolidated	
	2025	2024
	\$'000	\$'000
Profit after income tax benefit from continuing operations	12,486	5,547
<i>Adjustments for:</i>		
Depreciation and amortisation	28,074	23,566
Impairment of non-current assets	219	280
Foreign exchange differences	544	216
Net (gain)/loss on disposal of property, plant and equipment	(908)	226
Revaluation of vessels	-	(1,216)
Interest expense on shareholder and vendor loans	-	1,188
Interest income on related party loan	(387)	(247)
Income tax expense	6,842	2,391
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	30,373	(48,993)
Increase in non-current financial assets	(716)	(1,025)
(Increase)/decrease in inventories – fuel	(87)	658
Increase in prepayments	(459)	(1,723)
Decrease in other investments	-	1
(Decrease)/increase in trade and other payables	(41,537)	46,379
Increase in employee benefits	1,377	1,789
Net cash from operating activities from continuing operations	35,821	29,037

Note 9. Trade and other receivables

	Consolidated	
	2025	2024
	\$'000	\$'000
Trade receivables	47,539	79,992
Related party receivables (note 19)	155	-
Less: Allowance for expected credit losses	(564)	(345)
	47,130	79,647
Accrued revenue	3,462	889
Other receivables	1,992	2,421
	52,584	82,957

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 9. Trade and other receivables (continued)

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 consolidated entity 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. Other current assets

	Consolidated	
	2025	2024
	\$'000	\$'000
Prepayments	3,783	2,733
Security deposits	156	747
	3,939	3,480

Note 11. Property, plant and equipment

	Consolidated	
	2025	2024
	\$'000	\$'000
Leasehold land and buildings improvements – at cost	5,614	5,606
Less: Accumulated depreciation	(2,563)	(2,375)
	3,051	3,231
Plant and equipment – at cost	22,246	20,278
Less: Accumulated depreciation	(17,331)	(16,071)
	4,915	4,207
Leasehold vessel improvements – at cost	17,583	11,045
Less: Accumulated depreciation	(9,021)	(7,095)
	8,562	3,950
Vessels – at revaluation	195,790	161,362
Less: Accumulated depreciation	(54,516)	(43,489)
	141,274	117,873
Capital work in progress	498	4,930
	158,300	134,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 11. 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 2023	3,350	3,167	102,453	5,872	2,741	117,583
Additions	114	1,059	7,003	1,226	4,245	13,647
Disposals	-	18	(361)	(65)	-	(408)
Revaluation of vessels	-	-	14,025	-	-	14,025
Transfers from capital WIP	-	1,353	703	-	(2,056)	-
Other transfers	3	(196)	2,165	(1,916)	-	56
Depreciation expense	(236)	(1,194)	(8,115)	(1,167)	-	(10,712)
Balance at 30 June 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

Impairment of non-current assets

The consolidated entity 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 2025 (2024: impairment of \$nil). There were no other indicators of impairment identified as at 30 June 2025.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. 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 2025 were performed by Marko Boats Australia Pty Ltd (2024: Grays eCommerce Group Limited), 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 \$68.6 million at 30 June 2025.

The carrying amount of vessels, had they been carried under the cost model, would be \$83.5 million (2024: \$61.3 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 11. Property, plant and equipment (continued)

Revaluation of vessels (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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 12. 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 December 2025.
- 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	Properties \$'000	Vessels \$'000	Motor vehicles and equipment \$'000	Total \$'000
Balance at 1 July 2023	6,694	13,310	352	20,356
Depreciation charge for the year	(2,999)	(9,654)	(203)	(12,856)
Additions to right-of-use assets	1,275	7,463	186	8,924
Balance at 30 June 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

	Consolidated 2025 \$'000	2024 \$'000
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Lease liabilities

Balance at 1 July	16,281	20,593
Additions	32,397	8,924
Accretion of interest	1,063	781
Payments	(16,828)	(14,017)
Balance at 30 June	32,913	16,281
Current	14,771	9,126
Non-Current	18,142	7,155

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

	Consolidated 2025 \$'000	2024 \$'000
Interest expense (included in finance cost)	1,063	781
Expense relating to short-term leases	15,942	19,587
	17,005	20,368

The total cash outflow for leases in 2025 was \$31.7 million (2024: \$32.8 million).

The short-term committed lease payments at 30 June 2025 were \$nil (2024: \$1.4 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 12. Leases (continued)

(c) Future lease payments

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

	Consolidated	
	2025	2024
	\$'000	\$'000
Less than one year	31,805	29,174
One to two years	8,085	4,192
Two to three years	6,645	2,231
Three to four years	4,886	994
Four to five years	1,548	726
More than five years	468	930
	53,437	38,247

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 12. Leases (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. \$15.9 million was recognised in the profit or loss for the reporting period (2024: \$19.6 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 13. Non-current financial assets

	Consolidated	
	2025	2024
	\$'000	\$'000
Debt instruments at amortised cost		
Receivables from related parties (note 19)	11,730	11,014

Note 14. Trade and other payables

	Consolidated	
	2025	2024
	\$'000	\$'000
Trade payables	19,117	54,444
Payable to related party (note 19)	1,123	2,155
Accrued expenses	14,938	20,159
	35,178	76,758

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 15. Loans and borrowings

	Consolidated	
	2025	2024
	\$'000	\$'000
Current Liabilities		
Commonwealth Bank of Australia ('CBA') Working Capital Facility	20,000	-
Commonwealth Bank of Australia ('CBA') Asset Finance Facility	1,996	-
Bankwest ('BW') Term Debt Facility	-	1,613
Bankwest ('BW') Overdraft Facility	-	18,769
Shareholder loan (note 19)	-	12,582
Other loans	-	12,388
	21,996	45,352
Non-current Liabilities		
Commonwealth Bank of Australia ('CBA') Asset Finance Facility	11,195	-
Bankwest ('BW') Facility	-	32,121
	11,195	32,121

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 15. Loans and borrowings (continued)

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				2025	2024		
	Currency	Nominal interest rate	Year of Maturity	Limit \$'000	Carrying Amount \$'000	Limit \$'000	Carrying Amount \$'000
<i>Secured loans</i>							
Working capital facility - CBA	AUD	BBSY + 0.80%	2026 ¹	30,000	20,000	-	-
Bank overdraft - BW	AUD	10.32%	Repaid ⁴	-	-	10,045	8,769
Bank overdraft facility - BW	AUD	6.09%	Repaid ⁴	-	-	10,000	10,000
Total bank overdraft facility				30,000	20,000	20,045	18,769
<i>Secured loans</i>							
Asset finance facility - CBA	AUD	6.01%	2030 ²	30,000	13,191	-	-
Market rate loan facility - CBA	AUD	BBSY + 1.50%	2027 ³	10,000	-	-	-
Contingent liability facility - CBA ⁵	AUD	1.75%	2026 ¹	10,000	-	-	-
Corporate card facility – CBA ⁶	AUD	17.99%	2026 ¹	1,500	-	-	-
Commercial advance facility - BW	AUD	6.94%	Repaid ⁴	-	-	32,121	32,121
Term debt facility – BW	AUD	6.85%	Repaid ⁴	-	-	1,613	1,613
<i>Unsecured loans</i>							
Shareholder loan	AUD	6.00%	Repaid ⁴	-	-	12,582	12,582
Other loan	AUD	10.00%	Repaid ⁴	-	-	12,388	12,388
Total interest-bearing liabilities				81,500	33,191	78,749	77,473

Footnote:

- 30 June 2026.
- 06 February 2030.
- 20 December 2027.
- Facility was repaid in full on 24 July 2024.
- The contingent liability facility can be drawn down if required for bank guarantees and letters of credit to third party customers. Refer to note 21 for further details.
- 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;
- Derivatives Master Agreement; and
- Any other security the Bank deems necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 15. 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. These 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.

Note 16. Employee benefits

	Consolidated	
	2025	2024
	\$'000	\$'000
Non-current Liabilities		
Liability for long-service leave	849	839
	849	839
Current Liabilities		
Liability for long-service leave	2,170	2,072
Liability for annual leave	2,244	1,894
Liability for marine leave	1,680	761
	6,094	4,727

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 \$12.0 million (2024: \$9.3 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 consolidated entity does not have an unconditional right to defer settlement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 17. Capital and reserves

(a) Share capital

	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares fully paid	275,200,238	148,216,111	142,062	65,262

Movements in ordinary share capital

	Date	Shares	Issue Price	\$'000
Balance as at 1 July 2023		150,086,073	-	65,910
Repurchase of shares		(1,869,962)	-	(648)
Balance as at 30 June 2024		148,216,111	-	65,262
Issue of ordinary shares	23 July 2024	126,984,127	0.63	80,000
Less IPO costs	23 July 2024	-	-	(3,200)
Balance as at 30 June 2025		275,200,238		142,062

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.

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 18 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 17. Capital and reserves (continued)

(a) Share capital

Movements in reserves

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

	Foreign Currency Reserve \$'000	Revaluation Reserve \$'000	Profit Reserve \$'000	Share-Based Payment Reserve \$'000	Total \$'000
Balance at 1 July 2023	(78)	47,976	-	-	47,898
Movement for the year net of tax	78	8,966	-	-	9,044
Balance at 30 June 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

(b) Dividends

Dividends

No dividends were paid for the year ended 30 June 2025 (2024: nil). Subsequent to year end the Board of Directors has declared an inaugural dividend of 0.5 cents per share (2024: nil). The dividend is fully franked, has a record date of 12 September 2025, and will be paid to shareholders on 7 October 2025. The total value of the dividend distribution to be paid is \$1.38 million (2024: nil), this has not been recognised as a liability at year end.

Franking Credits

	Consolidated 2025 \$'000	2024 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	23,522	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 consolidated entity.

(c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 18. 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.

During the current year performance rights have been issued to certain Directors and employees under the 2024 Incentive Awards Plan. No performance rights or options were issued in the prior year.

(a) Equity settled awards outstanding

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

	2025		2024	
	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	-	-	-	-
Rights issued during the year	3,064,245	0.51	-	-
Rights vested during the year	-	-	-	-
Rights lapsed and cancelled during the year	-	-	-	-
	3,064,245	0.51	-	-

The share-based payment expense relating to performance rights included in the profit or loss for the year totalled \$0.4 million (2024: \$nil).

On 08 July 2024, 813,437 share rights were issued to Key Management Personnel and other employees of the Company. The performance rights will convert to ordinary shares upon the following conditions being achieved:

- The listing of the Company on the ASX by 31 August 2024; and
- The participant remains an eligible participant for 2 years following the Company listing on the ASX.

The assumptions used in assessing the fair value of the performance rights are set out below:

Assumptions	Share Rights
Grant date	08 July 2024
Exercise price	\$nil
Vesting date	26 July 2026
Underlying share price	\$0.63
Risk free rate	N/A
Volatility	N/A
Valuation per performance right	\$0.63
Probability of success	100%
Number of share rights granted	813,437
Total value of rights issued	\$512,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 18. Share-based payment arrangements (continued)

(a) Fair value of share rights and performance rights granted

On 16 December 2024, 2,250,808 performance rights – long-term incentives were issued to Executive Directors and Senior Executives. The performance rights will convert to ordinary shares upon the following conditions being achieved:

- Tranche 1 (50%): Subject to a Relative Total Shareholder Return (rTSR) over the 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 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 are 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:

	Performance Rights – Long-term incentives	
	Tranche 1	Tranche 2
Grant date	12 November 2024	12 November 2024
Exercise price	\$nil	\$nil
Vesting date	30 June 2027	30 June 2027
Underlying share price	\$0.57	\$0.57
Risk free rate	4.14%	4.14%
Volatility	49.32%	49.32%
Valuation per performance right	\$0.36	\$0.57
Probability of success	N/A	75%
Provision for employee exit	73.33%	73.33%
Number of performance rights granted	1,125,404	1,125,404
Total value of rights issued	\$289,390	\$343,650

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 2024 to 30 June 2027 for the FY25 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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 18. Share-based payment arrangements (continued)

(b) Fair value of performance rights granted (continued)

EBITDA CAGR:

The EBITDA CAGR will be measured over the three-year measurement 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 allows, 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.

Note 19. 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	
	2025	2024
	\$	\$
Short-term employee benefits	1,798,786	1,404,808
Long-term employee benefits	15,511	26,919
Post-employment benefits	99,033	109,314
Non-monetary car parking employment benefits	6,935	6,716
Share-based payments	111,941	-
	2,032,206	1,547,757

Detailed remuneration disclosures are provided in the remuneration report on pages 52 to 66.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 19. Related party disclosures (continued)

(c) Related party transactions

The *Corporations Act 2001* (Cth) and AASB 124 define Related Parties as Directors of the Company, their spouse, children, and parents, and any entity they control.

For financial reporting, related party transactions in this note are guided by AASB 124 Related Party Disclosures, which aligns with the Corporations Act but may include additional relationships (e.g. key management personnel, joint ventures, or associates).

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 role and financial benefits from related party transactions below. Has a relevant interest of 40.8% in the capital of the Company.
Anthony Wooles	Chair and Non-Executive Director	BM Fleet Pty Ltd ¹ AEW Holdings Pty Ltd ⁴	Receives remuneration in his role and financial benefits from related party transactions below. Has a relevant interest of 8.5% in the capital of the Company.
Andrew Wackett	Executive Director	N/A	Receives remuneration in his role.
Tracey Horton	Independent Non-Executive Director	N/A	Receives remuneration in her 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 and financial benefits from related party transactions below.
Tom Kannikoski	General Manager Operations - WA	KFAMS Pty Ltd ⁵	Son of Loui Kannikoski. Receives remuneration in his role and financial benefits from related party transactions below.

Footnote:

1. BM Fleet Pty Ltd, is an entity associated with Loui Kannikoski and Anthony Wooles.
2. Bhagwan Properties Pty Ltd, is 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, an entity associated with Anthony Wooles.
5. KFAMS Pty Ltd, 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 19. Related party disclosures (continued)

(c) Related party transactions (continued)

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:

	Note	Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
		2025	2024	2025	2024
		\$	\$	\$	\$
Amounts recognised as revenue					
Services provided to BM Fleet Pty Ltd	(i)	159,892	-	155,474	-
		159,892	-	155,474	-
Amounts recognised as expense					
Vessel Lease – BM Fleet Pty Ltd	(ii)	853,263	1,281,000	736,464	1,602,371
Vessel Leases – KFAMS Pty Ltd	(ii)	755,569	938,477	386,364	434,605
Property Lease – The Kannikoski Property Trust	(iii)	275,831	285,950	-	-
		1,884,663	2,505,427	1,122,828	2,036,976
Loans					
Loan receivable and related interest – BM Fleet Pty Ltd	(iv)	425,458	244,728	11,730,176	11,014,120
Loan payable and related interest – Kannikoski Shareholder Loan	(iv)	(322,283)	(640,212)	-	(12,581,532)
		103,175	(395,484)	11,730,176	(1,567,412)

(i) Services

During the year, Bhagwan Marine provided services to BM Fleet Pty Ltd totalling \$159,892 (2024: \$nil). The services were rendered under arm's length terms, consistent with standard commercial practices and market rates.

(ii) Vessel leases

As disclosed in the Company's Prospectus sections 6.7.1 and 6.7.2, there are several related party leases for vessels. During the year, the Company leased vessels from related parties as set out in the table below:

Vessel	Related Party / Entity	Term (including any option to extend)	Lease expiry
Matilda Mae	Tom Kannikoski / KFAMS Pty Ltd	The lease is subject to annual renewal	21 November 2025
AMS 6	Tom Kannikoski / KFAMS Pty Ltd	Initial term 2 years with three options to renew for a period of one year.	02 November 2025
BM 2101	Tom Kannikoski / KFAMS Pty Ltd	Initial term of 5 years.	15 September 2026
Rhumb 4113	Tom Kannikoski / KFAMS Pty Ltd	Initial term of 3 years with two options to renew for a period of one year.	23 November 2025
Henderson Barge	Anthony Wooles and Loui Kannikoski / BM Fleet Pty Ltd	Initial term of 5 months with four options to renew for a period of one year.	30 November 2028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 19. Related party disclosures (continued)

(c) Related party transactions (continued)

(iii) Vessel leases (continued)

If the related party leases are terminated by either party, the risk to the Company is that it will need to find suitable alternative vessels or premises (as applicable) for its operations, and there is no guarantee that the Company will be able to secure alternative vessels or premises on materially the same terms or on acceptable commercial terms.

(iii) Property leases

During the year, the Company leased premises and accommodation in Dampier from Bhagwan Property Pty Ltd as Trustee for the Kannikoski Property Trust, and is an entity associated with Loui Kannikoski and Kerren Kannikoski. The Company has leased the property since 1 July 2010. Since the initial expiry of the lease term on 30 June 2015, the lease has continued to operate on extension options. Subsequent to year end, the lease was renewed for one year, ending 30 June 2026. Total amounts paid during the year were \$0.3 million, including outgoings and GST (2024: \$0.3 million).

(iv) Loans with related parties

On 28 June 2024, the Company issued a Prospectus to raise up to \$80.0 million through the issue of new shares in Bhagwan Marine. In accordance with the terms of the Offer under the Prospectus, the use of funds raised from the Offer included repaying a shareholder loan from the Kannikoski Family.

BM Fleet Pty Ltd Loan

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). The purpose of the loan was to acquire and/or construct certain vessels. NAB also provided BM Fleet with a facility to fund the purchase of the vessels, and the loan from NAB is secured over the relevant vessels.

The loan amount outstanding at 30 June 2025 due from BM Fleet Pty Ltd is \$5.8 million (2024: \$4.4 million). Interest accrued of \$0.4 million (2024: \$0.2 million) is charged at 8% per annum as from 1 July 2023. The outstanding loan receivable was priced on an arm's length basis and is unsecured and is 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.

In addition to the above, a loan of \$5.9 million (2024: \$6.6 million) due from BM Fleet Pty Ltd, which resulted from the transfer of 50% ownership in a joint venture from Bhagwan Marine to BM Fleet Pty Ltd in 2023, is unsecured and is not expected to be settled within the next 12 months. There is no interest paid or payable on the loan. Arm's length interest would have been charged at 8% per annum, totalling \$0.5 million (\$0.5 million).

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.

Kannikoski Shareholder Loan

As set out in the Company's Prospectus (section 9.6.4.3), the Company (as borrower) entered into a shareholder loan agreement with Loui Kannikoski as lender on 22 August 2014, which was subsequently varied on 20 June 2023. The funds provided under the loan have been utilised to fund the acquisition of vessels used in Bhagwan's business and operations.

On 24 July 2024, the Company repaid the Shareholder loan as detailed in section 7.1.3 of the Company's Prospectus. The amount repaid was \$12.9 million inclusive of interest from 30 June 2024 up to the date of settlement.

The Shareholder Loan was provided on normal commercial terms and conditions and at market rates, including interest at 6% per annum, accruing daily on the principal outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 19. Related party disclosures (continued)

(d) Securities granted as remuneration

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. Details are set in the Remuneration Report on pages 52 to 66.

On 8 July 2024, pursuant to the Company's Prospectus, the Company granted 74,627 share rights to Andrew Wackett and Tracey Horton, respectively. Details are set in the Remuneration Report on pages 52 to 66.

(e) Remuneration relating to close family members

During the year, the Company paid employee remuneration related to five (2024: 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 2025 \$	2024 \$
Remuneration expense relating to Close family Members of Directors	770,252	697,883

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.

(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 25(a):

Name	Principal activity	Principal place of business /country of incorporation	ACN	Ownership % 2025	2024
DSL Marine Holdings Pty Ltd	Asset owner	Australia	155 467 271	100%	100%
C-side Marine Engineering Pty Ltd	Asset owner	Australia	150 638 190	100%	100%
Barge Partners Group Australia Pty Ltd	Asset owner	Australia	158 034 229	100%	100%
Work Boats Northern Australia 2 Pty Ltd	Asset owner	Australia	158 034 256	100%	100%
Ugly Boats Northern Australia Pty Ltd	Asset owner	Australia	153 173 310	100%	100%
Bhagwan Marine Security Pty Ltd	Asset owner	Australia	087 894 577	100%	100%
RCWB Northern Australia Pty Ltd	Dormant	Australia	158 034 265	100%	100%
North Australian Barge Services Pty Ltd	Asset owner	Australia	130 684 203	100%	100%
Barge Partnership Pty Ltd	Asset owner	Australia	158 034 247	100%	100%
Bhagwan Marine (NT) Pty Ltd	Asset owner	Australia	609 927 102	100%	100%
Delta Subsea Australasia Pty Ltd	Dormant	Australia	158 078 043	100%	100%
Bhagwan Employee Incentive Custodian Pty Ltd	Dormant	Australia	164 188 925	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 20. 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	
	2025	2024
	\$	\$
Audit services		
Audit of the financial statements – KPMG	289,000	299,716
	289,000	299,716
Other services		
Tax compliance and advisory – KPMG	52,250	26,400
IPO and due diligence services – KPMG	-	617,000
	52,250	643,400
Total fees	341,250	943,116

Note 21. Contingent liabilities

The consolidated entity has given bank guarantees and letters of credit to third party customers, in the normal course of business, as at 30 June 2025 totalling \$2.7 million (2024: \$2.3 million). The outflow of settlement is considered remote and additional information is not considered practicable to disclose.

Note 22. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$'000	\$'000
Profit after income tax	13,794	6,796
Revaluation of vessels	-	5,697
Total comprehensive income	13,794	12,493

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 22. Parent entity information (continued)

Statement of financial position

	Parent	
	2025	2024
	\$'000	\$'000
Total current assets	75,002	90,099
Total assets	276,351	248,522
Total current liabilities	77,258	134,899
Total liabilities	113,205	175,014
Equity		
Issued capital	142,062	65,262
Revaluation reserve	37,346	38,302
Accumulated losses	(30,056)	(30,056)
Profit reserve	13,794	-
Total equity	163,146	73,508

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 no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity has given bank guarantees as at 30 June 2025 of \$2.7 million (2024: \$2.3 million).

Capital commitments - Property, plant and equipment

The Group and parent entity has capital commitments of \$0.6 million for property, plant and equipment at as 30 June 2025 (2024: \$1.9 million).

Material accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 25(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. 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).

	2025 \$'000	2024 \$'000
Gain included in 'Other Income'		
Change in fair value (pre-tax)	-	1,217
Gain included in Other Comprehensive Income		
Change in fair value (pre-tax)	-	12,808
Total change in fair value (pre-tax) – refer note 11	-	14,025

The Company's core fleet of vessels has an estimated replacement cost ranging from \$0.1 million to \$16.8 million per vessel (2024: \$0.1 million to \$16.8 million). The Company's purpose-built dive support vessel has an estimated replacement cost of \$50.5 million (2024: \$45.0 million).

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

(iii) Valuation techniques and significant unobservable inputs (continued)

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 investment in Marine & Towage Services Group, the consolidated entity 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 15).

(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.

(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:

	2025 \$'000	2024 \$'000
Impairment loss on trade receivables and contract assets arising from contracts with customers	219	280
	219	280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

ii. Credit risk (continued)

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 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)	

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 2024:

30 June 2024	Weighted-average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit- impaired
Current (not past due)	0.07%	70,635	(47)	No
1-30 days past due	0.51%	4,146	(21)	No
31-60 days past due	1.64%	2,919	(48)	No
61-90 days past due	2.29%	656	(15)	No
More than 90 days past due	13.08%	1,636	(214)	Yes
		79,992	(345)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

ii. Credit risk (continued)

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:

	2025 \$'000	2024 \$'000
Balance at 1 July	345	186
Amounts written off	-	(70)
Net remeasurement of loss allowance	219	229
Balance at 30 June	564	345

Insignificant trade receivables written off during 2025, 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 51% 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.

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 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, on-going 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 consolidated entity 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

ii. Credit risk (continued)

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

	2025 \$'000	2024 \$'000
Australia		
Trade receivables	47,694	79,992
Less: Allowance for expected credit losses	(564)	(345)
	47,130	79,647
Accrued revenue	3,462	889
Other receivables	1,992	2,421
Total Australia exposure	52,584	82,957

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

	2025 \$'000	2024 \$'000
End-user customers		
Trade receivables	47,694	79,992
Less: Allowance for expected credit losses	(564)	(345)
	47,130	79,647
Accrued revenue	3,462	889
Total End-user customers	50,592	80,536
Other receivables	1,992	2,421
	52,584	82,957

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. At 30 June 2024, the carrying amount of the receivable from the Group's most significant customer (an Australian end-user) for the year ended 30 June 2024 was \$50.9 million.

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 2025, \$20.0 million was drawn down. Interest is payable at the nominal rate of BBSY + 0.80%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

iii. Liquidity risk (continued)

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 15 terms and repayment schedule, bank overdraft facility and commercial advance facilities carrying amounts.

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)

30 June 2024	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	52,509	(56,909)	(1,308)	(22,920)	(32,681)	-	-
Fixed interest rate instruments	24,970	(26,069)	(332)	(25,737)	-	-	-
Lease liabilities	16,281	(18,661)	(2,213)	(7,374)	(4,192)	(3,952)	(930)
Trade payables and accruals	76,640	(76,640)	(76,640)	-	-	-	-
Payable to related party	118	(118)	-	(118)	-	-	-
	170,518	(178,397)	(80,493)	(56,149)	(36,873)	(3,952)	(930)

The Group has a secured Facility Agreement that contains financial covenants, specifically the Debt Service Cover Ratio (DSCR) and Gross Leverage 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 2025, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

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:

	2025 USD \$'000	2024 USD \$'000
Trade receivables	203	2,574
Cash at bank and on hand	445	899
Trade payables	(356)	(2,622)
Net statement of financial position exposure	292	851

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 \$'000	Weakening \$'000	Strengthening \$'000	Weakening \$'000
30 June 2025				
USD (10% movement)	(44)	44	-	-
30 June 2024				
USD (10% movement)	(85)	85	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 23. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

iv. Market risk

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 \$0.4 million (2024: decrease/increase by \$0.5 million).

Note 24. Events after the reporting period

The Board has declared an inaugural dividend of 0.5 cents per share for the year ended 30 June 2025. The dividend is fully franked, has a record date of 12 September 2025, and will be paid to shareholders on 7 October 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Note 25. 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 translation
- (c) Current and non-current classification
- (d) Investments and other financial assets
- (e) Finance costs
- (f) Provisions
- (g) Goods and Services Tax ('GST') and other similar taxes

(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 2025 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 'consolidated entity'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 25. Other material accounting policies (continued)

(a) Principles of consolidation

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 consolidated entity 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 consolidated entity 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 consolidated entity'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 consolidated entity'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) 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 consolidated entity 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 25. Other material accounting policies (continued)

(d) Investments and other financial assets (continued)

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.

(e) 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.

(f) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity 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.

(g) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 26. New and amended accounting standards and interpretations

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

In the year ended 30 June 2025, 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 2025 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.

- Lack of Exchangeability – amendments to IAS 21 *The Effects and Changes to Foreign Exchange Rates*.
- Classification and Measurement of Financial Instruments – amendments to AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures*.
- New standard issued - AASB 18 *Presentation and Disclosure in Financial Statements*.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

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
Delat Subsea Australasia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bhagwan Employee Incentive Custodian Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

Basis of preparation:

This consolidated entity disclosure statement (CEDS) 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 (CEDS) 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

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 69 to 112 and the Remuneration report on pages 52 to 66 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 2025 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 2025 set out on page 113 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 2025.
3. 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

28 August 2025
Perth, WA



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 2025 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 2025
- 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 2025
- 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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was 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 this matter.

Revenue recognition (\$283m)

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 them to analyse recognition over the period the service is provided. It is the Group's policy to recognise revenue based on contractual rates per day 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; and - 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. - Testing a sample of revenue recognised 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 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 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 Standards.
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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 related 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 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 2025, 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 52 to 66 of the Directors' Report for the year ended 30 June 2025.

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

28 August 2025



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 2025.

Stock Exchange Listing

The company was admitted to the official List of the ASX on 26 July 2024, following completion of its successful IPO. The Company's ordinary fully paid shares are listed on the ASX under ASX: 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	120	66,085	0.02
1,001 - 5,000	462	658,223	0.24
5,001 - 10,000	132	1,098,037	0.40
10,001 - 100,000	227	17,121,707	6.22
100,001 and over	87	256,256,186	93.12
Total	1,028	275,200,238	100.00

There were 49 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 2025.

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	26.76
Citicorp Nominees Pty Limited	28,747,509	10.54
Lauri Keven Kannikoski	27,042,947	9.83
AEW Holdings Pty Ltd (AEW Capital A/C)	23,392,021	8.50
UBS Nominees Pty Ltd	19,363,952	7.04
HSBC Custody Nominees (Australia) Limited	18,124,582	6.59
J P Morgan Nominees Australia Pty Limited	12,489,458	4.54
Guru Pty Ltd (Kannikoski Family A/C)	10,373,195	3.77
BNP Paribas Nominees Pty Ltd (Agency Lending A/C)	4,532,594	1.65
BNP Paribas Nominees Pty Ltd (Hub24 Custodial Serv Ltd)	2,845,431	1.03
T Mitchell Pty Ltd	2,539,431	0.92
Offshore Plant Hire Pty Ltd	2,338,707	0.85
Rural Contractors Pty Ltd	1,875,229	0.68
Warbont Nominees Pty Ltd	1,661,511	0.60
G Harvey Nominees Pty Limited	1,611,111	0.59
Zero Nominees Pty Ltd (5060066 A/C)	1,446,198	0.53
Andrew McKenzie & Catherine McKenzie	1,000,000	0.36
Jarlt Investments Pty Ltd	915,618	0.33
J S R T Pty Ltd	895,096	0.33
Egmont Pty Ltd	778,968	0.28
TOTAL	235,609,227	85.61

ADDITIONAL ASX INFORMATION

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:

	Number of shares held	Percentage of shares on issue
Bhagwan Marine Limited (note 1)	134,902,032	49.10%
The Kannikoski Family (note 2)	112,294,051	40.80%
Anthony Wooles (note 3)	23,392,021	8.50%
Regal Funds Management Pty Ltd	13,968,254	5.08%

- As at 12 August 2025, the Company has an aggregate voting power of 49.1% 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 in the Company's Replacement Prospectus that was lodged with ASIC on 28 June 2024 and are set out below. These escrow arrangements will terminate on 29 August 2025.
- The Shares held by the Kannikoski Family comprise Shares held directly by Lauri Kannikoski (27,042,947 Shares), an indirect interest through Guru Pty Ltd (10,373,195 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 (652,240 Shares), and Shares held by Bhagwan Properties Pty Ltd as Trustee for the Kannikoski Property Trust (590,000 Shares).
- Anthony Wooles holds indirect interests in Shares through AEW Holdings Pty Ltd (AEW Capital Account), an entity that Anthony controls.

Unquoted securities – Performance rights

The number of unquoted securities on issue as at 28 August 2025 is set out below.

No holder held more than 20% of the number of performance 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.

Further details on the Performance 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	21	3,064,245

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

Performance Rights spread	Number of holders	Performance Rights	Percentage of shares on issue (%)
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	8	337,993	11.03
100,001 and over	13	2,726,252	88.97
Total	21	3,064,245	100.00

ADDITIONAL ASX INFORMATION

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 (unquoted): No voting rights

Shares held in voluntary escrow

As at the date of this report, a total of 134,920,032 shares are subject to voluntary escrow and are already quoted on the ASX.

These shares will be released from voluntary escrow on 29 August 2025, the date on which the Company has released this Annual Report to the ASX for the financial year ended 30 June 2025.

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 2025 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.

2025 Annual General Meeting

Our 2025 annual General Meeting will be held on 29 October 2025 in Perth, Western Australia.

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 resident in Australia or New Zealand. 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.

ADDITIONAL ASX INFORMATION

Registered Office and Head Office

Level 3, 251 St Georges Terrace
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

MUFG Corporate Markets (AU) Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 1300 554 474
Website: www.mpms.mufg.com

Auditor

KPMG
Level 8, 235 St Georges Terrace
Perth, Western Australia 6000

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, and more recently offshore wind.

YEAR	MILESTONE
1985 - 2007	Fennoclean Pty Ltd (Fennoclean) was formed in 1985 by the Kannikoski Family. In 2000, Fennoclean began trading as Bhagwan Marine. In October 2007, Fennoclean changed its name to Bhagwan Marine Pty Ltd.
2009	Acquired Dalmarine allowing Bhagwan to establish an operating presence in Dampier, providing Bhagwan with the ability to service the energy market in the north west of Western Australia.
2009	Awarded a construction support contract for the Gorgon gas project, one of the world's largest natural gas projects, and the largest single resource development in Australia's history.
2011	Launched Bhagwan's internal maintenance and engineering division.
2013	Acquired Workboats Northern Australia Pty Ltd, allowing Bhagwan to expand its operations to Darwin and provide services to the Northern Territory energy industry, including the Ichthys LNG project.
2014	Acquired Marine and Towage Services Limited (MTS), a UK based business, allowing Bhagwan to remobilise under-utilised Australian vessels to the North Sea. MTS was subsequently divested in 2020.
2014	Acquired MDT Maritime Pty Ltd, to establish an operating presence in Queensland with a vessel fleet and service yard.
2015	Launched Bhagwan's subsea division.
2016	Acquired Broadsword Marine Contractors expanding Bhagwan's fleet of vessels and clients in the Northern Territory.
2016	Acquired Perth-based subsea engineering consultancy Delta Subsea Pty Ltd, enhancing Bhagwan's subsea engineering capabilities.
2017	Awarded a subsea and inspection, maintenance, and repair master services agreement by a multinational energy company in relation to its Pilbara operations.
2019	Awarded the Port of Melbourne maintenance contract, after a competitive tender.
2022	Engaged by the head contractor on the Spoilbank Marina Project, being the construction of a new marina and associated facilities on the Port Hedland waterfront.
2023	Awarded five-year contract with a multinational energy company to provide various marine services at an offshore gas processing platform in the North West Shelf.
2023 - 2024	Engaged to provide services for a decommissioning project for a major energy company of its offshore infrastructure in the North West Shelf.
2024	Successful Initial Public Offering (IPO) and listing on Australian Securities Exchange (ASX)
2024	Successful completion of Australia's largest decommissioning project





Australia's Largest ASX Listed Marine Solutions Provider



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