

ASX Announcement – 1H26 Half Year Results

26 February 2026

Bhagwan delivers further margin expansion and strong cash flow from operations

Leading Australian marine solutions company, **Bhagwan Marine Limited** (ASX: BWN) (**Bhagwan** or the **Company**), is pleased to announce its half year results for the 2026 financial year (1H26). The Company's solid performance was underpinned by continued EBITDA margin expansion, disciplined capital management and strong free cash flow generation.

1H26 FINANCIAL HIGHLIGHTSⁱ

STEADY NET CORE REVENUE

\$116.9m

↓ 8.5% (1H25: \$127.7mⁱⁱ)
3-year CAGR 28%ⁱⁱⁱ

INCREASING EBITDA MARGINS

19%

↑ (1H25: 18%)

STRONG ACTIVITY & OPPORTUNITY PIPELINE

5-year

Offshore contract with
Coral Knight

STRONG OPERATING CASH GENERATION

\$25.4m

21% (1H25: \$21.0m)
Free cash flow of \$8.6m^{iv}

INTERIM DIVIDEND

0.5 cps

Fully franked

RIVERSIDE MARINE^v ACQUISITION

~14%

Pro forma EPS accretion

- **Net Core Revenue:** Steady at \$116.9m (1H25: \$127.7mⁱⁱ), 8.5% decline reflects timing of major contract awards. Activity and pipeline of opportunities remain strong. FY22–FY25 CAGR of 28%ⁱⁱⁱ.
- **Profitability:** EBITDA margin increased to 19% (1H25: 18%), driven by margin expansion initiatives and *Coral Knight* returns. 2Q26 margins substantially up on 1Q26.

- **Cash Generation:** Strong operating cash generation of \$25.4m, up 21% (1H25: \$21.0m), reflecting quality revenue, higher margins and disciplined capital management. Free cash flow was significantly higher at \$8.6m (1H25: \$1.0m).
- **Dividend:** Interim fully franked dividend of 0.5cps declared while continuing to invest in growth strategy, capability and innovation.
- **Strategic Growth:** Transformational acquisition of Riverside Marine; capital raising oversubscribed, supporting expansion and diversification strategy.

1H26 OPERATIONAL HIGHLIGHTS

Strong Safety Performance

- LTIFR of zero, improving from 0.89. TRIFR of 8.32, improving from 10.72^{vi}.

Organisational Strength and Governance

- Maturation as an ASX-listed company, embedding the COO function and strengthening business development capability.
- Further enhanced financial governance and operational processes to support growth and scalability.

Core Operations and Innovation

- Secured a five-year offshore contract with Jadestone Energy for the *Coral Knight*, valued at approximately \$75m. This validates Bhagwan's investment in larger vessel capability and positions the Company to capture growing market demand.
- Delivered multiple subsea projects in WA, reflecting strong ongoing demand across offshore energy and subsea services.
- Awarded a marine works contract with Acciona and the Water Corporation (Alkimos Seawater Alliance) for the Alkimos Seawater Desalination Plant, WA.
- Progressed innovation initiatives, including remote technology trials using the *Ada Clara* and the electric-powered *Narrah* for the Port of Melbourne.
- Strong tendering activity and opportunity pipeline across all core sectors, supporting growth in 2H26 and beyond.

Expansion into New Growth Sectors

- Delivered additional decommissioning projects, reflecting Bhagwan's increasing market presence and industry demand.
- Early engagement with Office of Defence Industry Support at the Company's facility at the Henderson Marine Precinct, WA.

POST 1H26 HIGHLIGHTS

Agreement to Acquire Riverside Marine Holdings – completion expected on or about 31 March 2026

- Founded in Brisbane in 1926, Riverside is a long-established marine services operator with a strong reputation for operational excellence.
- The Group manages ~30 vessels, including 9 owned, across 5 brands, servicing a diversified, tier-1 customer base.
- Strategic and cultural fit delivers complementary capabilities, diversification and cross-selling opportunities.
- 88% of revenue is repeatable, backed by long-term contracts.
- Industry-leading margins are underpinned by a capital-light model, with sustaining capex of 30%-35% of EBITDA.
- Pro forma FY26^{vii} revenue of \$63.3m and EBITDA of \$26.2m^y.
- Further details of the Acquisition are set out in the announcement and investor presentation released to the ASX on 9 February 2026.

INTERIM DIVIDEND

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

1H26 KEY METRICS

\$MILLIONS (unless otherwise stated)	CHANGE %	1H26	1H25
Net Core Revenue ^{viii}	(8.5%)	116.9	127.7
TVI Project ^x Revenue		-	26.4
Total Net Revenue	(24%)	116.9	154.1
Statutory EBITDA	(17%)	21.9	26.6
Pro forma EBITDA ^x	(18%)	22.4	27.3
Pro forma EBITDA Margin %		19%	18%
Statutory NPAT	(67%)	2.9	8.8
Pro forma NPAT ^x	(65%)	3.2	9.3
Operating Cash Flow	21%	25.4	21.0
Net Debt ^{xi} (31 Dec v 30 June)		1.0	5.3
Return on Assets (last 12 months)		5%	9%
Interim Dividend Fully Franked (cents per share)	Inaugural	0.5	-
LTIFR ^{vi}	Improved by 0.9	0.0	0.9
TRIFR ^{vi}	Improved by 2.4	8.3	10.7

1H26 KEY ACTIVITY

OFFSHORE ENERGY	SUBSEA	PORTS & INSHORE	DEFENCE
<ul style="list-style-type: none"> • Five-year support contract Pilbara coast, WA • Two-year contract extension with Jadestone Energy and Vermilion • Five-year Jadestone Energy contract for the Coral Knight 	<ul style="list-style-type: none"> • Completion of decommissioning project, WA • ROV debris cap replacement, project WA • ROV platform inspection, WA 	<ul style="list-style-type: none"> • Ongoing support for Groote Eylandt wharf repair project in NT • Ongoing support for Port of Melbourne, VIC with 6-year maintenance contract, plus associated works • Contract with Alkimos Seawater Alliance at the Desalination Plant, WA 	<ul style="list-style-type: none"> • Ongoing projects with AFMA^{xiii} and border protection • Upgrading Bhagwan facility at Henderson Marine Precinct • Early engagement with Office of Defence Industry Support

Commenting on the Company’s 1H26 performance, Bhagwan’s Founder and Managing Director, Loui Kannikoski, said:

“Operationally, the first half of the year has been steady, with strong tendering activity building a healthy pipeline of potential projects. Earnings benefited from margin expansion, particularly in the second quarter.

“Subsequent to the half year, we were pleased to announce (on 9 February 2026) the acquisition of Riverside Marine, a transformational milestone for our Company. Riverside is an excellent strategic and cultural fit, with highly complementary operations that enhance diversification across service offerings, commodity exposure and geographic presence. The transaction is expected to unlock synergies and further strengthen our collective capabilities.

“Riverside’s quality recurring revenue, underpinned by long-term contracts, industry-leading EBITDA margins and a capital-light business model, strengthens our ability to generate free cash flow and deliver sustainable earnings growth for shareholders.

“For the balance of the year, we remain focused on achieving the objectives set out at our AGM, including investing in our capabilities and expanding across our core and new growth sectors. Concurrently, we will commence the integration of Riverside in a disciplined and considered manner, ensuring we retain the inherent value, culture and strengths of both businesses.

“We again welcome the Campbell family as shareholders and look forward to working closely with the Riverside team to realise the full potential of the combined group.

“Above all, we remain committed to driving shareholder value creation through higher returns on assets and strong free cash flow generation.”

Bhagwan's Chairman, Anthony Wooles, added:

“Buoyed by strong performance, disciplined cost and capital management, robust cash generation and a de-gearred balance sheet, Bhagwan is gaining real cadence in its growth strategy, enabling immediately accretive acquisitions such as Riverside that enhance diversification, strengthen repeatable revenue and expand the pipeline of growth opportunities.”

Strategy & FY26 Priorities

Bhagwan will continue to prioritise four core themes: market penetration, market development, margin expansion and operational excellence. Concurrently, the Company will commence integration of Riverside. The initial priority will be maintaining operational continuity, preserving customer relationships and retaining the underlying value of the business.

- **Market Penetration:** Bhagwan will continue to leverage its deep expertise across offshore energy, subsea, ports and inshore and defence. The Company is also committed to strengthening its leadership position by investing in innovation and marine technology.
- **Market Development:** Bhagwan sees opportunities to broaden its role in emerging and adjacent segments. These include expanding its decommissioning activities, capturing growth in offshore wind, leveraging demand for larger vessels and building on its established presence at key defence hubs. These new growth opportunities are supported by:
 - A substantial long-term pipeline of offshore oil and gas decommissioning projects.
 - Ageing offshore assets and marine/port infrastructure requiring inspection, repair and maintenance.
 - The Australian Government's designation of six priority offshore wind zones; and
 - Increased investment in defence, port facility upgrades and infrastructure expansion.
- **Margin Expansion:** The Company will drive sustainable margin expansion through quality revenue growth, disciplined cost control, procurement optimisation, capital management and enhanced systems and processes to improve operational efficiency.
- **Operational Excellence:** Bhagwan continues to refine its strategy, strengthen its executive team and embed the systems needed to support growth and governance.
- **Integration of Riverside Marine:** Riverside will operate as separate brands in the short term, with opportunities to grow volume and utilisation. Key growth drivers include:
 - Ability to leverage combined vessel management expertise and industry knowledge.
 - Strong construction demand and tourism from 2032 Brisbane Olympics.
 - Vessel utilisation for Bhagwan operations.



Positive Outlook

Bhagwan's solid 1H26 performance reflects a more resilient core business, with expanding EBITDA margins, strong cash generation and a clear strategic roadmap. The accretive acquisition of Riverside Marine further strengthens the Company's foundations for growth, supporting diversification and enhancing future free cash flow and earnings. Supported by strong tendering activity and a healthy opportunity pipeline, Bhagwan is entering its next phase of growth with momentum and discipline and maintains a positive outlook for 2H26 and beyond.

1H26 Results Webcast Details

Bhagwan will present its 1H26 results via an interactive webcast. Participants are encouraged to pre-register prior to the commencement of the presentation.

Date: 26 February 2026

Start Time: 8:30am AWST (11:30am AEDT)

Registration and Access Link: <https://meetings.lumiconnect.com/300-435-674-919>

ENDS

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

View this release on InvestorHUB: <https://investors.bhagwanmarine.com/link/rJn1Yr>

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About Bhagwan Marine Limited

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

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

The Company's long-standing partnerships with major energy and mining companies, construction firms and government agencies reflect Bhagwan's reputation as a trusted and capable partner in marine operations.

www.bhagwanmarine.com

About Riverside Marine Holdings

Founded in Brisbane in 1926 by the Campbell family, Riverside specialises in the management and operation of approximately 30 diverse vessels, including nine owned vessels, across five established brands. The Riverside group has long-standing clients within the industrial resources, scientific research, transport and logistics sectors.

www.riversidemarine.com.au

i Percentage compared to the prior corresponding period.

ii Core operations exclude the significant Thevenard Island (TVI) Project completed in December 2024.

iii Compound annual growth rate (CAGR) FY22 to FY25 at 30 June

iv After capital expenditure and lease repayments.

v Please refer to the announcement and investor presentation for Riverside Marine acquisition released to the ASX on 9 February 2026

vi Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) per million hours worked.

vii Forecast (F).

viii Excluding \$9.2m of pass-through revenue.

ix Thevenard Island decommissioning project (TVI Project).

x Please refer to the accompanying investor presentation for a reconciliation of statutory to pro forma results.

xi Excluding leases.

xii Australian Fisheries Management Association.