



**BHAGWAN**<sup>™</sup>  
marine

## **Bhagwan Marine Limited**

**ABN 81 009 154 349**

**Interim Financial Report  
Incorporating ASX Appendix 4D  
for the half-year ended  
31 December 2024**



## Appendix 4D

### Interim financial report for the six months ended 31 December 2024 (“H1:25”)

All comparisons are for the six months ended 31 December 2023 (“H1:24”)

#### Results for announcement to the market

	Change	31 Dec 2024	31 Dec 2023
	%	H1:25	H1:24
		\$M	\$M
Revenue from ordinary activities	Up 41% to	154.1	109.5
Earnings before interest costs, income taxes, depreciation and amortisation ( <b>EBITDA</b> ) from ordinary activities	Up 27% to	26.6	21.0
Less: Additional listed company administrative expenses <sup>1</sup>	Down 100% to	-	(0.6)
Add: Transaction costs <sup>2</sup>	Up 250% to	0.7	0.2
Pro forma earnings before interest costs, income taxes, depreciation and amortisation ( <b>Pro forma EBITDA</b> ) from ordinary activities	Up 33% to	27.3	20.6
Earnings before interest costs and income tax ( <b>EBIT</b> )	Up 45% to	13.5	9.3
Profit from ordinary activities after tax attributable to members	Up 100% to	8.8	4.4
Net profit for the period attributable to members ( <b>NPAT</b> )	Up 100% to	8.8	4.4

Pro forma adjustments to EBITDA have been calculated to more clearly represent the Company’s underlying earnings (noting that these adjustments have not been audited in accordance with Australian Auditing Standards). The adjustments are:

- Administrative expenses have been increased in H1:24 by \$0.6 million to reflect the estimated additional costs that Bhagwan Marine would have incurred as a result of being a listed company. These costs include directors’ fees, share registry costs, ASX listing fees, directors’ and officers’ insurance premiums and audit and legal fees.
- Administrative expense for H1:25 has been reduced by \$0.7 million and in H1:24 by \$0.2 million to reflect the total non-contingent transaction costs related to the Company’s initial public offer (**IPO**) on 30 July 2024, comprising of corporate advisory, legal and accounting fees.

All amounts are in Australian Dollars (AUD\$).

#### Dividend information

No dividend has been declared for the half-year ended 31 December 2024.

#### Net tangible asset backing

	31 Dec 2024	31 Dec 2023
Net tangible asset backing per share <sup>3</sup>	\$0.52	\$0.32

#### Footnote:

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

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

This interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made during the reporting period by the Company in accordance with the continuous disclosure requirements of the ASX Listing Rules and Corporations Act 2001.

### **Change of control of entities**

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

### **Auditor's report**

This Appendix 4D is based on the Interim Financial Statements of Bhagwan Marine Limited for the half-year ended 31 December 2024, which have been reviewed by KPMG. A copy of KPMG's Independent Auditor's Review Report is included in this Report.

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

27 February 2025

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

## About Bhagwan Marine Limited

Bhagwan Marine is a national Australian marine services company that provides a diverse range of marine solutions in ports, nearshore, offshore, and subsea locations to industries including oil and gas, subsea, port, civil construction, renewables, and defence. Bhagwan Marine's operations are strategically located across Australia and close to the assets and operations of its clients.

Bhagwan Marine prides itself on its adaptability and proactive approach, which has earned us a reputation as a trusted partner in Marine Operations in Australia. Bhagwan Marine provides the best possible level of service, ensuring its clients' success and contributing to a sustainable future.

For more information, please visit [www.bhagwanmarine.com](http://www.bhagwanmarine.com)



### PORTS

Services performed within or around a port, and generally within approximately 30 nautical miles of the shoreline



### NEARSHORE

Operations that are undertaken within approximately 200 nautical miles of the shoreline, but outside the immediate port area



### OFFSHORE

Operations that take place further out to sea, away from the immediate coastal areas, in deeper waters beyond approximately 200 nautical miles of the shoreline



### SUBSEA

Relates to operations occurring beneath the sea surface

The Directors present their report on the consolidated entity (referred to hereafter as 'Bhagwan Marine' or 'Group') consisting of Bhagwan Marine Limited (the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

## Directors

The following persons were Directors of Bhagwan Marine Limited during the half-year and up to the date of this report:



**Anthony Wooles**  
 Chairman and Non-Executive Director



**Loui Kannikoski**  
 Founder  
 Managing Director & CEO



**Tracey Horton AO**  
 Independent Non-Executive Director



**Andrew Wackett**  
 Executive Director Finance

The Directors of the Company have been in office since the start of the financial period to the date of this report.

## Principal Activities

Bhagwan Marine is a national Australian marine services company that provides a diverse range of marine solutions within ports, nearshore, offshore, and subsea locations. The principal activities of the Group during the financial period were marine services. There was no significant change in the nature of these activities during this half-year period.

## Review of Operations

### Highlights

H1:25 Financial and Operating Highlights	H1:25 \$'000	H1:24 \$'000	% Change
Net revenue	154,134	109,459	41%
Pro forma EBITDA <sup>1</sup>	27,306	20,622	32%
EBITDA margin (%)	18%	19%	(1%)
EBITDA	26,580	21,004	27%
Net profit after tax	8,815	4,369	102%
Net cash from operations	21,039	12,809	64%
Net debt <sup>2</sup>	(11,495)	(86,943)	(87%)
Basic earnings per share (cents per share)	3.39	2.95	15%
<b>Sustainability highlights</b>			
Total recordable injury frequency rate (TRIFR)	10.72	8.14	(32%)
Total lost-time injury frequency rate (LTIFR)	0.89	0.90	1%

#### Footnote:

- 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 \$0.7 million in H1:25 (\$0.2 million in H1:24) and include estimated additional costs from H1:24 of \$0.6 million which would have been incurred as a result of being a listed company.
- Net debt includes capitalised leases.

## Commentary on Interim Results

Bhagwan Marine achieved record first-half results which reflects the strength of our operations and our ability to deliver outstanding service across a diverse and growing portfolio. Revenue grew 41% to \$154.1 million, and pro forma EBITDA reached a record \$27.3 million.

### Overview of Activity

<b>Western Australia</b>	Offshore services remained strong, with ongoing projects for tier-one energy companies. Successfully closed out oil & gas decommissioning project.
<b>Northern Territory</b>	Continuing work with a major global energy company and exploring growth opportunities in the medium to larger vessel market.
<b>Queensland</b>	Strong demand in 2Q25 for maintenance services and civil construction support, expected to continue in 2H25.
<b>Victoria</b>	Increasing demand for maintenance services and support at the Port of Melbourne. Additional vessels to support offshore wind projects in 2H25.
<b>Subsea</b>	Strong activity continues, with growing interest in remote operations and opportunities to diversify into telecommunications infrastructure projects.
<b>Innovation</b>	Successfully commenced first commercial contract using a remote operated vessel and advanced the conversion of a vessel to a hybrid system, set for deployment at the Port of Melbourne.

### Overview of Activity Within Bhagwan Marine's Key Growth Markets

<b>Offshore decommissioning services</b>	Successful commercial completion of a major oil & gas decommissioning project in 2Q25 – the largest undertaken by an Australian-owned service provider. The project was operationally completed in 1Q25 with the safe removal of nine platforms, leveraging a broad range of the Company's services.
<b>Offshore wind energy</b>	Commenced survey work for offshore and wind farms, principally in Victoria. Additional vessels are expected to be deployed in 2H25.
<b>Defence and security</b>	Ongoing support for Border Services, with rising levels reflecting anticipated growth in defence activity and fleet requirements. Bhagwan Marine's strategically located facilities in Henderson Marine Precinct, WA, and Darwin position the Company to capitalise on this expanding sector.
<b>Maintenance</b>	Strong demand for maintenance work across Bhagwan's core service portfolio, notably at the Port of Melbourne and in Queensland.
<b>Larger vessel market</b>	Increasing demand for supply and anchor handling support in northern Australia.

## Successfully Completed an Initial Public Offering (IPO)

During the reporting period, the Company completed its IPO raising \$80 million to de-leverage the balance sheet and pursue growth opportunities.

The Company commenced trading on the Australian Securities Exchange (ASX) on 30 July 2024 (ASX: BWN).

## **Dividends**

No interim dividend has been declared for the reporting period, and no final dividend was paid for the prior comparative period.

## **Cash Flow**

Operating cash flows for the period ended 31 December 2024 increased by 64% to \$21.0 million (31 December 2023: \$12.8 million) due to higher EBITDA, lower interest charges and a strong focus on working capital.

Cash outflows from investing activities were \$16.7 million (31 December 2023: \$4.8 million).

Financing cash flows for the period resulted in a net outflow of \$5.6 million (31 December 2023: \$7.6 million).

## **FY25 Outlook and Focus**

Bhagwan Marine's outlook for FY25 remains strong, with activity levels and demand for its solutions expected to be driven by:

- Ongoing demand from major energy companies in the Northern Territory.
- Diversification opportunities within the subsea sector.
- Expansion and diversification opportunities within the larger vessel market in northern Australia.
- Increasing enquiries emerging for defence sector services at the Henderson Marine Precinct.

The Company will pursue these opportunities while focusing on:

- Safety and service delivery.
- Enhancing fleet capabilities, including remote operation technologies and hybrid solutions.
- Disciplined capital allocation and cost management in an inflationary operating environment.

## **Growth Strategy**

Bhagwan Marine's strategy has been centred on delivering exceptional service and pursuing targeted acquisitions to diversify revenue streams and strengthen the Group's presence in key growth areas across Australia.

While maintaining an unwavering commitment to safety, Bhagwan Marine will continue to focus on the following five strategic priorities:

1. **Strengthening Core Business:** Continuing to deliver high-quality and diversified marine solutions for clients in a limited global vessel supply market.
2. **Expanding in Growth Sectors:** Capitalising on opportunities in Bhagwan Marine's growth markets :
  - A substantial long-term pipeline of offshore oil and gas decommissioning projects.
  - The Australian Government's designation of six priority offshore wind zones.
  - Increased government investment in defence, port facility upgrades and infrastructure expansion.
  - Ageing offshore assets and marine/port infrastructure requiring inspection, repair and maintenance.
  - Capitalising on the Company's higher profile to drive market share, particularly in the larger vessel market.
3. **Disciplined and Targeted Acquisitions:** Seeking value-accretive acquisitions that enhance capabilities and expand geographic presence within Bhagwan Marine's core business and growth sectors.
4. **Disciplined and Timely Fleet Upgrades:** Modernising the fleet with more efficient and sustainable technologies.
5. **Optimising Contract Mix:** Securing longer-term contracts that ensure higher vessel utilisation and stable revenue streams.

## **Significant Changes in the State of Affairs**

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

### **Subsequent Events**

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

On 6 February 2025, the Company acquired the 'Coral Knight', a 60-metre vessel that can accommodate up to 42 crew members and features deck space of 435 sqm. The total consideration for the vessel was \$13.75 million. The Coral Knight has previously been leased to the Company and has completed several significant operations, making this an attractive acquisition for the Company. The purchase of the Coral Knight supports our clients, accelerates our growth strategy and extends our reach in the medium and larger vessel market. The acquisition was financed through the Company's equipment finance facility and is structured for repayment over five years. Additionally, the Company is currently in negotiations on the award of a long-term contract for the Coral Knight.

This subsequent event does not affect the financial position as of 31 December 2024, but it is significant to the Company's future operations and financial performance. Management believes that this acquisition will contribute positively to the Company's growth and profitability in the coming periods.

### **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 that Corporations Instrument to the nearest thousand dollars, unless otherwise stated.

### **Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on the following page and forms part of the Directors' report for the six months ended 31 December 2024.

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



Anthony Wooles  
Chairman and Non-Executive Director

27 February 2025  
Perth, WA





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

To the Directors of Bhagwan Marine Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Bhagwan Marine Ltd for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Matthew Hingeley

Partner

Perth

27 February 2025

	Note	Consolidated	
		Six months ended Dec 2024 \$'000	Six months ended Dec 2023 <sup>1</sup> \$'000
<b>Continuing operations</b>			
Revenue from contracts with customers	3	154,134	109,459
Raw materials and consumables		(11,240)	(7,162)
Vessel expenses		(37,324)	(29,714)
Employee benefits expense		(69,456)	(43,962)
Depreciation and amortisation expense		(13,075)	(11,469)
Other direct costs		(3,963)	(2,896)
Professional fees		(3,268)	(2,324)
Other income		908	546
Other expenses		(2,303)	(2,599)
<b>Operating profit</b>		<b>14,413</b>	<b>9,879</b>
Finance income		215	127
Finance costs		(2,034)	(3,764)
<b>Profit before tax</b>		<b>12,594</b>	<b>6,242</b>
Income tax expense		(3,779)	(1,873)
<b>Profit for the period attributable to the owners of Bhagwan Marine Limited</b>		<b>8,815</b>	<b>4,369</b>
<b>Total comprehensive income for the year attributable to the owners of Bhagwan Marine Limited</b>		<b>8,815</b>	<b>4,369</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		3.39	2.95
Diluted earnings per share (cents)		3.38	2.95

**Footnote:**

- The comparative figures for the six months ended 31 December 2023 have been reclassified, where necessary, in order to conform with the presentation at 31 December 2024. Such reclassification does not affect the previously reported net profit.

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

	Note	Consolidated	
		Dec 2024 \$'000	June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		116	1,351
Trade and other receivables	4	60,171	82,957
Inventories		2,684	2,200
Other current assets		3,547	3,480
<b>Total current assets</b>		<b>66,518</b>	<b>89,988</b>
<b>Non-current assets</b>			
Other investments		1,454	1,454
Deferred tax assets		-	1,083
Property, plant and equipment	5	145,327	134,191
Right-of-use assets		20,121	16,424
Non-current financial assets		11,468	11,014
<b>Total non-current assets</b>		<b>178,370</b>	<b>164,166</b>
<b>Total assets</b>		<b>244,888</b>	<b>254,154</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	50,595	76,758
Loans and borrowings	8	3,594	45,352
Lease liabilities		9,222	9,126
Employee benefits		6,341	4,727
<b>Total current liabilities</b>		<b>69,752</b>	<b>135,963</b>
<b>Non-current liabilities</b>			
Loans and borrowings	8	-	32,121
Lease liabilities		10,263	7,155
Employee benefits		1,079	839
<b>Total non-current liabilities</b>		<b>11,342</b>	<b>40,115</b>
<b>Total liabilities</b>		<b>81,094</b>	<b>176,078</b>
<b>Net assets</b>		<b>163,794</b>	<b>78,076</b>
<b>Equity</b>			
Issued capital	9	142,062	65,262
Reserves		57,045	56,942
Accumulated losses		(35,313)	(44,128)
<b>Total equity</b>		<b>163,794</b>	<b>78,076</b>

*The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes to the condensed consolidated financial statements*

<b>Consolidated</b>	<b>Note</b>	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2023		65,910	47,898	(49,675)	64,133
Profit for the period		-	-	4,369	4,369
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>4,369</b>	<b>4,369</b>
<i>Transactions with owners in their capacity as owners</i>					
Repurchase of share capital		(648)	-	-	(648)
<b>Total transactions with owners in their capacity as owners</b>		<b>(648)</b>	<b>-</b>	<b>-</b>	<b>(648)</b>
<b>Balance at 31 December 2023</b>		<b>65,262</b>	<b>47,898</b>	<b>(45,306)</b>	<b>67,854</b>

<b>Consolidated</b>	<b>Note</b>	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2024		65,262	56,942	(44,128)	78,076
Profit for the period		-	-	8,815	8,815
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>8,815</b>	<b>8,815</b>
<i>Transactions with owners in their capacity as owners</i>					
Share capital issued, net of transaction costs	9	76,800	-	-	76,800
Equity-settled share-based payments		-	103	-	103
<b>Total transactions with owners in their capacity as owners</b>		<b>76,800</b>	<b>103</b>	<b>-</b>	<b>76,903</b>
<b>Balance at 31 December 2024</b>		<b>142,062</b>	<b>57,045</b>	<b>(35,313)</b>	<b>163,794</b>

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

	Note	Consolidated	
		Dec 2024 \$'000	Dec 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		202,457	100,970
Payments to suppliers and employees		(180,935)	(85,147)
Interest and other finance costs paid		(483)	(3,014)
<b>Net cash from operating activities</b>		<b>21,039</b>	<b>12,809</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(17,655)	(4,824)
Proceeds from disposal of property, plant and equipment		999	-
<b>Net cash used in from investing activities</b>		<b>(16,656)</b>	<b>(4,824)</b>
<b>Cash flows from financing activities</b>			
Proceeds from ordinary shares issued	9	80,000	-
Payments for transaction costs	9	(3,200)	-
Repayment of borrowings		(74,755)	(1,998)
Proceeds in multi-option facility		-	1,448
Transaction costs related to borrowings		(83)	-
Principal element of lease payments		(7,580)	(6,368)
Repurchase of share capital		-	(648)
<b>Net cash used in financing activities</b>		<b>(5,618)</b>	<b>(7,566)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,235)</b>	<b>419</b>
Cash and cash equivalents at 1 July		<b>1,351</b>	<b>42</b>
<b>Cash and cash equivalents at 31 December</b>		<b>116</b>	<b>461</b>

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

## **Note 1. Reporting Entity**

This interim financial report covers Bhagwan Marine Limited (the “Company”) and its subsidiaries (the “Group”). Bhagwan Marine Limited is a company limited by shares and incorporated in Australia. The address of its registered office and principal place of business is Level 3, 251 St Georges Terrace, Perth, Western Australia, 6000.

These interim financial statements were authorised for issue by the Company’s board of directors on 27 February 2025.

### **A. Basis of Preparation**

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

The interim financial report does not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2024.

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

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

### **B. New and amended standards adopted by the Group**

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

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

### **C. Going concern**

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

The Company raised \$80 million on 24 July 2024 pursuant to the offer of Bhagwan Marine’s Replacement Prospectus dated 28 June 2024, whereby the bank facilities noted below have been settled.

The Group’s financing facilities with a carrying amount of \$77.5 million at 30 June 2024, had an expiry date of on or before 30 September 2025 (refer Note 8).

On 24 July 2024, the funds raised under the IPO and Replacement Prospectus were used to;

- repay bank loans of \$45 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 transactional costs associated with the IPO.

On 20 December 2024, Bhagwan Marine Limited approved and signed a facility agreement, with a total facility limit of \$81.5 million, with Commonwealth Bank of Australia, with no portion utilised as at 31 December 2024 (refer Note 8). The ability of the Group to continue to operate is dependent on it having access to adequate funding, and also to continue to generate adequate cash and profit. This will require that the Group maintain compliance with the terms of its loan facilities including loan covenants, and then renewing the facilities prior to their expiry, or if required obtaining alternative funding.

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

## Note 2. Segment information

### A. Basis for segmentation

The Group manages its operations as a single business operation and there are no parts of the business that qualify as operating segments under AASB 8 *Operating Segments*. The Board assesses the financial performance of Bhagwan Marine on an integrated basis only and accordingly, Bhagwan Marine is managed on the basis of a single segment which is equivalent to the 30 June 2024 consolidated financial statements results.

### B. Information about reportable segments

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

<b>Six months ended 31 December 2024</b>	<b>Consolidated \$'000</b>
External revenues	163,336
Less: Passthrough revenue <sup>1</sup>	(9,202)
Net revenue	154,134
Cost of sales	(110,477)
Gross profit	43,657
Admin costs	(17,077)
EBITDA	26,580
<i>Adjustments for:</i>	
Finance income	215
Other income	908
Depreciation and amortisation expense	(13,075)
Finance costs	(2,034)
Income tax expense	(3,779)
<b>Profit for the half-year</b>	<b>8,815</b>

<b>Six months ended 31 December 2023</b>	<b>Consolidated \$'000</b>
External revenues	109,459
Cost of sales	(74,703)
Gross profit	34,756
Admin costs	(13,752)
EBITDA	21,004
<i>Adjustments for:</i>	
Finance income	127
Other income	344
Depreciation and amortisation expense	(11,469)
Finance costs	(3,764)
Income tax expense	(1,873)
<b>Profit for the half-year</b>	<b>4,369</b>

Footnote:

1. Non AASB15 Revenue from Contracts with Customers

### Note 3. Revenue from contracts with customers

#### A. Revenue streams

	Consolidated	
	Dec 2024	Dec 2023
	\$'000	\$'000
<i>Sales revenue</i>		
Rendering of Services	154,134	109,459
	<b>154,134</b>	<b>109,459</b>

#### B. Disaggregation of revenue from contracts with customers

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

	Consolidated	
	Dec 2024	Dec 2023
	\$'000	\$'000
<b>Primary geographical markets:</b>		
Australia	154,134	109,459
	<b>154,134</b>	<b>109,459</b>
<b>Primary industry sector:</b>		
Offshore and nearshore services	41,473	40,967
Subsea services	28,253	17,010
Decommissioning offshore	26,448	10,372
Other services	24,773	11,912
Port services	20,034	15,425
Civil construction services	13,153	13,773
<b>External revenue as reported</b>	<b>154,134</b>	<b>109,459</b>
<b>Revenue recognised over time:</b>		
Products and services transferred over time	154,134	109,459
<b>External revenue as reported</b>	<b>154,134</b>	<b>109,459</b>

### Note 4. Trade and other receivables

	Consolidated	
	Dec 2024	June 2024
	\$'000	\$'000
Trade receivables	55,242	79,992
Less: Allowance for expected credit losses	(314)	(345)
	<b>54,928</b>	<b>79,647</b>
Accrued revenue	3,465	889
Other receivables	1,778	2,421
	<b>60,171</b>	<b>82,957</b>



### Note 5. Property, plant and equipment

Property, plant and equipment has a carrying amount at 31 December 2024 of \$145.3 million (30 June 2024: \$134.2 million).

The Group has incurred \$10.3 million (30 June 2024: \$4.9 million) in relation to capital work in progress and acquisitions of vessels during the half-year ended 31 December 2024.

As at 31 December 2024, no impairment triggers had been identified and the key estimates and judgements have not materially changed to those disclosed in the financial statements for the year ended 30 June 2024.

### Note 6. Financial instruments – Fair values

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

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

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

#### *Revaluation of vessels*

The Group's vessels are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's vessels at 30 June 2024 were performed by Grays eCommerce Group Limited, independent valuers not related to the Group. Grays certified valuers are affiliated with either an API, AVAA or ASA 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 three industry accepted approaches to value being the Income Approach, Cost Approach and Market Approach. The fair value of the vessels was determined based on the cost approach and market comparable approach that reflects recent transaction price for similar vessels.

### Note 7. Trade and other payables

	Consolidated	
	Dec 2024	June 2024
	\$'000	\$'000
Trade payables	33,957	56,481
Payable to related party	118	118
Accrued expenses	16,520	20,159
	<b>50,595</b>	<b>76,758</b>

**Note 8. Loans and borrowings**

	Consolidated	
	Dec 2024	June 2024
	\$'000	\$'000
<b>Current liabilities</b>		
Term debt facility	-	1,613
Bank overdraft	3,594	18,769
Shareholder loan	-	12,582
Other loans	-	12,388
	<b>3,594</b>	<b>45,352</b>
<b>Non-current liabilities</b>		
Commercial advance facility	-	32,121
	<b>-</b>	<b>32,121</b>

**Terms and repayment schedule**

The terms and conditions of outstanding loans are as follows.

	Currency	Nominal interest rate	Year of Maturity	Dec 2024		June 2024	
				Limit \$'000	Carrying Amount \$'000	Limit \$'000	Carrying Amount \$'000
Bankwest bank overdraft	AUD	10.32%	2025 <sup>A</sup>	19,695	3,594	10,045	8,769
Bank overdraft facility	AUD	N/A	2025 <sup>A</sup>	-	-	10,000	10,000
<b>Total bank overdraft facility</b>				<b>19,695</b>	<b>3,594</b>	<b>20,045</b>	<b>18,769</b>
Commercial advance facility	AUD	N/A	2025 <sup>B</sup>	-	-	32,121	32,121
Term debt facility	AUD	N/A	2025 <sup>B</sup>	-	-	1,613	1,613
Shareholder loan	AUD	N/A	2024 <sup>C</sup>	-	-	12,582	12,582
Other loans	AUD	N/A	2023 <sup>D</sup>	-	-	12,388	12,388
<b>Total interest-bearing liabilities</b>				<b>19,695</b>	<b>3,594</b>	<b>78,749</b>	<b>77,473</b>

<sup>(A)</sup> 31 January 2025

<sup>(B)</sup> 30 September 2025

<sup>(C)</sup> 31 December 2024

<sup>(D)</sup> 30 June 2023

On 24 July 2024, the funds raised under the IPO and Replacement Prospectus were used to;

- repay bank loans of \$45 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 transactional costs associated with the IPO.

**Note 8. Loans and borrowings (continued)**

Due to the closure of Bankwest Business Operations, on 20 December 2024, Bhagwan Marine Limited approved and signed a facility agreement, with a total facility limit of \$81.5 million, with Commonwealth Bank of Australia.

The facility is as follows, with no portion utilised as at 31 December 2024:

Facility Name	Facility Limit \$'000	Interest Rate per annum	Facility Term
Working Capital Facility	30,000	0.80% plus BBSY Rate	The facility is subject to annual review
Equipment Finance Facility	30,000	Variable	The facility is subject to annual review. The Facility Limit is repayable and cancellable on demand as specified in the Facility Agreement. Individual contracts drawn under the limit are for a maximum of 5 years unless agreed otherwise.
Market Rate Loan Facility	10,000	1.50% plus BBSY Rate	3 years from Financial Close, annually extendable at bank option.
Contingent Liability Facility	10,000	1.75%	The facility is subject to annual review
Corporate Card Facility	1,500	Interest rates and fees on all accommodation provided under the Corporate Card Facility as advised by the Lender from time to time. The current applicable rates are available on the CommBank website.	The facility is subject to annual review

*Security provided for facilities include:*

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

**Note 9. Capital and reserves**

**Share capital**

	Dec 2024 Shares	June 2024 Shares	Dec 2024 \$'000	June 2024 \$'000
Ordinary shares fully paid	<b>275,200,238</b>	148,216,111	<b>142,062</b>	65,262

*Movements in ordinary share capital*

	Date	Shares	Issue Price	\$'000
Balance at beginning of financial year	1 July 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)
<b>Balance at end of half-year</b>	<b>31 Dec 2024</b>	<b>275,200,238</b>		<b>142,062</b>

*(a) Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the company does not have a limited amount of authorised capital.

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

*(b) Performance Rights*

As at 31 December 2024, the Company has on issue 3,034,394 Performance Rights, which are unquoted. Subject to the satisfaction of performance hurdles, each Performance Right entitles the holder to one fully paid share for no consideration. Further details on the Performance Rights on issue are set out in Note 10.

### Note 10. Share-based payment arrangements

The Company has adopted an incentive awards plan that took effect from 10 June 2024 which provides the framework under which individual grants of equity or equity-based incentive awards may be made to Directors, employees and individual service providers of the Company and any Associated Body Corporate of the Company. The incentive awards plan has been designed to allow the Board to grant awards to attract and retain talent, and to align the interest of its Directors and employees with those of the Company.

The terms and conditions of the performance rights issued under the incentive awards plan during the six months ended 31 December 2024 are as follows:

Grant Date	Employees entitled	Number of performance rights issued	Vesting conditions	Expiry Date
8 July 2024	Specific Directors and certain employees	783,586	<ol style="list-style-type: none"> <li>The listing of the Company on the ASX by 31 August 2024 or such later date as determined by the Board; and</li> <li>The participant remains and Eligible participant of the Company for two years post listing.</li> </ol>	8 July 2027
12 November 2024	Executive Directors and Senior Executives	2,250,808	<p>The Performance Rights will be weighted as follows:</p> <ol style="list-style-type: none"> <li>50% of the Performance Rights will be subject to a performance measure based on the Company's EBITDA compound annual growth rate (<b>EBITDA CAGR</b>) of 5% to 15% over the Performance Period; and</li> <li>50% of the Performance Rights will be subject to a relative total shareholder return (<b>RTSR</b>) performance measure over the Performance Period.</li> </ol>	31 August 2039

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

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

### Note 11. Capital commitments

The Group has capital commitments for purchases of assets and supporting equipment totalling \$0.8 million (30 June 2024: \$1.9 million).

### Note 12. Contingent liabilities

The Group has given bank guarantees and letters of credit to third party customers, in the normal course of business, as at 31 December 2024 totalling \$2.3 million (30 June 2024: \$2.3 million). The outflow of settlement is considered remote and additional information is not considered practicable to disclose.

### **Note 13. Events after the reporting period**

On 6 February 2025, the Company acquired the 'Coral Knight', a 60-metre vessel that can accommodate up to 42 crew members and features deck space of 435 sqm. The total consideration for the vessel was \$13.75 million. The Coral Knight has previously been leased to the Company and has completed several significant operations, making this an attractive acquisition for the Company. The purchase of the Coral Knight supports our clients, accelerates our growth strategy and extends our reach in the medium and larger vessel market. The acquisition was financed through the Company's equipment finance facility and is structured for repayment over five years. Additionally, the Company is currently in negotiations on the award of a long-term contract for the Coral Knight.

This subsequent event does not affect the financial position as of 31 December 2024, but it is significant to the Company's future operations and financial performance. Management believes that this acquisition will contribute positively to the Company's growth and profitability in the coming periods.

No other matter or circumstance has arisen since the end of the reporting period that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

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

- (a) The Interim Financial Report and notes set out on pages 14 to 22 for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,

Signed in accordance with a resolution of the Directors.



Anthony Wooles  
Chairman and Non-Executive Director

27 February 2025  
Perth, WA



# Independent Auditor's Review Report

To the shareholders of Bhagwan Marine Limited

## Conclusion

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

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

- giving a true and fair view of the **Group's** financial position as at 31 December 2024, and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated balance sheet as at 31 December 2024;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity, and Condensed consolidated cash flow statement for the Half-year ended on that date;
- Notes 1 to 13 including selected explanatory notes;
- The Directors' Declaration.

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

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the *ethical requirements of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.





## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Matthew Hingeley

*Partner*

Perth

27 February 2025

### **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](mailto: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, QV.1 Building  
250 St Georges Terrace  
Perth, Western Australia 6000

### **Share Registry**

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

### **Auditor**

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

### **Website**

To view the 2025 Interim Financial Report, the 2024 Annual Report, shareholder and company information, news announcements, background information on Bhagwan Marine's businesses and historical information, visit the Bhagwan Marine website at:

[www.bhagwanmarine.com](http://www.bhagwanmarine.com)