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ASX Announcement

9 February 2026

Bhagwan Delivers on Growth Strategy with Acquisition of Riverside Marine

Australian marine solutions company, Bhagwan Marine Limited (**ASX: BWN**) (**Bhagwan** or the **Company**), is pleased to announce that it has entered into a share sale and purchase agreement (**Agreement**) to acquire 100% of Riverside Marine Holdings Pty Ltd (**Riverside Marine** or **Riverside**) (**Acquisition**). The Acquisition will be on a debt free cash free basis with a normal level of working capital, for an enterprise value of up to $130m.

This significant acquisition represents a step-change in scale and scope for Bhagwan, strengthening the Company's position as a preferred marine solutions partner.

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. Riverside is forecasting FY26 revenue of $63m and EBITDA of $26m[i].

Strategic Rationale

- **Strong strategic alignment:** Highly complementary service offerings.
- **Strong cultural alignment:** A long-standing reputation for safety and operational excellence. Vendors to become significant shareholders and leadership to remain in the Riverside business to support continuity of operations.
- **Further diversification across services:** Including third-party vessel operations, harbour tugs, sand dredging and commercial ferries.
- **Increased geographic spread:** An established presence in North Queensland, with additional operations in Mackay and the Pilbara.
- **Diversification of commodity exposure:** Including iron ore, metallurgical coal & industrial sand.
- **88% repeatable revenue:** Increases Bhagwan's recurring revenue base from ~40% to ~50%[i], supported by long-term contracts and high barriers to entry.
- **Market-leading EBITDA margins:** ~40%, with sustaining capital expenditure of approximately 30%–35% of EBITDA[i].
- **Capital-light business model:** Riverside is focused on vessel management and operations in addition to ownership, generating high-quality revenue with limited capital expenditure requirements.
- **High free cash flow:** Riverside FY26 forecast EBITDA of $26.2m, no vessel lease payments and annual maintenance capex of $7m–$8m[i].

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Financial Overview

- **Consideration:** Upfront purchase price of $120m funded by a $70m three-year debt facility, $20m in vendor equity and a $30m institutional share placement. The total consideration includes a linear earn out of up to $10m triggered once Riverside EBITDA reaches $25.2m and capped at $27.2m[ii].
- **Highly earnings and return accretive:** Pro forma EPS accretion of approximately 14% and return on equity accretion of over 20%. Pro forma EBITDA margin increasing from 18% to 24%[i].
- **Pro forma financial uplift for Bhagwan:** Pro forma revenue of $364.3m (up 22% on FY25), EBITDA of $77.2m (up 54%), and EBIT of $40m (up 75%)[i]. Pro forma net debt to EBITDA of 1.1x[i].

Commenting on the Acquisition, Bhagwan's Founder and Managing Director, Loui Kannikoski, said:

"This is a transformational milestone for our Company. Riverside is an excellent strategic and cultural fit. Its highly complementary operations enhance diversification across service offerings, commodity exposure and geographic presence, creating meaningful synergies that strengthen our collective capabilities.

"Riverside's high-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.

"We are excited by the Company's long-term growth opportunities and warmly welcome the Campbell family and the Riverside team to Bhagwan."

Bhagwan Chairman, Anthony Wooles, added:

"This is a highly significant transaction for Bhagwan and reflects the Company's dedication to achieving value-creating growth.

"We feel great pride in the fact that the Campbell family would entrust Bhagwan with their Riverside business going forward, a reflection of mutual trust and shared values, built over many decades of joint dedication to the marine sector in Australia.

"The transaction delivers continued scaling of our operations through targeted acquisitions, a key pillar of our corporate strategy.

"We were very pleased to see the capital raising strongly oversubscribed. On behalf of the Board, I thank existing shareholders for their ongoing support and I am delighted to welcome new private and institutional investors to the register, particularly the Campbell family as significant shareholders."

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Riverside CEO, Angus Campbell, said:

"This marks an important next chapter for Riverside Marine. Bhagwan shares our values and long-term vision. This transition positions the business for sustainable growth while preserving the culture and relationships that define who we are."

Acquisition Terms and Conditions

Bhagwan has entered into the Agreement with the Campbell Family (**Vendors**) to acquire 100% of Riverside Marine on a debt free cash free basis and normal level of working capital for an enterprise value of up to $130m.

Completion of the Acquisition is subject to satisfaction of conditions precedents including receipt of all required shareholder approvals, securing key customer consents to the Acquisition, Bhagwan arranging debt finance and completing the capital raising, probate and estate related approvals, there being no material adverse change in respect to Riverside Marine, and other customary conditions.

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

$30m of the Initial Cash Consideration will be funded from the equity raising and the balance of the will be funded by drawing a 3 year, $70m facility from the Commonwealth Bank of Australia.

The Agreement contains other customary terms and conditions for an agreement of this nature.

Equity Raising

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

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

- 40.0m Placement Shares (**Tranche 1**) will be issued under the Company's existing placement capacity pursuant to Listing Rule 7.1 on or around 16 February 2026; and
- subject to shareholder approval at a general meeting which is expected to be held in late March 2026 (**General Meeting**), 23.9m Placement Shares (**Tranche 2**) will be issued.

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

The issue price represents an 8.9% discount to the Company's last closing price on 4 February 2026 of $0.45, a 10.4% discount to the 5-day VWAP of $0.457 and a 13.1% discount to the 15-day VWAP of $0.472. The Placement Shares and Director Shares will rank equally with the Company's existing fully paid ordinary shares.

If the Acquisition does not complete, the Company intends to retain the Tranche 1 proceeds and apply them toward general working capital, balance sheet strengthening and/or alternative growth initiatives.

Shareholder Approval

The Company will convene the General Meeting to seek approval to issue the Scrip Consideration to the Vendors, the Placement Shares under Tranche 2 and the Director Shares under the Director Placement, and any other resolutions necessary to give effect to the Acquisition (including satisfying the conditions precedent under the Agreement) and the issue of Placement Shares and Director Shares. A notice of general meeting containing the necessary resolutions is expected to be despatched to shareholders by late February 2026 (**Notice of General Meeting**).

Indicative Timetable

An indicative timetable for the Acquisition and the equity raising is set out below.

Event	Date
Settlement of Placement Shares under Tranche 1 of the Placement	16 February 2026
Issue of Placement Shares under Tranche 1 of the Placement	17 February 2026
Despatch of Notice of General Meeting	By Late February 2026
General Meeting	Late March 2026
Settlement and issue of Placement Shares under Tranche 2 of the Placement and Director Shares under the Director Placement	Late March 2026
Completion of the Acquisition and issue of Scrip Consideration	Late March 2026

The above timetable is indicative only and the Company reserves the right to vary any and all of the above dates without notice. The commencement of quotation of the Placement Shares, Director Shares and the Scrip Consideration is subject to confirmation from ASX.

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1H26 Results Announcement

Bhagwan's financial results for the six months ending 31 December 2025 will be released on 26 February 2026.

Further Information

For further details regarding the Acquisition and the equity raisings, shareholders are advised to refer to the Investor Presentation released to the ASX on 9 February 2026.

Euroz Hartleys Limited acted as Financial Advisor to Bhagwan in relation to the Acquisition.

Euroz Hartleys Limited and Shaw and Partners Limited acted as Joint Lead Managers and Joint Bookrunners to the equity raisings. Clayton Utz is acting as legal adviser to Bhagwan.

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/y1gaAr

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About Riverside Marine

Riverside Marine is a leading, family-owned Australian marine services company with a history dating back to its founding in Brisbane in 1926. Over a century of continuous operation, Riverside Marine has evolved from a gravel barge operator into one of Australia's foremost marine service providers, renowned for its commitment to safety, reliability and operational excellence.

Riverside Marine operates a diversified portfolio of businesses, including Rivtow Marine, Riverside Industrial Sands, Magnetic Island Ferries and Riverside Oceanic. Riverside Marine's core activities encompass harbour and terminal towage, vessel management, passenger and vehicle ferry services, marine tourism, sand transport and processing, and marine consultancy.

The Riverside Marine Group manages and operates approximately 30 vessels, including tugs, dredges, car ferries, barges and ocean science vessels, and delivers services across major Australian ports and waterways, with significant operations in Queensland and Western Australia.

www.riversidemarine.com.au

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

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Future performance and forward-looking statements

This announcement contains certain forward-looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Bhagwan, its directors and management.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Bhagwan's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are strongly cautioned not to place undue reliance on forward-looking statements, particularly given the current economic climate.

None of Bhagwan, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Bhagwan as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Bhagwan, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

[i] Refer to pro forma financials and outlook for FY26 in the investor presentation released to the market on 9 February 2026.

[ii] For example, if Riverside achieves FY26 EBITDA of $26.2m, the earnout would be $5m (the total purchase price consideration would be $125m).