

26 July 2024



PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the initial public offering of fully paid ordinary shares (**Shares**) by Bhagwan Marine Limited ACN 009 154 349 (**Bhagwan**) pursuant to a replacement prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 28 June 2024 (**Prospectus**) (**Offer**), and the admission of Bhagwan to the official list of ASX and the commencement of quotation of Shares on the ASX.

Capitalised terms in this announcement have the meaning given to them in the Prospectus unless otherwise defined below.

1. Conditions precedent to Bhagwan being admitted to the official list of ASX Limited

1.1 Bhagwan confirms that:

- a) the Offer under the Prospectus has closed, and the issue of 126,984,127 Shares at an issue price of \$0.63 per Share has completed.

On Completion, Bhagwan's capital structure will be as follows:

Securities	Number
Shares	275,200,238
Performance Rights	783,586

- b) it has received cleared funds of \$80.0 million for the complete amount of the issue price of every Share issued to every successful applicant under the Prospectus;
- c) it has an appropriate spread of at least 300 non-affiliated Shareholders, each having a parcel of Shares with a value of at least \$2,000 which are not restricted securities or subject to voluntary escrow;
- d) Bhagwan has a free float of at least 20% (approximately 51% on Completion); and
- e) the following has occurred:
 - i) the issue of 149,254 Performance Rights to Andrew Wackett (Executive Director - Finance) and Tracey Horton (Independent Non-Executive Director), with a nil exercise price expiring on or before 8 July 2027; and
 - ii) the issue of 634,332 Performance Rights to various unrelated employees of Bhagwan with a nil exercise price expiring on or before 8 July 2027.

2. Conditions precedent to the official quotation of 275,200,238 Shares

2.1 The following were despatched on 25 July 2024:

- a) in relation to all holdings on the CHESS sub-register, a notice from Bhagwan under ASX Settlement Operating Rule 8.9.1;
- b) in relation to all other holdings, issuer sponsored holding statements; and
- c) any refund money.

2.2 Bhagwan will separately provide the following in a form suitable for release to the market:

- a) Bhagwan's Appendix 1A and Information Form and Checklist;
- b) the Prospectus;
- c) Bhagwan's Constitution;
- d) the audited accounts of Bhagwan for the full years ended 30 June 2021, 30 June 2022, and 30 June 2023 and its reviewed accounts for the half year ended 31 December 2023;
- e) the full terms and conditions of Bhagwan's Incentive Awards Plan;
- f) Bhagwan's Securities Trading Policy;
- g) a distribution schedule of holders of Shares setting out the number and percentage of holders of Shares; and
- h) a statement of the 20 largest holders of Shares, including the number and percentage of holders of Shares.

2.3 As noted in paragraph 1.1e) above, Bhagwan confirms that the issue of 783,586 Performance Rights has completed.

2.4 As per the table below, 134,920,032 Shares will be subject to voluntary escrow with the escrow period as summarised below:

Escrowed Shareholder	Escrowed Shares	Escrow Period
Matilda Kannikoski	73,635,669	The date on which Bhagwan releases its financial results for the financial year ended 30 June 2025 to the ASX.
Loui Kannikoski	27,042,947	
Guru Pty Ltd (an entity controlled by Loui and Kerren Kannikoski)	10,373,195	
Loui and Kerren Kannikoski as trustee for Kannikoski Superannuation Fund	476,200	
AEW Holdings Pty Ltd (an entity controlled by Anthony Wooles)	23,392,021	
Total	134,920,032	

2.5 Bhagwan confirms that, in relation to funds raised under the institutional bookbuild pursuant to the Institutional Offer (**Bookbuild**):

- a) 120,239,181 Shares were allocated under the Bookbuild at a price of \$0.63 per Share;
- b) no promoters or related parties will be taking up a material number of Shares;
- c) no concessionary fee or other arrangements have been entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild price announced by Bhagwan;
- d) no arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Bookbuild at the Bookbuild price announced by Bhagwan and which is not received by other allottees; and
- e) no arrangements have been entered into with associates of Bhagwan or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

3. ASX Confirmation and Waiver

In connection with Bhagwan's application for admission to the official list of ASX, the ASX has granted Bhagwan the following confirmation and waiver:

3.1 ASX Confirmation Decision - Listing Rule 6.1

The ASX has provided confirmation to Bhagwan that the terms of the 783,586 Performance Rights with a nil exercise price issued on 8 July 2024 by Bhagwan to Andrew Wackett and Tracey Horton (**Directors**) and various employees, are appropriate and equitable for the purposes of Listing Rule 6.1 subject to the following conditions (which were satisfied in the disclosure in the Prospectus):

- a) The Prospectus contains the following details in respect of the Performance Rights:
 - i) the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;
 - ii) any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity; and
 - iii) in respect of those Performance Rights proposed to be issued to the Directors or key management personnel:
 - A. a statement that the Performance Rights are being issued to remunerate or incentivise the Directors or key management personnel;
 - B. details of the role (if any) the directors and key management personnel will play in meeting the respective performance milestones;
 - C. details of the existing total remuneration package of the Director or key management personnel;
 - D. if the Directors or key management personnel or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;

- E. an explanation why it is considered necessary or appropriate to further remunerate or incentivise the Directors and key management personnel to achieve the applicable performance milestone; and
 - F. details of how Bhagwan determined the number of Performance Rights to be issued to the Directors and key management personnel and why it considers that number to be appropriate and equitable.
- b) The number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.
- c) The full terms of the Performance Rights, including:
 - i) the Performance Rights are not quoted;
 - ii) the Performance Rights are not transferrable;
 - iii) the Performance Rights do not confer any right to vote, except as otherwise required by law;
 - iv) the Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;
 - v) the Performance Rights do not carry an entitlement to a dividend;
 - vi) the Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
 - vii) the Performance Rights do not carry an entitlement to participate in the surplus profit or asset of Bhagwan upon winding up of Bhagwan;
 - viii) each Performance Rights is converted into one fully paid ordinary share on achievement of the relevant milestone; and
- d) if the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.
- e) Bhagwan makes an announcement immediately upon the satisfaction of any milestones, upon the conversion of any of the Performance Rights and the expiry of any of the Performance Rights.
- f) The terms and conditions of the Performance Rights, including without limitation the relevant milestones that have to be satisfied before each Performance Rights converted into an ordinary share, are not to be changed without the prior approval of ASX and Bhagwan's shareholders.
- g) Upon conversion of the Performance Rights into ordinary shares, Bhagwan will apply to the ASX for quotation of the shares within the requisite time period.
- h) Bhagwan discloses the following in each annual report issued by Bhagwan in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:
 - i) the number of Performance Rights on issue during the relevant period;
 - ii) a summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones;

- iii) whether any of the Performance Rights were converted or cancelled during that period; and
- iv) whether any milestones were met during the period.

3.2 Waiver Decision - Listing Rule 1.1 Condition 12

The ASX has provided, subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit Bhagwan to have on issue 783,586 Performance Rights to be issued to the directors and employees of Bhagwan with an exercise price of less than \$0.20 on the condition that the full terms and conditions of the Performance Rights are clearly disclosed in the Prospectus.



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Bhagwan Marine Limited

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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'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 have 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