

Babylon Pump & Power Limited (BPP)

ACN 009 436 908

Appendix 4D – Half Year Report for six months ended 31 December 2024

1. Details of reporting periods:

Current reporting period (Balance Sheet)	: Six (6) months to 31 December 2024
Previous corresponding period (Profit & Loss)	: Six (6) months to 31 December 2023
Previous corresponding period (Balance Sheet)	: As at 30 June 2024

2. Results for announcement to the market:

	Six Months 31 December 2024 \$	Six Months 31 December 2023 \$	% Change
Revenue from ordinary activities	17,380,165	22,379,699	-22.34%
EBITDA ⁽¹⁾	2,981,415	3,045,736	-2.11%
Profit for the period	398,303	242,991	63.92%
Profit after tax attributable to members	398,303	242,991	63.92%

(1) This item is categorised as non-IFRS financial information prepared in accordance with ASIC regulatory guidance 230 *Disclosing non-IFRS information*

Refer to accompanying Financial Report for the half year ended 31 December 2024 for further commentary.

3. Statement of comprehensive income

Refer to accompanying Financial Report for the half year ended 31 December 2024.

4. Statement of financial position

Refer to accompanying Financial Report for the half year ended 31 December 2024.

5. Statement of cash flows

Refer to accompanying Financial Report for the half year ended 31 December 2024.

6. Dividend payments

No dividends have been proposed or declared in respect of the half year ended 31 December 2024 (31 December 2023: \$nil).

This Appendix 4D Half Year Report is provided to the ASX under Listing Rule 4.3B and should be read in conjunction with the accompanying Interim Financial Report for the half year ended 31 December 2024.

7. Dividend reinvestment plans

There were no dividend reinvestment plans in operation during the reporting period.

8. Statement of changes in equity

Refer to accompanying Financial Report for the half year ended 31 December 2024.

9. Net tangible assets per security

	31 December 2024 (cents)	30 June 2024 (cents)
Net tangible assets per ordinary security	0.0033	0.0027

10. Gain or loss of control over entities

Refer to accompanying Financial Report for the half year ended 31 December 2024.

11. Associates and joint ventures

Not applicable.

12. Other significant information

Not applicable.

13. Foreign entities

Not applicable.

14. Status of audit

The Financial Report for the half year ended 31 December 2024 has been reviewed by the Company's auditor, BDO Audit Pty Ltd, and a copy of the Independent Auditor's Review Report can be found on page 26 of the accompanying Financial Reports.

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Corporate Directory

Directors

Mr James Cullen Non-Executive Chairman

Mr Michael Shelby Managing Director

Mr Patrick Maingard Non-Executive Director

Ms Louise Bower Independent Non-Executive Director

Mr Chris Radin Independent Non-Executive Director

Company Secretary

Mr Michael Shelby

Registered & Principal Office

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AUSTRALIA

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Automic Registry Services

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AUSTRALIA

Telephone: 1300 288 664

Auditor

BDO Audit Pty Ltd

Level 9

Mia Yellagonga Tower 2

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AUSTRALIA

Bankers

National Australia Bank Limited

100 St Georges Terrace

PERTH WA 6000

AUSTRALIA

Stock Exchange Listing

Australian Securities Exchange

ASX Code: BPP

Corporate Governance Statement

A copy of the Corporate Governance Statement is located on the website.



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Directors' Report

for the half year ended 31 December 2024

The directors present their report for Babylon Pump and Power Limited and its controlled entities ("Babylon", "Group" or "the Company") together with the consolidated financial report for the six months ended 31 December 2024 and the review report thereon.

Directors

The directors of Babylon Pump & Power Limited at any time during or since the end of the interim period are:

Mr James Cullen	Non-Executive Chairman
Mr Michael Shelby	Managing Director & Company Secretary
Mr Patrick Maingard	Non-Executive Director
Ms Louise Bower	Independent Non-Executive Director
Mr Chris Radin	Independent Non-Executive Director

Unless otherwise disclosed, all directors held their office from 1 July 2024 until the date of this report.

Review of Operations

Babylon experienced a solid improvement in EBITDA margin to start FY25 as well as growth in net profit compared to the corresponding previous reporting period. Weakness in the nickel and lithium markets led to lower revenues, but operational enhancements increased profitability and positioned Babylon for continued profit growth in the second half, together with higher forecast revenues. Babylon remains alert for potential acquisitions to build rental scale and expand capabilities in the mining services sector.

Group Key Performance Indicators	Six Months to 31 December 2024 \$A'000	Six Months to 31 December 2023 \$A'000	% Change
Revenue	17,380	22,380	-22.34%
EBITDA (non-IFRS measure)	2,981	3,046	-2.11%
Operational Cash Flow	2,784	2,790	-0.23%

Maintenance Segment

Operational efficiencies drove margin growth and increased EBITDA for the Maintenance segment despite lower revenues in the first half of the year. Importantly, these higher margins are expected to continue whilst revenues are forecast to increase in the second half, as operations in both Perth and Mackay are experiencing strong customer demand for engine rebuild services.

In Perth the Company recently secured an extension of its repair services contract with Rio Tinto out to mid-2027 and in Mackay, multiple engine rebuild orders have been secured for a large contract miner, which will underpin a high level of activity in Mackay in the second-half.

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Maintenance Segment Key Performance Indicators	Six Months 31 December 2024 \$A'000	Six Months to 31 December 2023 \$A'000	% Change
Revenues	12,812	15,914	-19.49%
EBITDA (non-IFRS measure)	2,927	2,548	+14.89%

Rental Segment

The rental market experienced lower revenues largely as a result of the recent downturn in the nickel and lithium sectors. Whilst this resulted in lower EBITDA for the six months compared to the previous corresponding period, recent demand for rental services is strong in other minerals sectors and Babylon has been progressing a number of opportunities to redeploy equipment to new mining projects. The outlook in the rental segment is a return to good utilisation of rental assets as well as high demand for Babylon's niche test pumping services, which can also lead into rental contracts.

The Group is focused on growing specialty rental capabilities, with the introduction of hybrid power units and sprayerless evaporators, both of which support clients' emission reduction goals. The Australian distributorship with Brazilian based HIGRA Industrial, announced as part of the September quarterly update, has proven successful with Babylon receiving first orders during the reporting period.

Rental Segment Key Performance Indicators	Six Months 31 December 2024 \$'000	Six Months to 31 December 2023 \$'000	% Change
Revenues	4,568	6,466	-29.35%
EBITDA (non-IFRS measure)	1,671	2,188	-23.63%

Events Subsequent to the Reporting Period

Subsequent to the balance date the Group restructured its financing facilities by replacing two short term Trade Finance Facilities, comprising \$3,000,000 in borrowings with an average loan term of 1.2 months, with two four-year term loan facilities. At the inception of the refinancing in February 2025, \$2,250,012 of the outstanding principal was reclassified from current to non-current liabilities.

In the opinion of the directors, other than as outlined above and in this report at Note 21, there were no other significant changes to the state of affairs of the Group that occurred subsequent to the half-year period.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars.

This report is made in accordance with a resolution of directors.



Michael Shelby

Managing Director

Dated at Perth this 18th day of February 2025.

Independence Declaration

for the half year ended 31 December 2024



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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF BABYLON PUMP AND POWER LIMITED

As lead auditor for the review of Babylon Pump and Power Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Babylon Pump and Power Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit Pty Ltd
Perth
18 February 2025



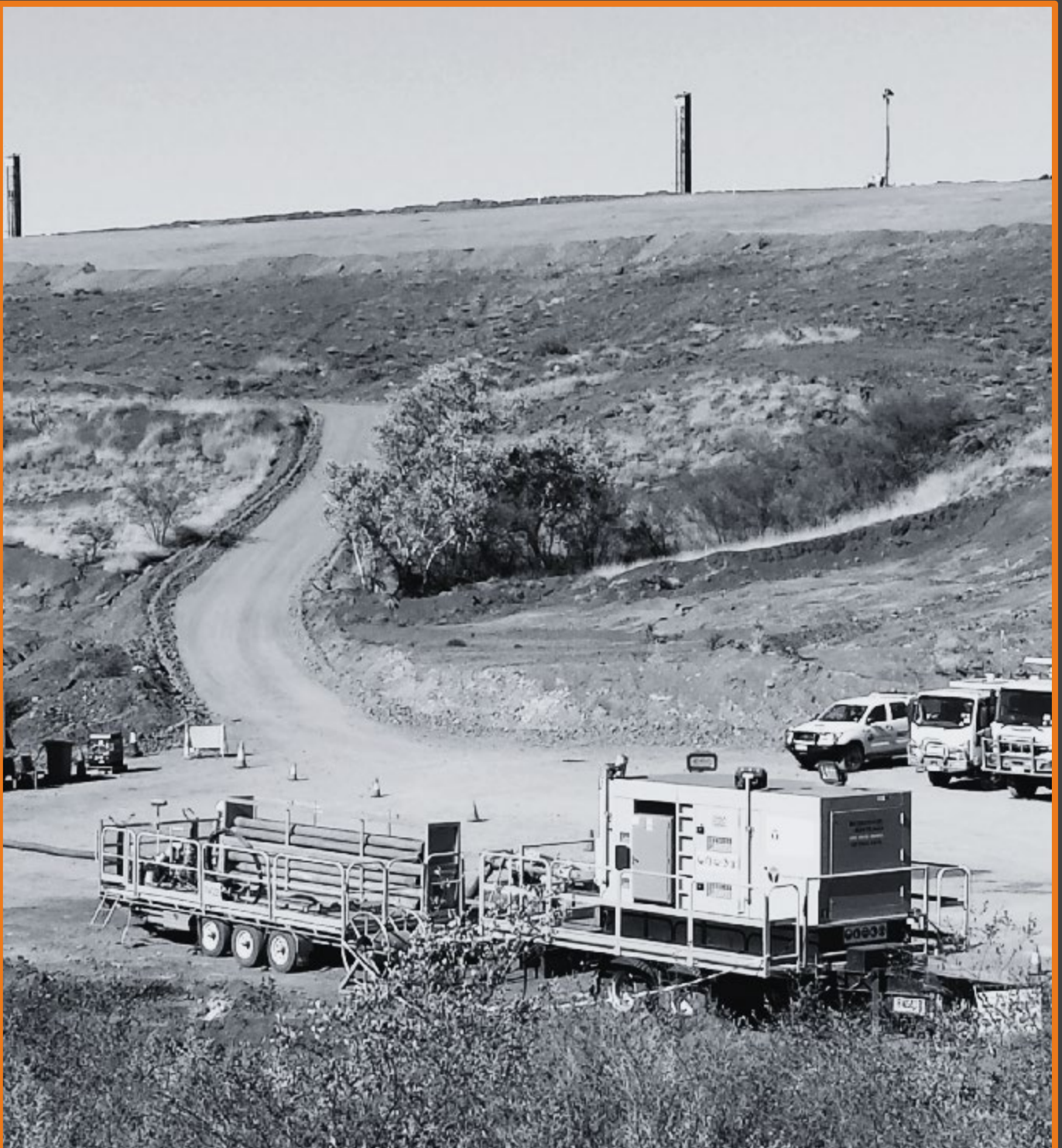
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FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

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Consolidated statement of profit or loss and other comprehensive income

for the six months ended 31 December 2024

	Notes	31 December 2024 (\$)	31 December 2023 (\$)
Revenue from contracts with customers	6 & 7	17,380,165	22,379,699
Other income		263,280	22,173
Changes in inventories of finished goods and work in progress, raw materials and consumables used		(10,924,131)	(15,909,618)
Employee benefits expense	8	(2,676,917)	(2,443,393)
Administration and corporate expense	9	(1,084,643)	(1,043,742)
Depreciation and amortisation		(1,913,849)	(1,931,659)
Finance expense		(680,060)	(878,452)
Finance Income		10,797	7,366
Profit on disposal of property, plant and equipment		23,661	40,617
Profit before income tax expense		398,303	242,991
Income tax expense		-	-
Profit attributable to members of the parent company		398,303	242,991
Other comprehensive Income, net of tax		-	-
Comprehensive income attributable to members of the parent company		398,303	242,991
Earnings per share:			
Basic profit per share (cents per share)		0.0002	0.0001

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated statement of financial position

as at 31 December 2024

	Notes	31 December 2024 (\$)	30 June 2024 (\$)
Current Assets			
Cash and cash equivalents		665,012	366,777
Trade receivables	10	4,374,789	4,631,199
Inventories	11	5,514,734	6,076,613
Prepayments and other assets		586,726	408,673
Total Current Assets		11,141,261	11,483,262
Non-Current Assets			
Property, plant and equipment	12	13,410,501	13,782,031
Deposits		322,697	321,184
Goodwill	13	3,765,301	3,765,301
Right-of-use assets	14	3,526,880	4,063,084
Total Non-Current assets		21,025,379	21,931,600
Total Assets		32,166,640	33,414,862
Current Liabilities			
Trade and other payables	15	4,872,740	6,781,130
Employee liabilities		658,873	594,956
Borrowings	16	8,739,416	8,075,620
Lease liabilities		942,113	1,028,942
Total Current Liabilities		15,213,142	16,480,648
Non-Current Liabilities			
Employee liabilities		175,470	149,488
Borrowings	16	2,231,360	2,264,988
Lease liabilities		2,957,710	3,431,295
Total Non-Current Liabilities		5,364,540	5,845,771
Total Liabilities		20,577,682	22,326,419
Net Assets		11,588,958	11,088,443
Equity			
Share capital	17	50,550,630	50,550,630
Reserves		379,339	964,934
Accumulated losses		(39,341,011)	(40,427,121)
Total Equity		11,588,958	11,088,443

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity

for the period ended 31 December 2024

Attributable to equity holders of the Group

Consolidated Statement of Changes in Equity	Share Capital (\$)	Share Based Payment Reserve (\$)	Accumulated Losses (\$)	Total Equity (\$)
Balance as at 1 July 2024	50,550,630	964,934	(40,427,121)	11,088,443
Total comprehensive income for the period				
Profit for the period	-	-	398,303	398,303
Total comprehensive income for the period	-	-	398,303	398,303
Issue of ordinary shares	-	-	-	-
Share based payments	-	102,212	-	102,212
Transfer recognised value on lapse of Performance rights	-	(687,807)	687,807	-
Total transactions with owners in their capacity as owners	-	(585,595)	687,807	102,212
Balance as at 31 December 2024	50,550,630	379,339	(39,341,011)	11,588,958
Balance as at 1 July 2023	50,412,357	855,786	(40,935,148)	10,332,995
Total comprehensive income for the period				
Profit for the period	-	-	242,991	242,991
Total comprehensive income for the period	-	-	242,991	242,991
Issue of ordinary shares	138,273	(138,273)	-	-
Share based payments	-	225,552	-	225,552
Total transactions with owners in their capacity as owners	138,273	87,279	-	225,552
Balance as at 31 December 2023	50,550,630	943,065	(40,692,157)	10,801,538

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

for the six months ended 31 December 2024

	31 December 2024 (\$)	31 December 2023 (\$)
Cash flows from operating activities		
Receipts from customers	19,312,742	22,500,343
Payments to suppliers and employees	(16,372,247)	(19,172,473)
Other Income	249,510	37,860
Interest received	9,283	-
Interest and other costs of finance paid	(415,702)	(575,808)
Net cash generated in operating activities	2,783,586	2,789,922
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,049,131)	(1,648,735)
Proceeds on disposal of property, plant and equipment	61,323	159,841
Payment of deferred consideration	-	(1,246,490)
Net cash used in investing activities	(987,808)	(2,735,384)
Cash flows from financing activities		
Repayment of lease liabilities	(592,310)	(1,072,132)
Proceeds from borrowings	26,719,721	22,015,816
Repayment of borrowings	(27,624,954)	(21,862,130)
Net cash used in financing activities	(1,497,543)	(918,446)
Net increase/(decrease) in cash and cash equivalents	298,235	(863,908)
Cash and cash equivalents at the beginning of the period	366,777	1,243,340
Cash and cash equivalents at the end of the period	665,012	379,432

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

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Notes to the Consolidated Financial Statements

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Notes to the Consolidated Financial Statements

for the period ended 31 December 2024

1. Reporting entity

Babylon Pump & Power Limited ("the Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at, and for the six months ended 31 December 2024 comprises the Company and its controlled entities ("Babylon", "Group" or "the Company").

2. Statement of Compliance

The half year financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

3. Material Accounting Policies

a) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's financial report for the year ended 30 June 2024.

The Group has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2024.

5. Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2024, the Group recorded a gain of \$398,303 (2023: \$242,991) and had net cash inflows from operating activities of \$2,783,586 (2023: \$2,789,922). At 31 December 2024, the Group had net current liabilities of \$4,071,881 (30 June 2024: \$4,997,386).

Subsequent to the balance date the Group restructured its financing facilities by replacing two short term Trade Finance Facilities, comprising \$3,000,000 in borrowings with an average loan term of 1.2 months, with two four-year term loan facilities. At the inception of the refinancing in February 2025, \$2,250,012 of the outstanding principal was reclassified from current to non-current liabilities. Babylon has \$4.4M of undrawn finance facilities available plus trade receivables of \$4.4M from a blue chip client base to support continued operations.

Based on the Group's anticipated future performance and projected cashflow forecast, the Group will be able to continue its normal business activities and ensure the realisation of assets and extinguishment of liabilities as and when they fall due. This is based on maintaining or improving underlying levels of activity, maintaining or improving operational throughput and efficiencies across the organisation and maintaining or improving levels of utilisation of rental assets.

The directors have prepared the financial statements on the going concern basis as they are satisfied that the Group will be able to generate sufficient cash flows from operations to meet the Group's operating and financing obligations and that funding will be sourced to support growth capital expenditure. This determination is based upon recent cash flow performance of the Group, forward looking forecasts and the Group having demonstrated its ability to successfully raise capital from multiple sources.

In the event that the Group is unable to achieve the above, material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

6. Revenue

The Group derives revenue from maintenance and rental disaggregated as follows;

Revenue from contracts with customers	31 December 2024 (\$)	31 December 2023 (\$)
Maintenance (at a point in time)	12,811,674	15,913,397
Rental (over time)	4,568,491	6,466,302
	17,380,165	22,379,699

- *Maintenance*

Revenue from providing maintenance services is recognised in the accounting period in which the services are rendered and at the point in time in which the performance obligation is complete. Warranties on service and repairs are within commercial terms with no option of extension, therefore are accounted for under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. Management have determined the warranties to be immaterial.

- *Rental*

Revenue from equipment rental comprises predominantly short to medium-term hire arrangements and is included in the statement of profit or loss due to its operating nature. Installation revenue is deemed to be not material.

7. Operating Segments

	31 December 2024	31 December 2023
	(\$)	(\$)
(a) Segmented External Revenues		
Maintenance	12,811,674	15,913,397
Rental	4,568,491	6,466,302
	17,380,165	22,379,699
(b) Earnings before interest, tax, depreciation and amortisation		
Maintenance	2,927,418	2,547,732
Rental	1,671,034	2,187,987
Unallocated corporate overheads ⁽ⁱ⁾	(1,617,037)	(1,689,983)
Total	2,981,415	3,045,736
Depreciation and amortisation	(1,913,849)	(1,931,659)
Finance expense	(669,263)	(871,086)
Net Profit	398,303	242,991
(i) Material items		
Employee benefits expense	1,002,976	1,026,939
Insurance expense	175,153	200,756
	1,178,129	1,227,695

8. Employee Benefits Expense

	31 December 2024	31 December 2023
	(\$)	(\$)
Employee Benefits Expense		
Salary and Wages	2,138,438	2,082,215
Employment related taxes	221,828	135,534
Share-based payment expense	102,212	225,559
Other employment related expenses	214,439	85
	2,676,917	2,443,393

9. Administration and Corporate Expense

Administration and Corporate Expense	31 December 2024 (\$)	31 December 2023 (\$)
Office expenses	317,352	196,120
Corporate costs and compliance	485,743	572,549
Other expenses	13,121	33,735
Consumables and operational costs	268,427	241,338
	1,084,643	1,043,742

10. Trade Receivables

The expected loss rates are based on the payment profiles of sales over a period of 18 months before 31 December 2024 or 30 June 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2024 and 30 June 2024 was determined as follows for trade receivables:

31 December 2024	Current	1-30 Days	31-60 Days	61-90 Days ⁽¹⁾	>90 Days ⁽¹⁾	Total (\$)
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	49,445	2,414,764	1,016,148	150,323	744,108	4,374,789
Net carrying amount	49,445	2,414,764	1,016,148	150,323	744,108	4,374,789

(1) \$852,647 (95%) of receivables categorised as 61-90 days or more were settled subsequent to the reporting date.

30 June 2024	Current	1-30 Days	31-60 Days	61-90 Days	>90 Days	Total (\$)
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	2,660,605	1,711,038	16,342	35,457	207,757	4,631,199
Net carrying amount	2,660,605	1,711,038	16,342	35,457	207,757	4,631,199

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Impairment losses recognised in the statement of profit or loss as at 31 December 2024 was \$nil (30 June 2024: \$nil) relates to receivables arising from contracts with customers.

11. Inventories

Inventories	31 December 2024 (\$)	30 June 2024 (\$)
Consumables and spare parts	1,678,737	1,714,523
Engine trading stock	2,879,540	3,352,151
Work in progress	956,457	1,009,939
	5,514,734	6,076,613

12. Property, Plant and Equipment

Property, Plant and Equipment	Leasehold Improvements (\$)	Plant & Equipment (\$)	Office Equipment (\$)	IT Equipment (\$)	Motor Vehicles (\$)	Capital Work in Progress (\$)	Total (\$)
Cost	358,401	23,047,310	61,759	182,396	3,497,080	660,497	27,807,443
Accumulated depreciation	(86,173)	(12,209,584)	(45,347)	(155,373)	(1,900,465)	-	(14,396,942)
Net carrying amount at 31 December 2024	272,228	10,837,726	16,412	27,023	1,596,615	660,497	13,410,501

Property, Plant and Equipment	Leasehold Improvements (\$)	Plant & Equipment (\$)	Office Equipment (\$)	IT Equipment (\$)	Motor Vehicles (\$)	Capital Work in Progress (\$)	Total (\$)
Carrying amount at 30 June 2024	236,725	10,840,209	17,571	20,519	1,672,019	994,988	13,782,031
Additions	-	-	-	-	-	1,011,116	1,011,116
Transfers	50,631	1,138,215	1,460	13,135	142,166	(1,345,607)	-
Disposals	-	(112,561)	-	-	(38,295)	-	(150,856)
Depreciation expense	(15,128)	(1,028,137)	(2,619)	(6,631)	(179,275)	-	(1,231,790)
Net carrying amount at 31 December 2024	272,228	10,837,726	16,412	27,023	1,596,615	660,497	13,410,501

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13. Goodwill

Goodwill- impairment testing

Goodwill is tested for impairment at least annually. No impairment has been recognised in respect of goodwill as at 31 December 2024.

Goodwill	31 December 2024 (\$)	30 June 2024 (\$)
Opening balance	3,765,301	3,765,301

14. Right-of-use assets

Right-of-use assets	31 December 2024 (\$)	30 June 2024 (\$)
Rental property – Babylon Operations Pty Ltd	2,526,206	2,731,596
Rental property – Primepower Queensland Pty Ltd	546,053	632,272
Rental property – Pilbara Trucks Pty Ltd	114,956	133,107
Highwall Pump – Babylon Operations Pty Ltd	339,665	566,109
	3,526,880	4,063,084

15. Trade and other payables

Trade and other payables	31 December 2024 (\$)	30 June 2024 (\$)
Trade payables	3,860,987	5,404,183
Other payables	1,011,753	1,376,947
	4,872,740	6,781,130

16. Borrowings

Borrowings	31 December 2024 (\$)	30 June 2024 (\$)
Current Liabilities		
Invoice finance facility	3,071,932	3,449,792
Trade finance facility ⁽¹⁾	3,540,055	2,980,257
Insurance premium funding	403,437	149,313
Asset finance facilities	1,723,992	1,496,258
	8,739,416	8,075,620
Non-Current Liability		
Asset finance facilities	2,231,360	2,264,988
Total Borrowings	10,970,776	10,340,608

(1) Refer Note 20 below regarding the restructure of \$3,000,000 Trade Finance Facility held with National Australia Bank subsequent to the balance date.

17. Share Capital

Ordinary Shares	31 December 2024 No.	31 December 2024 (\$)	31 December 2023 No.	31 December 2023 (\$)
Balance at beginning of the reporting period	2,499,549,000	50,550,630	2,457,771,343	50,412,357
Exercise of performance rights	-	-	34,570,436	138,273
Balance at the end of the reporting period	2,499,549,000	50,550,630	2,492,341,779	50,550,630

18. Dividends

No amounts have been paid, declared or recommended by the Company by way of dividend since the commencement of the financial period to 31 December 2024.

19. Commitments

There were no new commitments entered into during the period.

20. Subsequent Events

Subsequent to the balance date the Group restructured its financing facilities by replacing two short term Trade Finance Facilities, comprising \$3,000,000 in borrowings with an average loan term of 1.2 months, with two four-year term loan facilities. At the inception of the refinancing in February 2025, \$2,250,012 of the outstanding principal was reclassified from current to non-current liabilities.

21. Related Party Transactions

During the half year the following related party transactions were undertaken:

- RWG Pty Ltd, a related party of Mr Frank Ashe, who is also a KMP of the Group, loaned the Company \$500,000 on arm's length commercial terms, which was fully repaid in September 2024. The Company paid \$10,192 of interest to RWG Pty Ltd in relation to this loan (31 December 2023: \$nil).
- Mr Patrick Maingard, a director of Babylon Pump and Power Ltd, loaned the Company \$250,000 on arm's length commercial terms which was fully repaid in September 2024. The Company paid \$5,096 of interest to Mr Maingard in relation to this loan (31 December 2023: \$nil).
- The Group acquired \$378,083 of goods from Mindustry Solutions Pty Ltd, a related party of Mr Patrick Maingard. These transactions were on arm's length commercial terms (31 December 2023: \$nil).

No securities were issued to related parties during the half year ended 31 December 2024. However, at the Company's Annual General Meeting of shareholders held on 28 November 2024, shareholders approved the issue of the following securities to directors of the Company under the Company's Incentive Awards Plan, which are still to be issued:

Ms Louise Bower (Non-Executive Director):	1,250,000 Class G Performance Rights 2,916,667 Class H Performance Rights
Mr Patrick Maingard (Non-Executive Director):	1,250,000 Class G Performance Rights 2,916,667 Class H Performance Rights
Mr Chris Radin (Non-Executive Director):	1,250,000 Class G Performance Rights 2,916,667 Class H Performance Rights
Michael Shelby (Managing Director):	8,891,000 Class G Performance Rights 20,745,667 Class H Performance Rights

The Performance Rights are subject to the following terms:

Class G Performance Rights

The Class G Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) maintains a TRIFR of below 2.6 for the financial year ending 30 June 2025.

A TRIFR of 2.6 has been chosen as the Company considers it to be 50% better than the industry average. As at the date of this Notice of Meeting, the Company has a TRIFR of 0 which it intends to maintain.

The Board will determine whether this vesting condition has been met by 30 September 2025, with the Class G Performance Rights lapsing if the vesting condition is not met.

Subject to the above vesting condition being met, 50% of the Class G Performance Rights will vest on 30 June 2026 and 50% will vest on 30 June 2027 provided that, unless the Board resolves otherwise, if a Related Party ceases to be a Director after the Board has determined that the Class G Performance Rights are capable of vesting but before vesting occurs, a proportion of the Class G Performance Rights will vest, being:

- in respect of the Class G Performance Rights that would otherwise vest on 30 June 2026, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2026 that has elapsed; and
- in respect of the Class G Performance Rights that would otherwise vest on 30 June 2027, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2027 that has elapsed.

The Class G Performance Rights that vest will expire four years from issue.

Class H Performance Rights

The Class H Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) achieves earnings per share (**EPS**) growth of at least 10% for the financial year ending 30 June 2025 based on audited accounts as follows.

Target EPS growth*	Stretch EPS growth	% to Vest at Target Performance	% to Vest at Stretch Performance
10%	15%	75%	100%

* If less than 10% EPS growth is achieved, none of the Class H Performance Rights will vest. Straight-line vesting applies to performance between target and stretch. The Board may, acting reasonably, adjust the Vesting Condition to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate.

The Board will determine by 30 September 2025 whether and to what extent this Vesting Condition has been met and the number of Class H Performance Rights that are capable of vesting, with the remaining Class H Performance Rights lapsing.

To the extent any Class H Performance Rights are determined to be capable of vesting, 50% will vest on 30 June 2026 and 50% will vest on 30 June 2027 provided that, unless the Board resolves otherwise, if a Related Party ceases to be a Director after the Board has determined the Class H Performance Rights that are capable of vesting but before vesting occurs, a proportion of the Class H Performance Rights that are capable of vesting will vest, being:

- in respect of the Class H Performance Rights that would otherwise vest on 30 June 2026, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2026 that has elapsed; and
- in respect of the Class H Performance Rights that would otherwise vest on 30 June 2027, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2027 that has elapsed.

The Class H Performance Rights that vest will expire 4 years from issue.

All Classes of Performance Rights

Class G and H Performance Rights will automatically vest on a Change of Control on a pro rata basis reflecting performance against the vesting conditions to the date of the Change of Control, as determined by the Board (comprising the Directors immediately prior to the Change of Control) acting reasonably.

Class G and H Performance Rights do not:

- entitle the holder to vote on resolutions at a general meeting of shareholders of the Company except as otherwise required by law or where the resolution is to amend the rights attaching to the Performance Rights;
- confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise;
- confer any right to participate in surplus profit or assets of the Company upon a winding up of the Company; or
- confer an entitlement to participate in or receive any dividend.



BABYLON
PUMP & POWER LTD

Directors' Declaration

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Directors' Declaration

for the period ended 31 December 2024

In the opinion of the directors of Babylon Pump & Power Limited (the "Company"):

1. the financial statements and notes set out on pages 10 to 23, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the six-month period ended that date; and
 - (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 18th day of February 2025.

Signed in accordance with a resolution of the directors:



Michael Shelby

Managing Director

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Babylon Pump and Power Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Babylon Pump and Power Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply 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 financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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 Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 5 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance 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 Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year 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.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Ashleigh Woodley', is written over a faint, larger 'BDO' logo.

Ashleigh Woodley

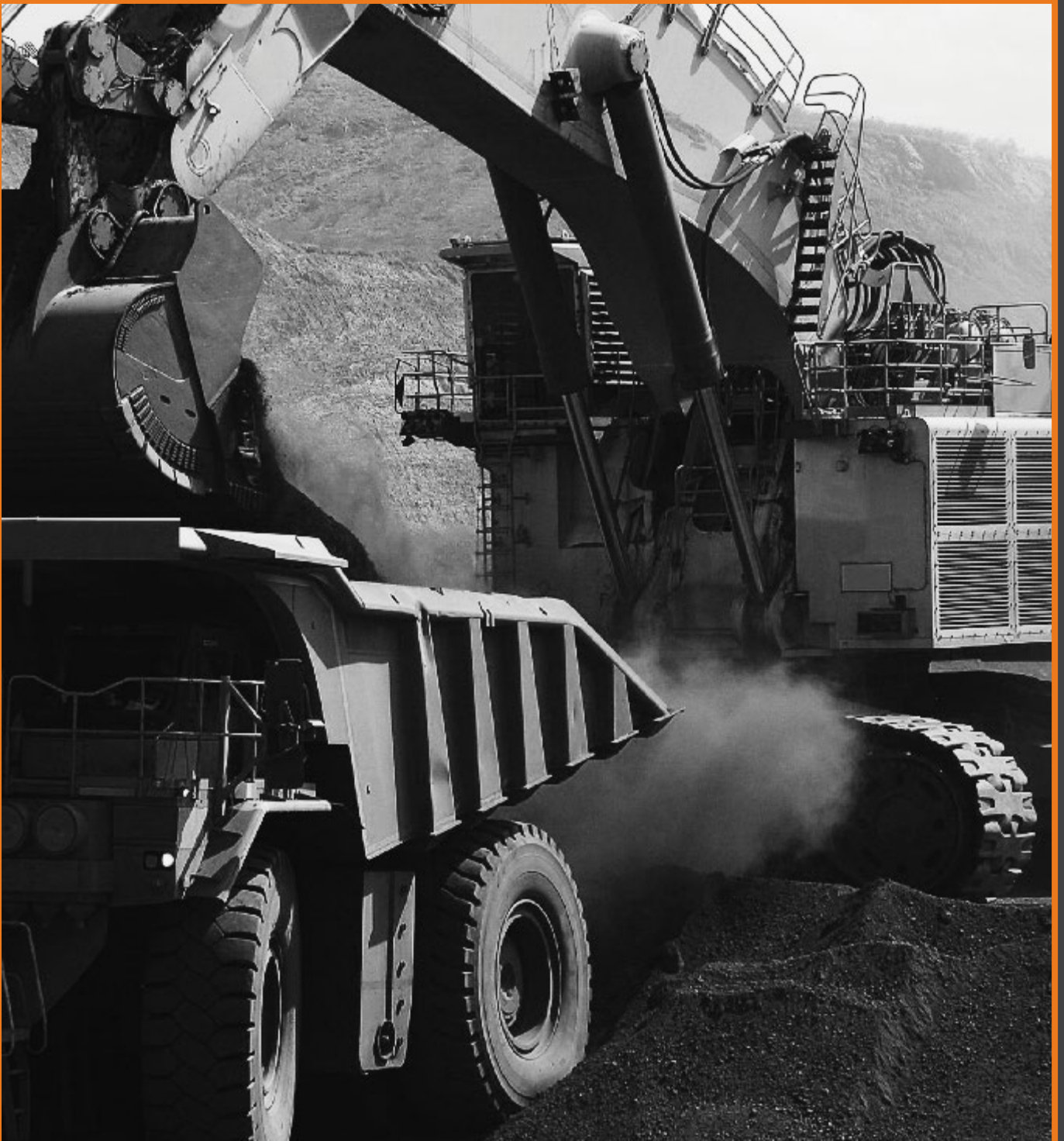
Director

Perth, 18 February 2025



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