



BABYLON

**Babylon Pump & Power
Limited (BPP)
ACN 009 436 908**

Appendix 4D – Half Year Report for six months ended 31 December 2023

1. Details of reporting periods:

Current reporting period (Balance Sheet)	: Six (6) months to 31 December 2023
Previous corresponding period (Profit & Loss)	: Six (6) months to 31 December 2022
Previous corresponding period (Balance Sheet)	: As at 30 June 2023

2. Results for announcement to the market:

	Six Months 31 December 2023 \$	Six Months 31 December 2022 \$	% Change
Revenues	22,379,699	13,674,106	63.66%
Profit/(Loss) for the period	242,991	(1,290,379)	118.83%
Profit/(Loss) after tax attributable to members.	242,991	(1,290,379)	118.83%

Refer to enclosed Financial Report for the half year ended 31 December 2023 for further commentary.

Dividends / distributions	Amount per security (cents)	Franked amount per security (cents)	Amount \$'000	Amount per security of foreign sourced dividends (cents)	Record date	Date paid / payable
Interim dividend – current period	Nil	Nil	Nil	Nil	N/A	N/A
Interim dividend – previous period	Nil	Nil	Nil	Nil	N/A	N/A

3. Statement of comprehensive income

Refer to enclosed Financial Report for the half year ended 31 December 2023.

4. Statement of financial position

Refer to enclosed Financial Report for the half year ended 31 December 2023.

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 2023.

5. Statement of cash flows

Refer to enclosed Financial Report for the half year ended 31 December 2023.

6. Dividend payments

Not applicable.

7. Dividend reinvestment plans

Not applicable.

8. Statement of changes in equity

Refer to enclosed Financial Report for the half year ended 31 December 2023.

9. Net tangible assets per security

	31 December 2023 (cents)	30 June 2023 (cents)
Net tangible assets per ordinary security	0.0028	0.0026

10. Gain or loss of control over entities

Refer to enclosed Financial Report for the half year ended 31 December 2023.

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 2023 has been reviewed and is not subject to dispute or qualification.

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 2023.



Babylon Pump & Power Limited

ACN 009 436 908

and its controlled entities

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED**

31 DECEMBER 2023

Corporate Directory

Directors

Mr James Cullen
Non-Executive Chairman

Mr Michael Shelby
Managing Director

Mr Patrick Maingard
Non-Executive Director

Ms Louise Bower
Non-Executive Director

Mr Chris Radin
Non-Executive Director

Company Secretary

Mr Matthew Goldfinch

Registered & Principal Office

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AUSTRALIA

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AUSTRALIA

Share Registry

Automic Registry Services
Level 2, St Georges Terrace
PERTH WA 6000
AUSTRALIA

Telephone: 1300 288 664

Fax: (02) 8583 3040

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000
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 2023



The directors present their report together with the consolidated financial report for the six months ended 31 December 2023 and the review report thereon.

Directors

The directors of Babylon Pump & Power Limited ("Babylon", "Group" or "the Company") at any time during or since the end of the interim period are:

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

Unless otherwise disclosed, all directors held their office from 1 July 2023 until the date of this report.

Review of Operations

The Group has experienced a solid start to FY24 with growth and improvement in EBITDA and Operating Cash Flow across the Group in comparison with the corresponding previous reporting period. Babylon continues to see strong client demand for its services and is making continual operational improvements to improve profitability. Strategic acquisitions completed in FY23 have been successfully integrated into the Group and Babylon remains alert for potential acquisitions to build rental scale and expand capabilities in the mining services sector.

Group Key Performance Indicators	Six Months 31 December 2023 \$A'000	Six Months 31 December 2022 \$A'000	% Change
Revenues	22,380	13,674	+64%
EBITDA (non-IFRS measure)	3,045	676	+350%
Operational Cash Flow	2,790	(577)	+583%

Rental Segment

Babylon continues to see high utilisation of rental assets and high demand for test pumping services. The Group is focused on growing specialty rental capabilities with the introduction of hybrid power units and sprayer-less evaporators both of which support clients' emission reduction goals.

Rental Segment Key Performance Indicators	Six Months 31 December 2023 \$A'000	Six Months 31 December 2022 \$A'000	% Change
Revenues	6,466	4,123	+57%
EBITDA (non-IFRS measure)	2,188	1,336	+64%

Maintenance Segment

Workshops in Perth and Mackay have both experienced strong customer demand for engine rebuild services. Revenue has grown organically driven by recurring works from existing clients. Significant improvement in EBITDA is a result of holding overheads steady while continually improving business processes.

Maintenance Segment Key Performance Indicators	Six Months 31 December 2023 \$A'000	Six Months 31 December 2022 \$A'000	% Change
Revenues	15,913	9,551	+67%
EBITDA (non-IFRS measure)	2,548	694	+267%

The directors present their report together with the consolidated financial report for the six months ended 31 December 2023 and the review report thereon.

Directors' report

For the half year ended 31 December 2023



Events Subsequent to the Reporting Period

In the opinion of the directors, other than as outlined above and in this report, 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.

A handwritten signature in black ink, appearing to read 'Michael Shelby'.

Michael Shelby
Managing Director


Dated at Perth this 19th day of February 2024.

DECLARATION OF INDEPENDENCE BY ASHELIGH WOODLEY TO THE DIRECTORS OF BABYLON PUMP & POWER LIMITED

As lead auditor for the review of Babylon Pump & Power Limited for the half-year ended 31 December 2023, 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 & Power Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 19 February 2024

Consolidated statement of profit or loss and other comprehensive income



For the six months ended 31 December 2023

	Notes	31 December 2023 (\$)	31 December 2022 (\$)
Revenue from contracts with customers	6 & 7	22,379,699	13,674,106
Other income		22,173	15,229
Changes in inventories of finished goods and work in progress		(38,660)	433,389
Raw materials and consumables used		(15,870,958)	(10,739,054)
Profit on disposal of property plant and equipment		40,617	50,012
Employee benefits expense	8	(2,443,393)	(1,673,391)
Administration and corporate expense	9	(1,043,742)	(1,084,028)
Depreciation and amortisation		(1,931,659)	(1,526,300)
Finance expense		(871,086)	(440,342)
Profit (Loss) before tax from continuing operations		242,991	(1,290,379)
Income tax benefit / (expense)		-	-
Profit/(Loss) after income tax for the period		242,991	(1,290,379)
Other comprehensive Income		242,991	(1,290,379)
Total comprehensive gain/(loss) for the period attributable to the members of Babylon Pump & Power Limited		-	-
Profit/(Loss) attributable to:		242,991	(1,290,379)
Equity holders of the company		242,991	(1,290,379)
Profit/(Loss) for the period		242,991	(1,290,379)
Profit/(Loss) per share for gain/(loss) attributable to the members of Babylon Pump & Power Limited:		242,991	(1,290,379)
Basic profit/(loss) per share (cents)		0.0001	(0.1100)

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

Consolidated statement of financial position



As at 31 December 2023

	Notes	31 December 2023 (\$)	30 June 2023 (\$)
Current Assets			
Cash and cash equivalents		379,432	1,243,340
Trade receivables	10	6,884,272	5,758,326
Inventories	11	7,661,442	7,489,626
Prepayments and other assets		615,589	231,692
Total Current Assets		15,540,735	14,722,984
Non-Current Assets			
Property, plant and equipment	12	13,482,559	14,073,104
Deposits		321,183	331,876
Goodwill	13	3,765,301	3,765,301
Right-of-use assets	14	3,517,559	3,132,913
Total Non-Current assets		21,086,602	21,303,194
Total Assets		36,627,337	36,026,178
Current Liabilities			
Trade and other payables	15	8,320,115	7,665,050
Employee liabilities		863,428	373,894
Borrowings	16	8,651,734	8,532,456
Deferred consideration	17	1,256,037	2,452,932
Lease liabilities		818,482	457,647
Total Current Liabilities		19,909,796	19,481,979
Non-Current Liabilities			
Payables		-	1,000
Borrowings	16	2,754,973	3,199,597
Employee liabilities		112,396	85,333
Lease liabilities		3,048,634	2,925,274
Total Non-Current Liabilities		5,916,003	6,210,204
Total Liabilities		25,825,799	25,692,183
Net Assets		10,801,538	10,333,995
Equity			
Share capital	18	50,550,630	50,412,357
Reserves		943,065	855,786
Accumulated losses		(40,692,157)	(40,935,148)
Total Equity		10,801,538	10,332,995

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

Consolidated statement of changes in equity



For the six months ended 31 December 2023

Attributable to equity holders of the Group

<i>Consolidated Statement of Changes in Equity</i>	<i>Share Capital</i> (\$)	<i>Share Based Payment Reserve</i> (\$)	<i>Options Reserve</i> (\$)	<i>Accumulated Gains/(Losses)</i> (\$)	<i>Total Equity</i> (\$)
Balance as at 1 July 2023	50,412,357	855,786	-	(40,935,148)	10,332,995
Total comprehensive income for the period					
Gains/(Loss) for the period	-	-	-	242,991	242,991
Other Comprehensive Income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	242,991	242,991
Issue of ordinary shares	138,273	(138,273)	-	-	-
Transaction costs	-	-	-	-	-
Share based payments	-	225,552	-	-	225,552
Vesting Performance Rights	-	-	-	-	-
Total transactions with 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.

Consolidated statement of changes in equity



For the six months ended 31 December 2022

Attributable to equity holders of the Group

<i>Consolidated Statement of Changes in Equity</i>	<i>Share Capital</i> (\$)	<i>Share Based Payment Reserve</i> (\$)	<i>Options Reserve</i> (\$)	<i>Accumulated Losses</i> (\$)	<i>Total Equity</i> (\$)
Balance as at 1 July 2022	44,004,297	430,474	-	(39,447,344)	4,987,427
Adjustments	-	-	-	-	-
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,290,379)	(1,290,379)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,290,379)	(1,290,379)
Issue of ordinary shares	6,855,052	-	-	-	6,855,052
Transaction costs	(446,992)	-	-	-	(446,992)
Vesting Performance Rights	-	167,656	-	-	167,656
Total transactions with owners	6,408,060	167,656	-	-	6,575,717
Balance as at 31 December 2022	50,412,357	598,130	-	(40,737,723)	10,272,764

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

Consolidated statement of cash flows



For the six months ended 31 December 2023

Notes	31 December 2023 (\$)	31 December 2022 (\$)
Cash flows from operating activities		
Receipts from customers	22,500,343	14,248,907
Payments to suppliers and employees	(19,172,473)	(14,305,560)
Interest and other costs of finance paid	(575,808)	(440,342)
Other Income/(expense)	37,860	(79,828)
Net cash generated/(used) in operating activities	2,789,922	(576,824)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,648,735)	(1,154,229)
Proceeds on disposal of property, plant and equipment	159,841	400,229
Payment of deferred consideration	(1,246,490)	(500,000)
Net cash used in investing activities	(2,735,384)	(1,254,000)
Cash flows from financing activities		
Proceeds from borrowings	22,015,816	7,656,530
Repayment of borrowings	(21,862,130)	(7,045,359)
Repayment of lease liabilities	(1,072,132)	(327,992)
Proceeds from issue of shares	-	5,004,001
Repayment of convertible loans	-	(3,123,949)
Transaction costs for ordinary shares and convertible loans	-	(446,991)
Net cash (repaid)/ provided by financing activities	(918,446)	1,716,240
Net decrease in cash and cash equivalents	(863,908)	(114,585)
Cash and cash equivalents at the beginning of the period	1,243,340	2,241,422
Cash and cash equivalents at the end of the period	379,432	2,126,837

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

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

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 2023 comprises the Company and its subsidiaries (together referred to as the “Group”).

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. Significant Accounting Policies

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and then settlement of liabilities in the normal course of business.

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 2023.

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 2023.

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

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 2023, the Group recorded a gain of 242,991 (2022: loss of \$1,290,379) and had net cash inflows from operating activities of \$2,789,922 (2022: cash outflow of \$576,824). At 31 December 2023, the Group had net current liabilities of \$4,369,061 (30 June 2023: \$4,758,995) which included deferred consideration related to business acquisitions amounting to \$1,256,037 (30 June 2023: \$2,452,932). The Group also had unused financing facilities of \$1,990,827 at 31 December 2023 (30th June 2023: \$1,796,894).

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 flow 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;

	31 December 2023	31 December 2022
Revenue From External Customers	(\$)	(\$)
Maintenance (at a point in time)	15,913,397	9,550,974
Rental (over time)	6,466,302	4,123,132
	22,379,699	13,674,106

- *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 short-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.

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

7. Operating Segments

	31 December 2023 (\$)	31 December 2022 (\$)
(a) Segmented External Revenues		
Maintenance	15,913,397	9,550,974
Rental	6,466,302	4,123,132
	22,379,699	13,674,106
(b) Earnings before interest, tax, depreciation and amortisation		
Maintenance	2,547,732	694,087
Rental	2,187,987	1,335,534
Unallocated corporate overheads	(1,689,983)	(1,353,358)
Total	3,045,736	676,263
Depreciation and amortisation	(1,931,659)	(1,526,300)
Finance expense	(871,086)	(440,342)
Net Profit/(Loss)	242,991	(1,290,379)

8. Employee Benefits Expense

	31 December 2023 (\$)	31 December 2022 (\$)
Employee Benefits Expense		
Wages and salaries	2,082,215	1,312,421
Employment related taxes	135,534	184,453
Share-based payment expense	225,559	167,656
Other employment related expenses	85	8,861
	2,443,393	1,673,391

9. Administration and Corporate Expense

	31 December 2023 (\$)	31 December 2022 (\$)
Administration and Corporate Expense		
Office expenses	196,120	329,488
Corporate costs and compliance	572,549	526,090
Other expenses	33,735	21,259
Consumables and operational costs	241,337	186,687
Business acquisition expense	-	20,504
	1,043,742	1,084,028

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

10. Trade Receivables

The group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 18 months before 31 December 2023 or 30 June 2023 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 2023 and 30 June 2023 was determined as follows for trade receivables:

30 June 2023	Current	30 Days	60 Days	90 Days	>90 Days	Total (\$)
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	3,285,050	1,752,666	616,990	96,926	6,694	5,758,326
Net carrying amount	3,285,050	1,752,666	616,990	96,926	6,694	5,758,326

31 December 2023	Current	30 Days	60 Days	90 Days	>90 Days	Total (\$)
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	4,142,477	2,587,977	22,840	55,087	75,891	6,884,272
Net carrying amount	4,142,477	2,587,977	22,840	55,087	75,891	6,884,272

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 2023 was \$nil (30 June 2023 was \$nil) relates to receivables arising from contracts with customers.

11. Inventories

Inventories	31 December 2023 (\$)	30 June 2023 (\$)
Consumables and spare parts	2,265,656	2,393,541
Engine trading stock	2,991,504	2,430,230
Work in progress	2,404,282	2,665,855
	7,661,442	7,489,626

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

12. Property Plant and Equipment

Property, Plant and Equipment	Leasehold Improvements (\$)	Plant & Equipment (\$)	Office Equipment (\$)	IT Equipment (\$)	Motor Vehicles (\$)	Capital Work in Progress (\$)	Total (\$)
As at 30 June 2023							
Cost	301,615	20,166,629	61,529	161,359	2,587,620	593,412	23,872,164
Accumulated depreciation and amortisation	(68,066)	(9,558,203)	(39,070)	(14,787)	(709,479)	-	(10,389,605)
Balance at 31 December 2023	233,549	10,608,426	22,459	146,572	1,878,141	593,412	13,482,559

Property, Plant and Equipment	Leasehold Improvements (\$)	Plant & Equipment (\$)	Office Equipment (\$)	IT Equipment (\$)	Motor Vehicles (\$)	Capital Work in Progress (\$)	Total (\$)
Carrying amount at 30 June 2023	256,213	11,532,139	23,923	24,391	2,166,738	69,700	14,073,104
Additions	-	386,910	2,090	134,406	-	523,712	1,047,118
Disposals	-	(122,476)	-	-	(42,167)	-	(164,643)
Depreciation expense	(22,664)	(1,188,147)	(3,554)	(12,224)	(246,430)	-	(1,473,020)
Net carrying amount at 31 December 2023	233,549	10,608,426	22,459	146,572	1,878,141	593,412	13,482,559

13. Goodwill

Significant judgement

Goodwill- impairment testing

Goodwill is tested for impairment annually. No impairment indicators were identified during the half year period therefore no impairment has been recognised in respect of goodwill as at 31 December 2023.

	31 December 2023 (\$)	30 June 2023 (\$)
Goodwill		
Opening balance	3,765,301	3,765,301
Closing balance	3,765,301	3,765,301

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

14. Right-of-use assets

In October 2023 Babylon took up possession of a highwall hydraulic pump on a lease to buy option, with a two-year lease valued at \$880,259.

	31 December 2023 (\$)	30 June 2023 (\$)
Right-of-use assets		
Rental property – Babylon Operations Pty Ltd	2,664,269	2,895,483
Rental property – Primepower Queensland Pty Ltd	23,438	88,227
Rental property – Pilbara Trucks Pty Ltd	37,301	149,203
Highwall Pump – Babylon Operations Pty Ltd	792,551	-
	3,517,559	3,132,913

15. Trade and other payables

	31 December 2023 (\$)	30 June 2023 (\$)
Trade and other payables		
Trade payables	6,154,290	4,932,875
Other payables	2,165,825	2,732,175
	8,320,115	7,665,050

16. Borrowings

	31 December 2023 (\$)	30 June 2023 (\$)
Borrowings		
Current Liability		
Invoice finance facility	3,745,243	3,800,512
Trade finance facility	2,994,527	2,999,970
Insurance premium funding	365,965	144,246
Asset finance facilities	1,545,999	1,587,728
	8,651,734	8,532,456
Non-Current Liability		
Asset finance facilities	2,754,973	3,199,597
	2,754,973	3,199,597

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

17. Business combination

As a result of business combinations, the Company owed deferred consideration for Resource Water Group and RBH Engineering Pty Ltd. The balance owing for Resource Water Group is intended to be fully paid by 30 June 2024 and the RBH Engineering Pty Ltd balance is expected to be settled by 29 February 2024.

	31 December 2023 (\$)	30 June 2023 (\$)
Deferred consideration		
Payable on acquisition of Primepower Queensland	-	152,932
Payable on acquisition of Resource Water Group	1,000,000	1,600,000
Payable on acquisition of RBH Engineering Pty Ltd	256,037	700,000
	1,256,037	2,452,932

18. Share Capital

	31 December 2023 No.	31 December 2023 (\$)
Ordinary Shares		
At the beginning of the reporting period	2,457,771,343	50,412,357
Vesting and exercise of performance rights	34,570,436	138,273
	2,492,341,779	50,550,630

19. 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 2023.

20. Commitments

There were no new commitments entered into during the period.

21. Subsequent Events

No matters or circumstance have arisen since the end of the financial year that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future years.

Notes to the Consolidated Financial Statements

For the period ended 31 December 2023

22. Related Party Transactions

On 23 November 2023 the following performance rights were issued to directors:

- 14,700,000 Class E Performance Rights were issued to directors under the Incentive Awards Plan. 10,200,000 to Michael Shelby and 1,500,000 each to Louise Bower, Patrick Maingard and Chris Radin.
- 34,300,000 Class F Performance Rights were issued to directors under the Incentive Awards Plan. 23,800,000 to Michael Shelby and 3,500,000 each to Louise Bower, Patrick Maingard and Chris Radin.
- 45,288,000 performance rights were issued to the executive team under the Incentive Awards Plan. 15,984,000 to Frank Ashe and 14,652,000 each to Lawrence Phillips and Matthew Goldfinch.
- The executive team of Frank Ashe, Lawrence Phillips and Matthew Goldfinch are also eligible to participate in the executive remuneration incentive scheme.

Class E Performance Rights

The Class E 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 2024.

For FY24, a TRIFR of 2.6 has been chosen as the Company targets to be 50% better than the Mining industry average, as published by Safe Work Australia.

The Board will determine whether this vesting condition has been met by 30 September 2024.

Subject to the above vesting condition being met, and the Related Party still being employed, 50% of the Class E Performance Rights will vest on 30 June 2025 and 50% will vest on 30 June 2026.

The Class E Performance Rights will expire 4 years from issue.

The vesting conditions for Related Parties also apply to the Executive Team.

Class F Performance Rights

The Class F 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 2024 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 F 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 changes in business circumstances.

The Board will determine by 30 September 2024 whether and to what extent this Vesting Condition has been met and the number of Class F Performance Rights that are capable of vesting.

Subject to the above vesting condition being met, and the Related Party still being employed, 50% of the Class F Performance Rights will vest on 30 June 2025 and 50% will vest on 30 June 2026.

The Class F Performance Rights will expire 4 years from issue.

The vesting conditions for Related Parties also apply to the Executive Team.

Director's Declaration

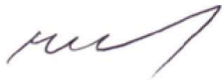
For the period ended 31 December 2023

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

1. the financial statements and notes set out on pages 4 to 16, 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 2023 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 19th day of February 2024.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'ms', written over a light grey horizontal line.

Michael Shelby
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Babylon Pump & Power Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Babylon Pump & Power Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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, a summary of significant accounting policies 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 2023 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.

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 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 2023 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 (WA) Pty Ltd



Ashleigh Woodley

Director

Perth, 19 February 2024