Babylon Pump & Power Limited

ACN 009 436 908

and its controlled entities

2026 Annual Report

Year ended 30 June 2026

Corporate Directory

Directors
Mr James Cullen
Non-Executive Chairman

Mr Michael Shelby
Managing Director

Mr Patrick Maingard
Non-Executive Director

Mr Chris Radin
Independent Non-Executive Director

Company Secretary
Ms Kate Stoney
Mr Josh Merriman

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National Australia Bank Limited
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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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Chairman's letter

Dear Shareholders,

FY26 was a year of significant change for Babylon Pump & Power Limited. While the Group faced challenges within its legacy Maintenance operations and from its financial position, the year also demonstrated the growing strength of Babylon's water management rental business and ultimately led to a decisive simplification of the Company's strategy and operations.

FY26 Group revenue was $32.0 million, with Babylon reporting an EBITDA loss of $5.2 million. The result included a $0.8 million EBITDA loss from the Maintenance segment and $9.3 million of employment benefit expenses relating to deferred acquisition consideration. Excluding these impacts, underlying Group EBITDA was $4.9 million.

Importantly, Babylon generated $7.1 million of positive operating cash flow during the year, driven largely by strong cash generation from the Rental segment despite the challenging conditions experienced in Maintenance.

The year began against a substantial downturn in the engine overhaul market, particularly in Queensland, which persisted throughout FY26 and weighed materially on Group performance. This reinforced the Board's view that Babylon's capital and management attention should be increasingly directed towards its higher-margin water management rental operations.

During the year, the Company also pursued a significant acquisition opportunity within the water management sector. While that transaction ultimately did not proceed, it was followed by a broader strategic and financial reset focused on strengthening Babylon's existing business and creating a more sustainable platform for future growth.

Central to that reset has been the simplification of the Group. Babylon completed the divestment of Ausblast during FY26 and, subsequent to year end, completed the sale of its engine overhaul business Primepower Queensland, marking its exit from the Maintenance segment. These actions have allowed the Company to implement reductions in corporate overheads and concentrate management resources on its specialist water management rental business.

The divestments resulted in significant non-cash write downs associated with the businesses and assets exited. While these charges affect the reported financial result, they are an important part of repositioning Babylon around the operations we believe offer the strongest prospects for sustainable earnings and shareholder value.

The performance of the Rental segment during FY26 provides strong evidence of that opportunity.

Rental revenue increased approximately 160% to around $26 million, with underlying Rental segment EBITDA of approximately $9.1 million. This step change in scale was supported by the successful integration of Blue Hire and Matrix alongside Babylon's existing rental operations.

The expanded business now provides Babylon with a broader specialist water management capability, an established Tier 1 resources customer base and greater opportunity to participate across the lifecycle of customer water management requirements. Strong demand and fleet utilisation during FY26 also highlighted opportunities to deploy additional capital into equipment capable of generating further recurring rental revenue.

Our strategic progress needed to be matched by a stronger financial foundation. Subsequent to year end, Babylon completed its recapitalisation, resulting in approximately $7.27 million being added to equity through a combination of new cash and debt conversion. This included approximately $3.5 million of additional cash funding and approximately $3.77 million of debt converted to equity.

Importantly, the recapitalisation strengthens the balance sheet, improves Babylon's working capital position and provides greater financial flexibility to invest selectively in rental fleet where customer demand and expected returns support that investment.

We therefore enter FY27 as a materially different business. Babylon is now focused on its specialist water management rental operations, with a simpler corporate structure, lower overhead base, stronger financial position and significantly larger rental platform than it had entering FY26.

Our priorities are clear: maintain strong fleet utilisation, deepen relationships with existing Tier 1 customers, secure additional long-term recurring rental revenues and deploy capital into fleet where we can generate attractive returns.

There remains work to do, particularly in ensuring that the benefits of the recapitalisation and strategic simplification translate into sustained cash generation and returns for shareholders. However, the Board believes Babylon now has a much clearer operating model and a stronger foundation from which to pursue the opportunities available within the Australian resources water management market.

On behalf of the Board, I would like to thank our shareholders for their support through what has been a demanding period for the Company. I would also like to acknowledge our employees and leadership team for their commitment throughout a year of substantial operational and corporate change.

We enter FY27 with renewed focus and a clear objective of building a larger, stronger and increasingly valuable specialist water management rental business. We are excited about what the future holds and look forward to sharing this journey with you.

Yours sincerely,

Jamie Cullen

Non-Executive Chairman

Babylon Pump & Power Limited

Directors' report

The directors present their report on the consolidated entity comprising Babylon Pump & Power Limited and its controlled entities ("Babylon" or "the Group" or "the Company") for the year ended 30 June 2026 and the auditor's report thereon.

1. Directors and Officers

The names and details of the Group's directors in office during the financial year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Mr James Cullen
Non-Executive Chairman

Mr Cullen is an experienced executive who has served as CEO of three successful ASX listed mining service companies over the past 30 years. Mr Cullen is currently Executive Chairman of Frontier Energy Limted, Non-Executive Director of Australia Silica Quartz Group Ltd and is also a Board member of the Ear Science Institute Australia and an incoming Non-Executive Director for Duratec Limited (effective 1 October 2026).

Prior to joining Frontier Energy, Mr Cullen was Chief Executive Officer of Pacific Energy Group Holdings Ltd (2015-2025), Resource Equipment Ltd (2008-2014) and PCH Group Ltd (1995-2007). All three companies commenced as ASX-listed micro-cap mining service companies before growing significantly and ultimately being acquired under takeover offers.

In addition to his board-level experience, Mr Cullen is a qualified Chartered Accountant with strong financial and governance background and formal qualifications.

During the three years prior to the end of the year, Mr Cullen has not held any directorships in any other listed companies.

Mr Cullen was appointed Non-Executive Chairman on 18 May 2022.

Mr Michael Shelby
Managing Director and Company Secretary

Mr Shelby has over two decades of experience in oil & gas, mining and specialty rental markets spanning commercial, technical and project management roles. He obtained a Bachelor of Science in Chemical Engineering from Louisiana State University and began work for major oil service companies in his native United States.

In 2007 he moved his family to Perth where he has spent the last decade in various management positions at international oil service and specialty rental companies. Mr Shelby has an extensive network across Australian, Asian and Middle Eastern markets.

Whilst General Manager Oil & Gas at Resource Equipment Ltd (ASX:RQL) he had management responsibility for growing the oil & gas service business of RQL from inception until RQL was acquired by Pump Services LLC by way of cash on market takeover offer completed in 2015, recruited key personnel and launched an overseas branch to complement Australian business activities. Mr Shelby has 19 years of experience in Australia leading multifunction teams across mining and oil & gas during most recent market cycles.

Mr Shelby has completed the Senior Executive MBA program at Melbourne Business School, and the AICD Company Directors Course.

During the three years prior to the end of the year, Mr Shelby has not held any directorships in any other listed companies.

Mr Shelby was appointed Managing Director and Executive Chairman on 1 March 2017 and resigned from his position as Executive Chairman on the appointment of James Cullen as Non-Executive Chairman.

Mr Patrick Maingard
Non-Executive Director

A graduate member of the Australian Institute of Company Directors (GAICD), Mr Maingard has 30 years plus of management experience with a strong SME background with Director and Managing Director portfolios.

Mr Maingard was a Director/co-owner of plastics manufacturing business Omni Manufacturing Pty Ltd, (acquired April 1999). Key milestones included increasing profitability via organic growth and acquisitions, overhaul of manufacturing plant and equipment, achieving ISO certification and Australian Standards accreditation and assisting in establishing and managing relationships with Bunnings, Reece Plumbing, Masters, Australian Defence Force, Constellation Wines, Matrix Asia Pacific and other clients. The business was sold to a European multinational, with Mr Maingard retained on contract as Managing Director until December 2015.

Mr Maingard holds a MSc Management from Oxford University.

During the three years prior to the end of the year, Mr Maingard has not held any directorships in any other listed companies.

Mr Maingard was appointed Executive Director on 18 December 2017 and transitioned to Non-Executive Director on 1 September 2022.

Mr Chris Radin
Independent Non-Executive Director

Mr Radin has accumulated 30 plus years' experience across equipment rental, capital equipment, industrial and retail markets, holding Senior Executive and Managing Director roles over the past 20 years.

Mr Radin's most recent position was Managing Director of Goodyear & Dunlop Tyres ANZ, where he was responsible for wholesale distribution and over 500 retail locations across Australia and New Zealand including the company owned Beaurepaires network. Goodyear is an iconic Fortune 500 company with a 125-year history of providing mobility solutions to the automotive, mining, aviation and construction industry.

Prior to this Mr Radin held the positions of Managing Director, STIHL Australia and General Manager, Sales & Marketing at Coates Hire. As a member of the Coates Executive Team, Mr Radin's tenure included the rapid expansion and revenue growth of Coates towards $1.5B in revenue. This growth was driven by multiple acquisitions and the merger and integration of Coates and National Hire.

During the three years prior to the end of the year, Mr Radin has not held any directorships in any other listed companies.

Mr Radin was appointed Non-Executive Director on 1 March 2023.

1. Interests in Performance Rights, Convertible Notes and Shares in the Company and related bodies corporate

As at the date of this report, the direct and indirect interests of the directors and their related parties in the shares and options of Babylon Pump & Power Limited were:

Director	*30 June 2026 Performance Rights*	*30 June 2026 Ordinary Shares*	*Ordinary Shares as at Report Date*
James Cullen	0	2,115,822	4,325,998
Michael Shelby	3,190,675	382,368	382,368
Patrick Maingard	361,111	894,177	894,177
Chris Radin	444,444	0	0
	3,996,230	**3,392,367**	**5,602,543**

Directors' meetings

The number of directors' meetings (including committee meetings) and the number of meetings attended by each of the directors of the Group during the financial year are:

	Board		*Audit and Risk*		*Remuneration*	
Director	*Held*	*Attended*	*Held*	*Attended*	*Held*	*Attended*
James Cullen	11	11	2	2	0	N/A
Michael Shelby	11	11	2	2	0	N/A
Patrick Maingard	11	11	2	2	0	N/A
Louise Bower (ceased 10 December 2025)	5	5	1	1	0	N/A
Chris Radin	11	11	2	2	0	N/A

The Audit and Risk Committee comprises Mr Radin as Chairperson, Mr Cullen, and Mr Maingard with Mr Shelby being a standard invitee.

The Remuneration Committee comprises Mr Maingard as Chairperson, Mr Cullen, and Mr Radin, with Mr Shelby being a standard invitee.

2. Principal activities

Babylon Pump & Power Ltd is a provider of speciality mining services to the resources sector in Australia. The company is a specialist in high-pressure pumping, dewatering and project water management with decades of experience supplying and maintaining equipment in remote and offshore locations. Babylon also provides a full range of speciality power generation solutions, including system design, installation, commissioning, operations and maintenance services.

During FY26, Babylon continued to provide full maintenance and asset management services for high-horsepower mobile equipment including engines, power train assemblies and components. However, as noted in section 6 below, on 29 July 2026 the Company announced an exit for the Company from the maintenance segment effective 31 July 2026.

3. Dividends

No dividends have been paid or declared by the Group since the end of the current and previous financial year.

4. Industry and Geographic Exposures

The Group is exposed to the Australian mining and oil and gas industries. On a geographic basis, the Group is predominantly exposed to Western Australia and Queensland.

5. Significant changes in the state of affairs

On 15 July 2025, the Company held a general meeting to approve resolutions relating to the acquisitions by the Company of BPY Holdings Pty Ltd (trading as Blue Hire) ("Blue Hire") and Matrix Hydro Services Pty Ltd ("Matrix"). All resolutions at the meeting were passed by shareholders (refer ASX release 15 July 2025).

On 1 August 2025, the Company announced that it had completed the acquisitions of Blue Hire and Matrix (refer ASX release 1 August 2025). The Company paid upfront cash consideration of $16,500,000 and issued a total of 330,000,000 fully paid ordinary shares to the vendors of Blue Hire (at a deemed issue price of $0.005 per share), with up to $8,200,000 payable in deferred cash and equity consideration. The Company paid upfront cash consideration of $2,000,000 and issued a total of 100,000,000 fully paid ordinary shares to the vendors of Matrix (at a deemed issue price of $0.005 per share), with deferred cash consideration of Matrix's FY26 EBITDA also payable subject to Matrix attaining a minimum EBITDA of $800,000. The number of fully paid ordinary shares issued to the vendors of both Blue Hire and Matrix is prior to the Company's consolidation of its issued capital on a 30-to-1 basis, approved by Shareholders at the Company's Annual General meeting on 27 November 2025, and completed on 8 December 2025.

The total upfront cash consideration of $18,500,000 was funded via a Corporate Markets Loan provided by National Australia Bank Ltd ("New NAB Facility"), in addition to the Company's existing Invoice Finance Facility and Asset Finance Facility with NAB. The New NAB Facility is for a three-year term and is secured by a registered General Security Agreement over all the present and future rights, property and undertaking of the Group, with interest accruing at a variable rate (8.67% p.a. at the time of execution). The facility is subject to standard financial convenants including maintenance of a 1.35× debt service cover ratio, a 3.00× gross leverage ratio (reducing to 2.25× from 31 December 2026), and a 25% shareholder equity ratio (increasing to 35% from 31 December 2026).

On 19 January 2026, the Company announced that it had entered into a binding agreement to sell Pilbara Trucks Pty Ltd, trading as Ausblast, to Sandgroper Group Holdings Pty Ltd for total consideration of $2,800,000 in cash. The transaction completed on 21 January 2026. Proceeds from the transaction were used to reduce net debt by approximately $1,500,000, with the remainder deployed for working capital and growth initiatives in Babylon's expanding rental and technical water services division.

On 20 April 2026, the Company entered a Trading Halt, followed, on 22 April 2026, by a request for a voluntary suspension of its securities quoted on the Australian Securities Exchange (ASX) pending the release of an announcement in relation to media speculation on a potential material transaction and capital raising. On 27 April 2026, the ASX extended the suspension of securities, which remains in place as of 31 August 2026, after the Company announced that it was in advanced negotiations to acquire a water pumping and storage business (Target) and an associated capital raising. As a result, the Company was not in a position to release an announcement that would result in the reistatment of its securities.

On 19 May 2026, the Company announced that the Company and Target had been unable to mutually agree acquisition terms and had ceased negotiations. As such, the Proposed Transactions did not proceed. At that time, the Company also announced an intention to undertake a capital raise to refresh its working capital and, subject to its successful completion, apply to the ASX to lift the suspension from quotation of its securities.

On 19 May 2026, the Company announced it had agreed revised funding arrangements with its senior secured lender, National Australia Bank Limited (NAB), to support the next phase of growth and provide increased balance sheet flexibility. Under these revised funding arrangements, NAB has agreed to waive the Company's quarterly principal repayments for the June 2026 and September 2026 quarters (subject to satisfactory financial performance), reduce quarterly payments going forward and extend the maturity date of the Company's facilities to July 2027. NAB's agreement is subject to: the Company securing at least $3,500,000 via an equity capital raise during August 2026, with $1,200,000 to be paid to NAB on completion of the equity raise; at least $5,000,000 of the deferred consideration payable to the Blue Hire vendors being satisfied through the issue of Shares, with any additional deferred cash consideration payment deferred post 1July 2027 after the repayment date for NAB's facilities; and a sale or shutdown of the Company's maintenance business by 14 August 2026 (the NAB Conditions). On the same day the Company announced that it was progressing a capital raise designed to strengthen the Company's balance sheet, fund growth capital expenditure, satisfy NAB's requirements and position the Company to capitalise on opportunities across the broader water management market (Capital Raise)

6. Matters subsequent to the end of the financial year

On 9 July 2026, the Company requested, and was granted, an extension of the suspension of its securities until the release of an announcement confirming the completion of the Capital Raise or the commencement of trading on 31 August 2026.

On 13 July 2026, the Company announced that it had raised $400,000 under convertible loans from entities associated with Non Executive Chairman Jamie Cullen and 8.7% shareholder Byron Ynema, with up to a further $600,000 to potentially be raised from other major shareholders and investors (Convertible Loans). Funds will be used for short-term working capital while the Capital Raise is undertaken. The Convertible Loans are unsecured, convertible at the lender's election at the same issue price, and at the same time, as Shares issued under the Capital Raise (subject to a floor of $0.05) (Conversion Price), accrue 11.0% pa interest, are repayable (with interest) on 3 July 2027 and can be repaid early if not fully converted by 31 October 2026.

On 21 July 2026, the Company announced the launch of a pro rata non-renounceable rights issue (Rights Issue) as part of its proposed recapitalisation initiatives, following the update provided to ASX on 13 July 2026. The Rights Issue, to be undertaken under a prospectus lodged with ASIC on 21 July 2026, will seek to raise up to approximately $12,695,954 (before costs) through the issue of up to approximately 253,919,074 Shares, on the basis of two (2) Shares for every one (1) Share held, at an issue price of $0.05 per Share (Issue Price), representing a ~37.5% discount to the 10 day VWAP up to 19 April 2026 the last day the Company's Shares were traded before being suspended. The Company has appointed Leeuwin Wealth Pty Ltd (Leeuwin Wealth) and Cumulus Wealth Pty Ltd (Cumulus Wealth) as Joint Lead Managers and corporate advisors to the Rights Issue and Leeuwin Wealth has been appointed as partial underwriter for $7,270,000 of the Rights Issue. The Rights Issue provides eligible shareholders with the opportunity to participate in Babylon's recapitalisation and support its transition to a focused, better-capitalised water management rental business. The Rights Issue has a Minimum Subscription of 145,400,000 Shares, anticipated to comprise $2,500,000 of cash subscriptions and $4,770,000 of debt converted to equity.

Also on 21 July 2026, the Company announced that it had formalised a variation with NAB in respect of its existing debt facilities. The key changes to the Company's debt arrangements include (consistent with the Company's announcement on 24 June 2026): removal of testing of the existing financial covenants; a new minimum EBITDA covenant, tested on a rolling 12-month basis, of $3,000,000 as at December 2026 and $4,000,000 as at March 2027; a permanent debt reduction of $1,200,000 by way of cancellation of the invoice finance facility and paydown of the Corporate Markets Loan; and amendment of the expiry date of all facilities to 1 July 2027. This variation remains subject to the Company satisfying the NAB Conditions outlined above.

On 29 July 2026, the Company announced that it had executed a Share Purchase Agreement with Maximor Nominees Pty Ltd, trading as Westralian Diesel, for the sale of 100% of the issued share capital in Primepower Queensland Pty Ltd ("PPQ"). This transaction provides an exit for the Company from the maintenance segment, and represents a further milestone in Babylon's strategic transformation and sharpens the Company's focus on its core water management rental business. This transaction, completed on 31 July 2026, also satisfies one of the NAB Conditions.

There are no other significant matters subsequent to the end of the financial year.

7. Likely developments and expected results of operations

The Group's strategy is to continue to grow the rental segment of the business through the acquisition of additional rental equipment while at the same time continuing to maintain a consistent asset utilisation level. It is believed that this strategy, should contribute to FY27 targets being achieved.

8. Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth, State or Territory law.

9. Operating and financial review

Review of financial results

FY26 was a year of significant change for Babylon Pump & Power Limited ("Babylon" or "the Group"), characterised by strong growth and cash generation from the Rental segment alongside challenging conditions in the Maintenance segment and a number of significant non-cash and acquisition-related accounting impacts.

Group revenue for the year was $31,990,150, broadly in line with the prior year. Babylon reported an EBITDA loss of $5,177,701, compared with EBITDA of $5,810,619 in FY25. The FY26 result included an EBITDA loss of $816,209 from the Maintenance segment, increased depreciation and amortisation following the expansion of the Rental asset base, and higher financing costs.

The reported net loss after tax of $20,098,954 also reflected the loss and impairment associated with the divestment of Pilbara Trucks Pty Ltd, trading as Ausblast ($2,456,907), the impairment of the Maintenance segment assets ($4,947,882), and $9,309,023 of employment benefit expenses relating to deferred acquisition consideration. Excluding these impacts, underlying Group EBITDA for FY26 was $4,131,325.

The Group generated positive operating cash flow of $7,090,510 during FY26, supported largely by strong cash generation from the Rental segment despite the weaker contribution from Maintenance.

The table below provides a comparison of results for the year ended 30 June 2026 with the results of the preceding year.

Group Key Performance Indicators	30 June 2026 $A	30 June 2025 $A	Change
Revenue	31,990,150	31,763,812	1%
EBITDA (non-IFRS measure)	(5,177,701)	5,810,619	-189%
EBITDA margin (non-IFRS measure)	-16%	18%	-34pp
Net finance costs	2,449,078	1,305,313	88%
Depreciation and amortisation	5,067,387	3,718,140	36%
Loss on disposal of businesses	2,456,906	0	
Impairment of maintenance segment	4,947,882	0	
Reported (loss)/profit after tax attributable to members	(20,098,954)	787,166	-2653%

FY26 also marked an important strategic transition for Babylon. The acquisitions of Matrix Hydro Services and Blue Hire were completed on 1 August 2025 and successfully integrated with Babylon's existing Rental operations, creating a significantly larger specialist water management rental platform. These bolt-on transactions expand Babylon's equipment base, technical services capability, geographic footprint and have added high-margin revenue streams.

At the same time, the Group progressed the simplification of its portfolio. Babylon completed the sale of Ausblast during FY26 and, subsequent to year end, completed the sale of Primepower Queensland Pty Ltd and its exit from the Maintenance segment.

Together with the recapitalisation completed subsequent to year end, these actions have repositioned Babylon around its higher-margin specialist water management rental operations and provided a stronger financial foundation from which to pursue future growth.

Review of operations

Rental Segment

FY26 represented a step change in the scale and performance of Babylon's Rental segment following the acquisitions and successful integration of Blue Hire and Matrix Hydro Services.

Rental revenue increased by 160% to $26,061,237, compared with $10,015,478 million in FY25. Growth was driven by the contribution from the acquired businesses alongside improved performance from Babylon's existing rental operations.

The reported Rental EBITDA result was significantly affected by acquisition-related employment benefit expenses associated with deferred acquisition consideration ($9,309,023). On an underlying basis, the Rental segment generated EBITDA of approximately $9,103,642 for FY26.

Rental Segment Key Performance Indicators	30 June 2026 $A	30 June 2025 $A	Change
Revenue	26,061,237	10,015,478	160%
EBITDA (non-IFRS measure)	(205,381)	3,406,772	-106%
EBITDA margin (non-IFRS measure)	-1%	34%	-35pp

The expanded Rental platform provides Babylon with a broader range of specialist pumping, dewatering and water management capabilities and an established customer base across the Australian resources sector.

The integration of Blue Hire and Matrix has increased the scale and breadth of the Group's rental fleet and strengthened Babylon's ability to participate across a greater proportion of the customer water management lifecycle. This includes early-stage test pumping and technical water services, followed by the deployment of rental equipment and longer-term water management requirements.

Strong customer demand and improving fleet utilisation during the year resulted at times in selective cross-hire of equipment to meet customer requirements. This provides further evidence of opportunities to deploy additional capital into fleet where demand, utilisation and expected returns support the investment.

Babylon continues to service a range of Tier 1 resources customers across multiple commodities. The Group's strategy is focused on deepening existing customer relationships, securing additional long-term recurring rental revenues and using its expanded capabilities to pursue new water management opportunities across the resources sector.

Maintenance Segment

Trading conditions in the Maintenance segment remained challenging throughout FY26, reflecting the continued downturn in the engine overhaul market, particularly in Queensland.

Maintenance revenue declined by 73% to $5,928,913 from $21,748,334 in FY25, with the segment recording an EBITDA loss of $816,209 compared with EBITDA of $5,109,145 in the prior year.

Maintenance Segment Key Performance Indicators	30 June 2026 $A	30 June 2025 $A	Change
Revenue	5,928,913	21,748,334	-73%
EBITDA (non-IFRS measure)	(816,209)	5,109,145	-116%
EBITDA margin (non-IFRS measure)	-14%	23%	+6pp

The weakness in the engine overhaul market persisted through the financial year without meaningful recovery and resulted in a material reduction in activity and earnings from the segment.

In response, the Board undertook a strategic review of the Group's portfolio and determined that Babylon's capital and management resources should be concentrated on its specialist water management rental operations.

Subsequent to year end, Babylon completed the sale of Primepower Queensland Pty Ltd on 31 July 2026, completing the Group's exit from the Maintenance segment. The divestment further simplifies the Group and has enabled management to implement overhead reductions and focus resources on the higher-margin, recurring revenue opportunities available within Rental.

Outlook

Babylon enters FY27 as a substantially simplified business, focused on its specialist water management rental operations.

Subsequent to year end, the Company completed a recapitalisation that resulted in approximately $7,270,000 million being added to equity through a combination of new cash and debt conversion. This included approximately $3,500,000 of additional cash funding and approximately $3,770,000 of debt converted to equity.

Together with the completed exit from Maintenance and reductions to the Group's overhead base, the recapitalisation has strengthened Babylon's financial foundation and increased its capacity to invest in the Rental business.

Management's priorities for FY27 are to maintain strong fleet utilisation, deepen relationships with existing Tier 1 customers, secure additional long-term recurring rental revenues and selectively invest in fleet where customer demand and expected returns support additional capital deployment.

Following the integration of Blue Hire and Matrix and the strategic simplification undertaken during FY26 and subsequent to year end, Babylon is focused on translating the increased scale of its Rental platform into sustainable earnings, cash generation and long-term shareholder returns.

10. Sustainability

The Group is strongly committed to its people, systems, environment and communities within which it operates, all of which play an integral part in creating and delivering sustainable value to our stakeholders.

Safety is a holistic concept and is everyone's responsibility. Our leaders are focussed on creating and maintaining a positive safety culture through reporting, regular review, updating of policies and practice as required, communicating changes and ongoing training and development. Our goal is to have an accident and injury free healthy workplace with minimum exposure to physical hazards and risk to health or well-being of our people, clients, contractors and communities in which we operate. The Group completed the year with a Total Recordable Injury Frequency Rate (TRFIR) of 15.72 (FY2025: 0).

The Group elects to follow international standards of design and maintenance and has the following accreditations: ISO 45001:2018, ISO 9001 and ISO 14001:2015.

We will continue to seek opportunities to further reduce our environment footprint and work with our clients to support sustainable practices and deliver service offerings that enable our clients to achieve their environmental objectives.

11. Risk Management

The Board and Management recognise that risk is inherent in the business and that the effective management of risk is vital to deliver the strategic objectives.

We are committed to the responsible management of the business and will seek to maintain policies and practices that are consistent with identifying and managing the current risk environment and risks that the business may face in future, based on sound recognised risk management principles.

The risk management program comprises a series of processes, structures and guidelines which assist the Company to identify, assess, monitor, manage and report its business risk, including any material changes to its risk profile.

Key areas of risk identified will be measured and rated so that the risk profile of each can be determined. Once this has been achieved the various risk mitigation strategies will be implemented to either eliminate or reduce risks to an acceptable level in light of current standards.

Outlined below is an overview on the material risks facing the business. These risks are not set out in any particular order and do not comprise every risk that the Group could encounter.

- Health, safety and wellbeing of all stakeholders
- Commercial, financial and reputational risks
- Environmental impact reduction
- Culture and behaviours at all levels
- Ongoing future viability and relevance of the business

The Board will oversee the risk management program while conferring responsibility on the Audit and Risk Committee to provide the framework and guidance for management to design, implement and maintain its risk management plans.

The Board is committed to managing and reviewing risks on an ongoing basis so as to ensure the sustained growth of the Company.

12. Indemnification and insurance of directors, officers and auditors

The Group has indemnified the directors and executive officers of the Group for costs incurred, in their capacity as a director or executive officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executive officers of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

13. Non-audit services

During the financial year BDO Audit Pty Ltd continued as the Group's auditor and no non-assurance services were provided (FY2025: nil).

14. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

15. Remuneration report – audited

The information provided in this Remuneration Report has been audited as required by section 308(c) of the *Corporations Act 2001.*

This report outlines the remuneration arrangements in place for directors and other key management personnel (KMP) of the Group. Remuneration is referred to as compensation throughout this report.

15.1 Key management personnel included in this report

Name of KMP	*Position held*	*Term as KMP to 30 June 2026*
James Cullen	Non-Executive Chairman	Full Financial Year
Michael Shelby	Managing Director	Full Financial Year
Michael Shelby	Company Secretary	Ceased 10 November 2025
Patrick Maingard	Non-Executive Director	Full Financial Year
Louise Bower	Non-Executive Director	Ceased 10 December 2025
Chris Radin	Non-Executive Director	Full Financial Year
Lawrence Phillips	Chief Operating Officer	Full Financial Year
Paul Connolly	Chief Financial Officer	Appointed 2 February 2026
Frank Ashe	Corporate Business Development Manager	Full Financial Year

15.2 Principles of compensation

Non-Executive Director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities, having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry.

Total compensation for all non-executive directors are set within the maximum aggregate amount approved by shareholders on 23 November 2023, being $500,000 per annum. Directors' fees cover all main Board activities.

For the year ended 30 June 2026, inclusive of superannuation guarantee, the annual cash remuneration for non-executives was $297,482 (30 June 2025: $167,250). The total remuneration paid to the Group's non-executive directors during the year is set out in this report. This amount includes $147,125 in fees for consulting services provided by Louise Bower during the year (30 June 2025: NIL).

In addition to these fees, non-executive directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on the Group's business. Non-executive directors are not entitled to compensation or retirement benefits on termination of their directorships.

Executive remuneration policy

Compensation levels for executives of the Group are competitively set to attract and retain appropriately qualified and experienced executives. The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders.

Board fees are not paid to Executive Directors, as the time spent on Board work and the responsibilities of Board membership are included when determining the remuneration package provided as part of their normal employment responsibilities.

The compensation structures take into account:

- The capability and experience of the executive;
- The executive's ability to control the relevant segment's performance; and
- The Group's performance including safety, earnings and the growth in share price.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax charges related to employee benefits) and employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding safety, financial and personal objectives. The short-term incentive (STI) is a discretionary 'at risk' bonus provided is paid upon the achievement of pre-determined key performance indicators set by the Board. The long-term incentive (LTI) is provided as performance rights over ordinary shares of the Group as outlined below. The objective of this form of reward is to align the behaviour of executives to maximise shareholder value. Performance evaluations of senior executives have taken place during the reporting period in accordance with the process disclosed above.

Key performance indicators of the Group over the last 5 years

Consolidated	2026 $	2025 $	2024 $	2023 $	2022 $
Revenue	31,990,150	31,763,812	41,738,133	32,500,899	27,517,238
Net (loss)/gain before tax	(20,098,954)	787,166	508,027	(1,487,804)	(5,209,881)
Net (loss)/gain after tax	(20,098,954)	787,166	508,027	(1,487,804)	(5,209,881)
Share price at start of year	0.180	0.150	0.180	0.150	0.510
Share price at end of year	0.077	0.180	0.150	0.180	0.150
Interim and final dividend	-	-	-	-	-
Basic (loss)/gain per share	(0.1569)	0.0090	0.0060	(0.0180)	(0.1350)

NOTE: On 8 December 2025 the Company completed a consolidation of its issued capital on a 30-to-1 basis, approved by Shareholders at the Company's Annual General Meeting on 27 November 2025. The prior period share prices, together with the basic gain/(loss) per share performance indicators have been restated as if this consolidation had occurred, in order to provide comparable data.

Employment contracts of executive key management personnel
Executive key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. A summary of the agreements are set out below:

Michael Shelby, *Managing Director*

a) Term of agreement – commenced 1 March 2017 with indefinite duration and review of terms dated 28 September 2020;
b) Base salary of $355,000 (FY2025: $326,875) per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by individual with three months notice;
e) Is capable of termination by the Group with twelve months notice;
f) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation.
g) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Lawrence Phillips, *Chief Operating Officer*

a) Term of agreement – commenced 1 November 2022 with indefinite duration.
b) Base salary of $256,818 (FY2025: $259,910) per annum exclusive of superannuation;
c) Provided with motor vehicle allowance of $20,000 per annum;
d) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
e) Is capable of termination by both parties on four weeks notice;
f) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
g) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Frank Ashe, *Corporate Business Development Manager*

a) Term of agreement – commenced 1 July 2023 with indefinite duration.
b) Base salary of $257,195 (FY2025: $250,920) per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by both parties on four weeks notice;
e) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
f) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Paul Connolly, *Chief Financial Officer*

a) Term of agreement – commenced 2 February 2026 with indefinite duration.
b) Base salary of $310,000 (FY2025: NIL) per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by both parties on three months notice;
e) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
f) Implied performance condition performance rights will be granted at discretion of the board upon termination.

15.3 Directors' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Group and key management personnel for the year ended 30 June 2026 are as follows:

	Year	Salary & fees $	Termination Benefits $	Employee Performance / Bonus $	Employee allowances $	Post-employment superannuation $	Share-based payments (shares) $	Performance rights expense $	Notes	Total $	Performance Related % of remuneration
Directors											
James Cullen	2026	50,000	-	-	-	-	-	164,400	2	214,400	77%
	2025	-	-	-	-	-	-	82,200	2	82,200	100%
Michael Shelby	2026	355,000	-	51,975	-	30,000	-	90,665	1,2,3	527,640	17%
	2025	326,875	-	122,400	-	29,610	-	124,439	1,2,3	603,324	21%
Patrick Maingard	2026	55,000	-	-	-	6,600	-	12,893	2	74,493	17%
	2025	51,438	-	-	-	4,312	-	17,861	2	73,611	24%
Louise Bower	2026	171,372	-	-	-	2,910	-	16,716	2,4	190,998	9%
	2025	55,750	-	-	-	-	-	17,861	2	73,611	24%
Chris Radin	2026	55,000	-	-	-	6,600	-	12,893	2	74,493	17%
	2025	55,750	-	-	-	-	-	17,861	2	73,611	24%
Other key management personnel											
Lawrence Phillips	2026	256,818	-	32,592	-	30,000	-	88,881	1,2	408,291	22%
	2025	250,780	-	79,077	6,667	32,108		24,420	1,2	393,052	6%
Frank Ashe	2026	257,195	-	31,617	-	30,000	-	89,769	1,2	408,581	22%
	2025	247,360	-	79,077	-	28,446	-	24,458	1,2	379,341	6%
Paul Connolly	2026	129,167	-	15,614	-	13,700	-	-	1,2	158,481	0%
	2025	-	-	-	-	-	-	-		0	N/A
	2026	**1,329,552**	**-**	**131,798**	**-**	**119,810**	**-**	**476,217**		**2,057,377**	**23%**
	2025	**987,953**	**-**	**280,554**	**6,667**	**94,476**	**-**	**309,100**		**1,678,750**	**18%**

Note 1: Employee Performance / Bonus reflects an accrual for a Short-Term Incentive ("STI") bonus which has not yet been approved (for FY2026) or paid (for FY2025 and FY2026).
Note 2: Expenses relates to performance rights – refer note 20 to the financial statements.
Note 3: Michael Shelby commenced as Company Secretary on 3 September 2024 and ceased as Company Secretary on 10 November 2025. Mr Shelby continued in the role of Managing Director for the full financial year.
Note 4: Louise Bower ceased to be a Director on 10 December 2025. Salary and Fees for FY2026 includes $27,157 in Director Fees and $147,125 in fees for consulting services provided by Ms Bower during the year.

STI Performance Hurdles

The Board determined the award of payments under the Short-Term Incentive Plan for the year ended 30 June 2026 based on the below performance hurdles:

Feature	Description	Weighting
Maximum opportunity	Managing Director: 60% of fixed remuneration Other Key Management Personnel : 50% of fixed remuneration	
Performance metrics	Safety: maintain TRIFR below 2.6	10%
	Financial: FY26 EBITDA $13.462m	45%
	Individual performance: achievement of agreed personal objectives and key performance indicators	45%
Delivery of STI	Cash or shares	
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI award.	

KMP	STI Bonus Entitlement Accued	
	FY26 $	FY25 $
Michael Shelby	51,975	161,513
Lawrence Phillips	32,592	62,980
Frank Ashe	31,617	62,980
Paul Connolly (appointed 2 February 2026)	15,614	-

15.4 Equity instruments

Movements in securities held by key management personnel during the year are summarised below. Since the end of the financial year no securities have been granted to key management personnel.

(a) Movements in shares

The movement during the reporting period in the number of ordinary shares held in the Company either directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Key Management Personnel (KMP)	Opening balance 1-Jul-25	Acquired	Received on vesting of performance rights	Disposed	Balance on resignation	Closing balance 30-Jun-26
James Cullen	2,115,822	-	-	-	-	2,115,822
Michael Shelby	1,025,812	-	-	(643,444)	-	382,368
Patrick Maingard	810,844	-	83,333	-	-	894,177
Louise Bower	130,572	-	-	-	130,572	130,572
Chris Radin	-	-	-	-	-	-
Lawrence Phillips	217,502	-	-	-	-	217,502
Frank Ashe	3,358,209	-	-	-	-	3,358,209
Paul Connolly	-	-	-	-	-	-
	7,658,761	**-**	**83,333**	**(643,444)**	**130,572**	**7,098,650**

Note: The opening balance of ordinary shares held in the Company by each KMP has been restated to reflect the impact of the 30:1 share consolidation approved by Shareholders at the Company's Annual General Meeting on 27 November 2025 and completed on 8 December 2025.

(b) Movements in performance rights

The movement during the reporting period in the number of performance rights in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Key Management Personnel (KMP)	Opening balance	Granted as compensation	Exercised performance rights	Lapsed / Cancelled	Closing balance
James Cullen	4,333,334		-	(4,333,334)	-
Michael Shelby	2,121,230	1,069,445	-	-	3,190,675
Patrick Maingard	305,555	138,889	(83,333)	-	361,111
Louise Bower	305,554	-	-	-	305,554
Chris Radin	305,555	138,889	-	-	444,444
Lawrence Phillips	488,400	622,022	-	-	1,110,422
Frank Ashe	532,800	622,022	-	-	1,154,822
Paul Connolly	-	-	-	-	-
	8,392,428	**2,591,267**	**(83,333)**	**(4,333,334)**	**6,567,028**

Note: The opening balance of performance rights held in the Company by each KMP has been restated to reflect the impact of the 30:1 share consolidation approved by Shareholders at the Company's Annual General Meeting on 27 November 2025 and completed on 8 December 2025.

Performance rights held by key management personnel

At 30 June 2026, the classes and numbers of performance rights held by key management personnel are as follows:

Class	Grant Date	Vesting Date	Rights on Issue at 1 July 2025	Rights Issued During the Period	Rights Lapsed / Cancelled During the Period	Rights Exercised During the Period	Rights on Issue at 30 June 2026	Rights Vested at 30 June 2026
D	30-Nov-22	30-Nov-27	4,333,334	-	4,333,334	-	-	-
E	23-Nov-23	30-Jun-25	398,180	-	-	25,000	373,180	373,180
E	23-Nov-23	30-Jun-26	398,180	-	-	-	398,180	398,180
F	23-Nov-23	30-Jun-25	929,087	-	-	58,333	870,754	870,754
F	23-Nov-23	30-Jun-26	929,087	-	-	-	929,087	929,087
G	28-Nov-24	30-Jun-26	210,684	-	-	-	210,684	210,684
G	28-Nov-24	30-Jun-27	210,684	-	-	-	210,684	-
G	16-Oct-25	30-Jun-26	-	186,606	-	-	186,606	186,606
G	16-Oct-25	30-Jun-27	-	186,607	-	-	186,607	-
H	28-Nov-24	30-Jun-26	491,596	-	-	-	491,596	491,596
H	28-Nov-24	30-Jun-27	491,596	-	-	-	491,596	-
H	16-Oct-25	30-Jun-26	-	435,415	-	-	435,415	435,415
H	16-Oct-25	30-Jun-27	-	435,415	-	-	435,415	-
I	27-Nov-25	30-Jun-27	-	67,362	-	-	67,362	-
I	27-Nov-25	30-Jun-28	-	67,362	0	-	67,362	-
J	27-Nov-25	30-Jun-27	-	606,250	-	-	606,250	-
J	27-Nov-25	30-Jun-28	-	606,250	-	-	606,250	-
			8,392,428	**2,591,267**	**4,333,334**	**83,333**	**6,567,028**	**3,895,502**

Notes: The opening balance of performance rights held in the Company by each KMP has been restated to reflect the impact of the 30:1 share consolidation approved by Shareholders at the Company's Annual General Meeting on 27 November 2025 and completed on 8 December 2025.

Class D performance rights were cancelled on 30 June 2026 for nil consideration by mutual agreement between the Company and Mr Cullen.

Terms of performance rights held by key management personnel

The material terms of performance rights held by key management personnel are set out below.

<table>
<tr><th>Class</th><th>Vesting Condition</th></tr>
<tr><td>Class E</td><td>Upon the Group achieving a total recordable injury frequency rate (TRIFR) of below 2.6 for the financial year ended 30 June 2024, 50% of Class E Performance Rights will vest on 30 June 2025 and 50% of Class E Performance Rights will vest on 30 June 2026.</td></tr>
<tr><td>Class F</td><td>Upon the Group achieving earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2024, between 75% and 100% of Class F Performance Rights will vest in accordance with the targets outlined below:
<table>
<tr><th>Target EPS growth*</th><th>Stretch EPS growth</th><th>% to Vest at Target Performance</th><th>% to Vest at Stretch Performance</th></tr>
<tr><td>10%</td><td>15%</td><td>75%</td><td>100%</td></tr>
</table>
Of the total Class F Performance Rights which vest in accordance with the above criteria, 50% of vested Class F Performance Rights will vest on 30 June 2025 and 50% of vested Class F Performance Rights will vest on 30 June 2026. If less than 10% EPS growth is achieved, none of the Class F Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch.

The Board may 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.</td></tr>
<tr><td>Class G</td><td>Upon the Group achieving a TRIFR of below 2.6 for the financial year ended 30 June 2025, 50% of Class G Performance Rights will vest on 30 June 2026 and 50% of Class G Performance Rights will vest on 30 June 2027.</td></tr>
<tr><td>Class H</td><td>Upon the Group achieving earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2025, between 75% and 100% of Class H Performance Rights will vest in accordance with the targets outlined below:
<table>
<tr><th>Target EPS growth*</th><th>Stretch EPS growth</th><th>% to Vest at Target Performance</th><th>% to Vest at Stretch Performance</th></tr>
<tr><td>10%</td><td>15%</td><td>75%</td><td>100%</td></tr>
</table>
Of the total Class H Performance Rights which vest in accordance with the above criteria, 50% of vested Class H Performance Rights will vest on 30 June 2026 and 50% of vested Class H Performance Rights will vest on 30 June 2027. If less than 10% EPS growth is achieved, none of the Class H Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch.

The Board may 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.</td></tr>
</table>

<table>
<tr><td>Class I</td><td>Upon the Group achieving a TRIFR of below 2.6 for the financial year ended 30 June 2026, 50% of Class I Performance Rights will vest on 30 June 2027 and 50% of Class I Performance Rights will vest on 30 June 2028.</td></tr>
<tr><td>Class J</td><td>Upon the Group achieving earnings per share (EPS) growth of at least 250% for the financial year ending 30 June 2026, between 75% and 100% of Class I Performance Rights will vest in accordance with the targets outlined below:

<table><tr><th>Target EPS growth*</th><th>Stretch EPS growth</th><th>% to Vest at Target Performance</th><th>% to Vest at Stretch Performance</th></tr><tr><td>250%</td><td>320%</td><td>75%</td><td>100%</td></tr></table>
Of the total Class I Performance Rights which vest in accordance with the above criteria, 50% of vested Class J Performance Rights will vest on 30 June 2027 and 50% of vested Class I Performance Rights will vest on 30 June 2028. If less than 250% EPS growth is achieved, none of the Class J Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch.

The Board may 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.</td></tr>
</table>

16. Voting of shareholders at last year's annual general meeting

At the Company's most recent annual general meeting, 98.27% of shareholders voted in favour of adopting the remuneration report for the year ended 30 June 2025 (FY2024: 100.00%). The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

17. Use of remuneration consultants

There were no remuneration consultants used by the Group during the year ended 30 June 2026 (FY25: none).

18. Other transactions with key management personnel

During the year ended 30 June 2026, the Group procured goods and services to the value of $29,193 (inclusive of GST) from Mindustry Solutions Pty Ltd, a related party of Mr Maingard (FY2025: $378,083). The transactions were made on arm's length commercial terms.

During the comparative period ended 30 June 2025, the Group received proceeds of a total of $1,650,000 from short-term loan agreements with key management personnel and related parties (FY2026: nil). Proceeds of $600,000 were received from Mr Patrick Maingard and $1,050,000 from an entity associated with Mr Frank Ashe. The loans were issued at market interest rates and made on normal commercial terms, and repaid in full during the year ended 30 June 2025.

There were no other transactions with key management personnel and related parties during the year (FY2025: Nil).

This is the end of the audited remuneration report.

Lead auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after the Director's report and forms part of the Directors' report for the financial year ended 30 June 2026.

Signed in accordance with a resolution of directors.

James Cullen
Non-Executive Chairman

Dated at Perth this 31st day of August 2026

Michael Shelby
Managing Director

Dated at Perth this 31st day of August 2026

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

As lead auditor of Babylon Pump & Power Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

31 August 2026

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from contracts with customers	4	31,990,150	31,763,812
Other operating income / (expense)	9	241,456	354,269
Changes in inventories of finished goods and work in progress		156,101	(270,857)
Raw materials and consumables used	10	(14,281,595)	(14,402,478)
Employee benefits expense	5	(21,245,288)	(9,634,269)
Depreciation and amortisation	11&13	(5,067,387)	(3,718,140)
Other expense	6	(2,038,524)	(1,999,858)
Finance income		12,836	28,355
Finance expense	8	(2,461,914)	(1,333,668)
Net (loss) / gain on disposal of business		(2,456,907)	-
Impairment of inventory - Maintenance segment		(4,912,232)	-
Impairment of plant & equipment - Maintenance segment		(35,650)	-
(Loss) / Profit before tax from continuing operations		**(20,098,954)**	**787,166**
Income tax benefit / (expense)	7	-	-
(Loss) / Profit after income tax for the year		**(20,098,954)**	**787,166**
Other comprehensive income		-	-
Total comprehensive (loss) / profit for the year attributable to the members of Babylon Pump & Power Limited		**(20,098,954)**	**787,166**
(Loss) / Profit per share for profit attributable to the members of Babylon Pump & Power Limited:			
Basic earnings per share	21	(0.1599)	0.0095
Diluted earnings per share	21	(0.1599)	0.0087

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

1. Earnings per share for FY2025 has been restated to reflect the impact of the 30:1 share consolidation approved by Shareholders at the Company's Annual General Meeting on 27 November 2025 and completed on 8 December 2025.

Consolidated statement of financial position

As at 30 June 2026

	Notes	30 June 2026 $	30 June 2025 $
Current assets			
Cash and cash equivalents	*16*	938,729	3,065,160
Trade receivables	*15*	3,782,248	6,834,416
Inventories	*14*	1,720,657	6,723,311
Prepayments and other assets		308,098	267,586
Total current assets		**6,749,732**	**16,890,473**
Non-current assets			
Property, plant and equipment	*11*	18,393,876	13,122,926
Deposits		-	329,692
Goodwill	*12*	11,228,114	3,765,301
Right-of-use assets	*13*	2,270,563	2,951,076
Total non-current assets		**31,892,553**	**20,168,995**
Total assets		**38,642,285**	**37,059,468**
Current liabilities			
Trade and other payables	*24*	14,340,575	5,448,586
Employee provisions	*23*	901,149	557,665
Borrowings	*22*	6,588,734	8,062,768
Lease liabilities	*13*	782,960	751,763
Total current liabilities		**22,613,418**	**14,820,782**
Non-current liabilities			
Borrowings	*22*	14,967,814	4,256,532
Employee provisions	*23*	203,731	167,686
Lease liabilities	*13*	1,849,771	2,584,901
Total non-current liabilities		**17,021,316**	**7,009,119**
Total liabilities		**39,634,734**	**21,829,901**
Net (liabilities) / assets		**(992,449)**	**15,229,567**
Equity			
Share capital	*18*	55,866,099	53,690,580
Reserves	*19*	1,864,278	573,859
Accumulated losses		(58,722,826)	(39,034,872)
Total equity		**(992,449)**	**15,229,567**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2026

Attributable to equity holders of the Group

Consolidated Statement of Changes in Equity	*Notes*	*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 profit for the year					
Profit for the year		-	-	787,166	787,166
Total comprehensive profit for the year		-	-	787,166	787,166
Issue of ordinary shares	19	3,499,368	-	-	3,499,368
Transaction costs	19	(359,418)	-	-	(359,418)
Share based payments	20	-	214,008	-	214,008
Lapse of performance rights	19	-	(605,083)	605,083	-
Total transactions with owners		3,139,950	(391,075)	605,083	3,353,958
Balance as at 30 June 2025		**53,690,580**	**573,859**	**(39,034,872)**	**15,229,567**
Balance as at 1 July 2025		**53,690,580**	**573,859**	**(39,034,872)**	**15,229,567**
Total comprehensive loss for the year					
Loss for the year		-	-	(20,098,954)	(20,098,954)
Total comprehensive loss for the year		-	-	(20,098,954)	(20,098,954)
Issue of ordinary shares	18	2,150,000	-	-	2,150,000
Transaction costs	18	(14,263)	-	-	(14,263)
Share based payments	19	-	1,741,201	-	1,741,201
Exercise of performance rights	19	39,782	(39,782)	-	-
Transfer between reserves - cancelled rights	19	-	(411,000)	411,000	-
Total transactions with owners		2,175,519	1,290,419	411,000	3,876,938
Balance as at 30 June 2026		**55,866,099**	**1,864,278**	**(58,722,826)**	**(992,449)**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

BABYLON

Consolidated statement of cashflows

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		40,324,607	33,072,114
Payments to suppliers and employees (inclusive of GST)		(31,772,017)	(30,146,100)
Cash generated from operations		**8,552,590**	**2,926,014**
Other income		-	346,756
Interest received		12,836	19,846
Interest and other costs of finance paid		(2,075,666)	(1,157,547)
Net cash provided by operating activities	**17**	**6,489,760**	**2,135,069**
Cash flows from investing activities			
Payments for plant and equipment		(1,677,433)	(2,045,187)
Payments for business acquisitions	**12**	(19,094,264)	(61,707)
Proceeds from the sale of fixed assets / businesses		2,800,000	101,621
Proceeds from bank deposit		329,227	-
Net cash used in investing activities		**(17,642,470)**	**(2,005,273)**
Cash flows from financing activities			
Proceeds from the issue of shares		-	3,499,368
Costs associated with issue of shares		-	(68,698)
Payment of lease liabilities		(811,719)	(1,123,572)
Proceeds of borrowings		44,325,739	46,226,930
Repayments of borrowings		(34,487,741)	(45,965,441)
Net cash provided from financing activities		**9,026,279**	**2,568,587**
Net (decrease)/increase in cash held		**(2,126,431)**	**2,698,383**
Cash at the beginning of the financial year		3,065,160	366,777
Cash at the end of the financial year	**16**	**938,729**	**3,065,160**

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2026

1. Reporting entity

Babylon Pump & Power Limited ("the Company") is a company domiciled in Australia. The Company is a for-profit entity and the address of the Company's registered office is 1 Port Place, High Wycombe, WA 6057. The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group").

Babylon Pump & Power Ltd is a provider of speciality mining services to the resources sector in Australia. The company is a specialist in high-pressure pumping, dewatering and project water management with decades of experience supplying and maintaining equipment in remote and offshore locations. Babylon also provides a full range of speciality power generation solutions, including system design, installation, commissioning, operations and maintenance services. With a team of highly experienced technicians, Babylon also provides full maintenance and asset management services for high-horsepower mobile equipment including engines, power train assemblies and components.

The financial statements were authorised for issue on 31 August 2026 by the Directors of the Group.

2. Basis of preparation

a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The Group is a for-profit entity for the purpose of preparing the financial statements.

b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

Supplementary information about the parent entity is disclosed in note 31.

c) Basis of measurement

The financial statements have been prepared under the historical cost convention.

d) Rounding

Figures in the consolidated financial statements and the Directors' Report have been rounded off to the nearest dollar, unless stated otherwise, in accordance with Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183.

e) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

f) 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 year ended 30 June 2026, the Group recorded a loss of ($20,098,954) (2025: profit of $787,166) and had net cash inflows from operating activities of $6,489,760 (2025: $2,135,069). At 30 June 2026, the Group had net current liabilities of $15,863,686 (30 June 2025: assets of $2,069,691) and available financing facilities of $2,763,405 at 30 June 2026 (30 June 2025: $2,401,689).

The ability of the Company to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Company to successfully raise capital, as and when necessary. The Company has previously demonstrated its ability to successfully raise capital from multiple sources;
- the ability of the Company to maintain or improve underlying levels of activity;

- the ability of the Company to maintain or improve operational throughput and efficiencies across the organisation and maintain or improve levels of utilisation of rental assets; and
- the successful sourcing of funding to support growth capital expenditure.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.
The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- anticipated future performance of its rental business and related projected cashflow forecast, supported by FY26 performance in this segment that saw growth in both legacy and acquired businesses;
- actions undertaken in July 2026 to complete the sale of the maintenance segment;
- proactive cost reductions taken in August 2026 to right-sized overheads within the business for current market conditions following the sale of the maintenance segment, whilst preserving the Company's capability to respond when demand improves.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

g) Use of critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point that the customer gains unimpeded access to the relevant goods, being either ex works or on delivery in accordance with the relevant contract.

Fair value of assets acquired and liabilities assumed in a business combination
Estimates and judgements were made in determining the fair value of assets acquired and liabilities assumed in a business combination.

Expected credit losses of financial asset at amortised cost
Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Recoverability of intangibles
In accordance with AASB 136 Impairment of Assets, intangible assets with an indefinite useful life and goodwill are required to be tested for impairment annually. In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future discounted cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (if applicable). Details of the key assumptions and inputs are disclosed in note 13.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or other events. The depreciation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets have been abandoned or sold will be written off or written down.

Share-based payment transactions
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined based on the market price of the Company's shares on grant date, adjusted for market based vesting conditions where applicable. Judgement is exercised in determining the probability of non-market based vesting conditions being fulfilled in future periods. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a) Property, plant and equipment

Rental equipment assets

In the opinion of the Directors, rental equipment assets comprise a separate class of assets.

The rental equipment assets have been componentised in the following category and are being depreciated over their estimated useful lives as follows:

- Plant and equipment: 5 – 30 years

Rental equipment assets of the Group require ongoing maintenance and overhaul works over time. This is managed as part of an ongoing major cyclical maintenance program. The cost of this maintenance is charged as an expense as incurred, except where the cost relates to the replacement of a component of an asset, in which case costs are capitalised and depreciated in accordance with the component classifications above.

The estimated useful lives of other classes of assets for current and comparative periods are as follows:

- Office and computer equipment: 2 – 5 years
- Motor vehicles 5 – 8 years

b) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Low-value assets are items such as IT-equipment and small items of office furniture.

c) Inventories

Costs are assigned to individual items of inventory on the basis of weighted average costs.

d) Revenue recognition

The accounting policies for the Group's revenue recognition from customers are explained in note 4.

e) Income tax

Tax consolidation

The Company and its wholly owned Australian resident entities are part of a tax-consolidated group, with the Company as the head entity. As a consequence, all members of the tax-consolidated group are taxed as a single entity.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Group as amounts payable to or receivable from other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Group as an equity contribution or distribution.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

f) Financial instruments

For trade receivables, the group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

g) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Reporting segments

The Group's performance is divided into two reporting segments based on service offerings: Rental and Maintenance.

The Rental segment provides rental services of specialty-diesel driven pumping, power generation and ancillary equipment.

The Maintenance segment primarily focuses on rebuild and maintenance services for large diesel-driven equipment including field service work and high-pressure water blasting and ancillary services to the resources sector.

These are the Group's strategic business units and the Board reviews internal management reports for these business units monthly.

Subsequent to year end, the Company announced the sale of the Maintenance segment with the transaction completing on 31 July 2026. Following this sale, the Group expects to manage the business with one Rental operating segment.

	2026 $	2025 $
(a) Segment revenues		
Rental	26,061,237	10,015,478
Maintenance	5,928,913	21,748,334
	31,990,150	31,763,812
(b) Earnings before interest, tax, depreciation and amortisation		
Rental	(205,381)	3,406,772
Maintenance	(816,209)	5,109,145
	(1,021,590)	8,515,917
Depreciation and amortisation – Rental	(4,826,247)	(3,183,640)
Depreciation and amortisation – Maintenance	(241,140)	(500,835)
Net finance expense	(2,449,078)	(1,305,313)
(Loss) / Profit on sale of Auslbast business	(2,456,907)	-
Impairment of Maintenance segment assets	(4,947,882)	-
Unallocated corporate overheads:		
Head office employee costs	(2,980,337)	(1,355,879)
Depreciation and amortisation	-	(33,665)
Administration expenses	(1,175,773)	(1,325,831)
Other income/(expenses)	-	(23,587)
(Loss) / Profit before tax from continuing operations	**(20,098,954)**	**787,166**

Revenue – accounting policies

Rental revenue from equipment rental comprises short-term hire arrangements and is included in the statement of profit or loss. Rental revenue is recognised over the rental period, with the exception of contracts for external equipment works completed by personnel within the Rental segment which are recognised at the point in time the performance obligation is completed (FY2026: $3,368,684).

Maintenance revenue in relation to the provision of goods is recognised at the point in time the performance obligation is complete. Minor site services completed by personnel within the Maintenance segment are recognised over the period of completion. 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.

Sales between segments are carried out at arm's length and are eliminated upon consolidation. No material inter-segment transactions occurred during the period ended 30 June 2026 (30 June 2025: nil).

Segment assets and liabilities

For internal management reporting purposes, assets and liabilities are not divided between segments with the exception of Property, plant and equipment. Property, plant and equipment held by each segment at 30 June 2026 was $274,690 for Maintenance (30 June 2025: $365,889) and $18,119,186 for Rental (30 June 2025: $12,226,304). Of the $1,838,119 in additions to property, plant and equipment during FY2026 (refer to Note 11), $120,087 related to the Maintenance segment, with the balance attributable to the Rental segment.

Goodwill was attributable entirely to the Rental segment as disclosed in Note 12 (30 June 2025: 100%).

5. Employee benefits expense

Employee benefits expense	2026 $	2025 $
Wages and salaries	10,734,891	8,979,501
Employment-related taxes and workers' compensation insurance	466,528	427,355
Share-based payment expense	511,201	214,008
Other employment related expenses	223,645	13,405
Deferred Consideration [1]	9,309,023	-
	21,245,288	**9,634,269**

Included in the wages and salaries expense above, during FY2026 the Company incurred superannuation costs of $1,050,484 (FY2025: $884,998), reflecting payments made to defined contribution plans on behalf of employees.

(1) On the 1 August 2025, the Company completed the acquisition of BPY Holdings Pty Ltd (t/a Blue Hire) and Matrix Hydro Services. (refer to ASX release 1 August 2025).

Deferred consideration reflects earn out payments that are contingent on achieving financial metrics and the earn out executives remaining employed during the earn out period. Given the FY26 performance of the acquired business, management estimates that earn out targets will be achieved and therefore the maximum deferred consideration has been provided for.

6. Oher expense

Other expense	2026 $	2025 $
Office expenses	242,246	341,995
Corporate costs and compliance expenses	1,235,327	1,387,960
Consumables and operational costs	113,084	194,722
Acquisition-related costs	22,015	70,750
Net foreign exchange	(19,037)	4,431
Doubtful debts expense	444,889	-
	2,038,524	**1,999,858**

7. Income tax expense

Income tax expense	2026 $	2025 $
Reconciliation of income tax benefit and tax at the statutory rate		
(Loss) / Profit before tax	(20,098,954)	787,166
Tax (benefit) / expense at the statutory rate of 25% (2025: 25%)	(5,024,739)	196,791
Tax effect amounts which are not deductible in calculating taxable income		
Entertainment	4,801	2,687
Share based payments	127,800	53,502
Capital expenditure	94,888	122,033
Deferred consideration	2,327,256	-
Accounting impairment	1,236,971	-
Other expenses	1,750	1,174
Loss on sale – Pilbara Trucks Pty Ltd (T/A Ausblast)	689,845	-
Unused tax losses and temporary differences not recognised as deferred tax assets	541,429	(376,187)
Income tax benefit	-	-
Deferred tax assets not recognised attributable to:		
Tax losses - revenue	4,865,662	4,813,523
Tax losses – capital	900,000	-
Temporary differences	(272,984)	(598,693)
	5,492,678	**4,214,830**

Unrecognised temporary differences	30 June 2026 $	30 June 2025 $
Unrecognised temporary differences attributable to:		
Assets		
Inventories	12,500	62,618
Prepayments and other assets	(3,702)	(3,908)
Property, plant & equipment	(998,761)	(1,107,272)
Right of use assets	(553,382)	(737,769)
	(1,543,345)	**(1,786,331)**
Liabilities		
Employee provisions - current	285,657	139,416
Superannuation payable	48,292	58,801
Employee provisions - non-current	50,933	41,922
Provision for doubtful debts	111,222	
Accruals	22,420	41,449
Lease liabilities	647,447	834,166
	1,165,971	**1,115,754**
Equity		
Charged to equity	104,390	71,884
	104,390	**71,884**
Set-off of deferred tax (liabilities) / assets pursuant to set-off provisions	**272,984**	**598,693**
Closing balance	**-**	**-**

8. Finance expense

Finance expense	2026 $	2025 $
Bank and other finance charges	364,048	258,954
Interest expense	2,097,866	1,074,714
	2,461,914	**1,333,668**

9. Other operating income

Other operating income	2026 $	2025 $
Other income	241,456	360,526
Net gain / (loss) on disposal of fixed assets	-	(6,257)
	241,456	**354,269**

Other income comprises sales of scrap metal and insurance recoveries.

10. Raw materials and consumables used

Raw materials and consumables used	2026 $	2025 $
Materials	9,295,198	10,486,379
Consumables	4,914,254	3,916,099
Other	72,143	-
	14,281,595	**14,402,478**

11. Property, plant and equipment

Summary	30 June 2026 $	30 June 2025 $
Cost	38,271,932	28,867,764
Accumulated depreciation	(19,878,056)	(15,744,838)
	18,393,876	**13,122,926**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Leasehold Improve-ments $	Plant & Equipment $	Office Equipment $	IT Equip-ment $	Motor Vehicles $	Capital Work in Progress $	Total $
Carrying amount at 30 June 2025	**232,860**	**11,362,779**	**17,782**	**32,157**	**1,477,348**	**-**	**13,122,926**
Additions	7,075	1,665,268	-	13,162	137,517	15,097	1,838,119
Disposals	-	(661,706)	-	-	(62,463)	-	(724,169)
Business Acquisitions	-	8,952,112	-	-	1,920,388	-	10,872,500
Business Disposals	(16,054)	(2,117,463)	(2,375)	(1,924)	(408,817)	-	(2,546,633)
Impairments	(10,142)	(20,017)	(3,283)	(2,207)	-	-	(35,649)
Depreciation expense	(30,174)	(3,485,965)	(4,112)	(19,731)	(593,236)	-	(4,133,218)
Balance at 30 June 2026	**183,565**	**15,695,008**	**8,012**	**21,457**	**2,470,737**	**15,097**	**18,393,876**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the previous financial year:

	Leasehold Improve-ments $	Plant & Equipment $	Office Equipment $	IT Equip-ment $	Motor Vehicles $	Capital Work in Progress $	Total $
Carrying amount at 30 June 2024	**236,725**	**10,840,208**	**20,579**	**17,513**	**1,672,019**	**994,987**	**13,782,031**
Additions	50,631	1,800,186	2,409	28,789	146,446	-	2,028,461
Disposals	(23,097)	(70,706)	-	-	(14,076)	-	(107,879)
Transfers	-	994,987	-	-	-	(994,987)	-
Depreciation expense	(31,399)	(2,201,896)	(5,206)	(14,145)	(327,041)	-	(2,579,687)
Balance at 30 June 2025	**232,860**	**11,362,779**	**17,782**	**32,157**	**1,477,348**	**-**	**13,122,926**

12. Goodwill

The aggregate carrying amount of goodwill is as follows:

Intangible assets	30 June 2026 $	30 June 2025 $
Opening balance	3,765,301	3,765,301
Business Combinations	7,462,813	-
Closing balance	**11,228,114**	**3,765,301**

The recoverable amount of goodwill was determined to be higher than its carrying value and as such no impairment loss was recognised during the financial year ended 30 June 2026 (2025: nil).

Impairment tests for goodwill

The entirety of goodwill recognised at 30 June 2026 related to the rental segment which is deemed to form the sole cash-generating unit (CGU) for impairment testing.

The recoverable amount of the cash-generating unit is estimated based on value-in-use (VIU) calculations which require the use of assumptions. The calculations use cash flow projections based on approved financial budgets. The following table sets out the key assumptions used in VIU calculations:

Key assumptions - goodwill impairment assessment	FY26	FY25
Budgeted EBITDA % for next financial year	37.7%	34.0%
Pre-tax discount rate	11.0%	11.0%
Inflation rate	2.5%	2.5%
Short-term growth rate	2.5%	1.9%
Long-term growth rate	2.5%	1.9%
Capital expenditure outlay (% of EBITDA)	30.0%	40.0%

Management has determined the values assigned to each of the above key assumptions as follows:

- EBITDA % – sourced from the budget adopted by the Board for the relevant year.
- Pre-tax discount rate – includes the cost of capital, debt, gearing ratio and corporate tax rate. The risk-free rate was ascertained with reference to the ten-year Australian government bond rate. An average of a low and high scenario was used in the value-in-use modelling.
- Inflation rate – sourced from the Reserve Bank of Australia (RBA) using the lower end of the target inflation rate range of 2% to 6%, consistent with recent RBA forecast expectations. Use of the lower end of the range is (in management's view) supported by Australian Bureau of Statistics (ABS) forecast inflation rates.
- Growth rate – this rate has been set in line with the current ABS annual growth rate.
- Capital expenditure outlay – anticipated level at which assets will need to be replaced in order to maintain the business.

Impact of possible changes in key assumptions:

If the budgeted revenue used in the value in use calculation had been 4% lower than management's estimates, the recoverable amount of the CGU would have equalled the carrying amount.

12.1 Business combinations

On the 1 August 2025, the Company acquired 100% of the shares in BPY Holdings Pty Ltd (t/a Blue Hire) and Matrix Hydro Services. (refer to ASX release 1 August 2025). These acquisitions have been accounted for as follows.

Business combinations	Blue Hire	Matrix Hydro Services	Total ($)
Consideration			
Cash – assets	16,350,000	2,000,000	18,350,000
Cash – working capital	1,558,880	238,218	1,797,098
Shares	1,650,000	500,000	2,150,000
Total consideration	19,558,880	2,738,218	22,297,098
Assets acquired			
Property, plant & equipment	8,876,612	75,500	8,952,112
Motor vehicles	1,243,888	676,500	1,920,388
Working capital	1,558,880	238,218	1,797,098
Total assets	11,679,380	990,218	12,669,598
Goodwill	**7,879,500**	**1,748,000**	**9,627,500**

Property, plant and equipment and motor vehicles have been recorded at fair market value based on independent valuations.

Details of working capital acquired and balance due to the vendors at the end of the reporting period:

Working capital	Blue Hire	Matrix Hydro Services	Total ($)
Cash	514,994	312,178	827,172
Work in progress	100,736	19,938	120,674
Trade and other receivables	1,948,163	604,632	2,552,795
Trade and other payables	(603,361)	(671,462)	(1,274,823)
Employee liabilities	(401,652)	(17,068)	(418,720)
Net working capital acquired	1,558,880	248,218	1,807,098
Paid	(1,558,880)	(12,556)	(1,571,436)
Balance 30 June 2026 due to vendors	**-**	**235,662**	**235,662**

Goodwill is attributable to the workforce, synergies and an increase in market share and geographic footprint. It will not be deductible for tax purposes.

Acquisition costs of $22,015 were incurred in relation to the acquistions during FY2026. A further $349,784 in debt arrangement fees were incurred in securing debt to fund the acquisitions, and have been included in finance costs.

The gross amount of trade receivables due at point of acquisition is $2,552,795, all of which was collected during the period.

The acquired businesses contributed revenues of $14,072,926 and earnings before interest, tax, depreciation and amortisation of $6,528,001 to the Group for the 11 month period from 1 August 2025 to 30 June 2026. On a full 12 month basis, acquired businesses derived revenues of $15,543,652 and earnings before interest, tax, depreciation and amortisation of $7,042,297.

13. Leases

Right-of-use asset	30 June 2026 $	30 June 2025 $
Opening balance	2,951,076	4,063,084
Additions (including acquisitions)	325,506	26,445
Disposals (sale of business)	(71,850)	-
Depreciation expense	(934,169)	(1,138,453)
Closing balance	**2,270,563**	**2,951,076**

Lease liability	30 June 2026 $	30 June 2025 $
Current		
Lease liability	782,960	751,763
Non-current		
Lease liability	1,849,771	2,584,901
Total	**2,632,731**	**3,336,664**

The lease liabilities relate to the lease of office and workshop premises and rental equipment.

14. Inventories

Inventories	30 June 2026 $	30 June 2025 $
Consumables and spare parts at cost	1,044,798	2,956,870
Engine trading stock at cost	-	3,027,359
Work in progress at cost	675,859	739,082
	1,720,657	**6,723,311**

Write downs of inventories to net realisable value are recognised as an expense and included in cost of sales in the statement of profit or loss. Write downs to net realisable value amounted to $4,912,232 in the year ended 30 June 2026 (FY2025: $nil), relating to engine trading stock, consumables and spare parts within the Maintenance segment.

15. Trade and other receivables

Trade receivables	30 June 2026 $	30 June 2025 $
Trade receivables	3,782,248	6,834,416

Current trade and other receivables are non-interest bearing and generally on 30-day end of month terms.

Impairment and risk exposure

Details about the group's impairment policies and the calculation of the loss allowance are provided in Note 25. A loss allowance of $444,889 has been recorded at 30 June 2026 (30 June 2025: nil) based on management's assessment.

Trade receivables are factored utilising an invoice finance facility. The invoice finance facility bears interest at prevailing market rates and on a rolling loan term. The invoice finance facility is secured via a registered General Security Agreement ("GSA") over all the present and future rights, property and undertaking of Group entities and is used to assist with working capital requirements.

The group applies the AASB 9 simplified approach to measuring 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 30 June 2026 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 30 June 2025 and 30 June 2026 was determined as follows for trade receivables:

30 June 2025	Current	30 Days	60 Days	90 Days	>90 Days	Total ($)
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	298,804	3,531,135	2,774,656	172,231	57,590	6,834,416
Net carrying amount	**298,804**	**3,531,135**	**2,774,656**	**172,231**	**57,590**	**6,834,416**

30 June 2026	Current	30 Days	60 Days	90 Days	>90 Days	Total ($)
Expected loss rate	3%	9%	73%	100%	0%	
Gross carrying amount	2,857,159	1,072,444	198,540	98,994	-	4,227,137
Loss allowance	(95,546)	(104,470)	(145,879)	(98,994)	-	(444,889)
Net carrying amount	**2,761,613**	**967,974**	**52,661**	**-**	**-**	**3,782,248**

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 to make contractual payments for a period of greater than 120 days past due and the failure of a debtor to commit to a repayment plan with the Group or adhere to the terms of an agreed plan.

Credit 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. A credit loss of $444,889 was recognised in the statement of profit or loss for the year ended 30 June 2026 (30 June 2025: nil) in relation to receivables arising from contracts with customers. This credit loss arose in relation to a specific customer who has appointed administrators to review and manage its business process.

16. Cash and cash equivalents

Cash and cash equivalents	30 June 2026 $	30 June 2025 $
Bank balances	938,729	3,065,160

17. Reconciliation of cash flows from operations

Reconciliation of net (loss)/profit after tax to net cash flows from operations	30 June 2026 $	30 June 2025 $
Net (loss)/profit after tax	(20,098,955)	787,166
Non-cash items		
Loss/(profit) on sale of fixed assets / businesses	2,456,907	6,257
Impairment of fixed assets and inventories	4,947,882	-
Depreciation expense	4,133,218	2,579,686
Share based payments expense	511,201	214,008
Equity settlement employment expense	1,230,000	-
Amortisation expense	934,169	1,138,453
Changes in assets and liabilities		
Inventories - decrease / (increase)	90,422	(646,698)
Receivables - decrease / (increase)	3,052,168	(2,204,888)
Other operating assets - (increase) / decrease	(38,568)	125,321
Trade and other creditors - increase / (decrease)	577,304	(2,201,116)
Deferred Consideration - increase / (decrease)	8,314,685	-
Other operating liabilities - (decrease) / increase	379,328	2,336,880
Net cash flow from operating activities	**6,489,760**	**2,135,069**

The only non-cash investing activities is the purchase of capital equipment using asset finance.

The following non-cash financing activities took place during the year ended 30 June 2026:

- the issuance of 430,000,000 ordinary shares (prior to the 30-to-1 share consolidation) to the vendors Blue Hire and Matrix to the value of $2,150,000 (refer to note 18 below);
- the issuance of 4,385,841 ordinary shares (prior to the 30-to-1 share consolidation) to the value of $39,782 pursuant to the exercise of performance rights (refer to notes 18 and 19 below).

18. Share capital

On 1 August 2025, the Company issued a total of 330,000,000 fully paid ordinary shares to the vendors of Blue Hire (at a deemed issue price of $0.005 per share), and a further 100,000,000 fully paid ordinary shares to the vendors of Matrix (at a deemed issue price of $0.005 per share). The number of fully paid ordinary shares issued to the vendors of both Blue Hire and Matrix is prior to the Share Consolidation.

At the Company's Annual General meeting on 27 November 2025, Shareholders approved a consolidation of the Company's issued capital on a 30-to-1 basis, and this consolidation completed on 8 December 2025 (the "Share Consolidation").

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	126,959,537	3,374,390,974	55,866,099	53,690,580

Movement in ordinary share capital

		Shares	Issue price	$
Balance	1 July 2024	2,499,549,000		50,550,630
Issue of shares - Entitlement Offer	20 May 2025	271,017,911	$0.004	1,084,072
Issue of shares - Entitlement Offer	17 June 2025	400,892,467	$0.004	1,603,570
Issue of shares - Entitlement Offer	24 June 2025	202,931,596	$0.004	811,726
Transaction Costs	various	-		(359,418)
Balance	1 July 2025	3,374,390,974		53,690,580
Exercise of performance rights	1 July 2025	2,500,000	$0.004	10,000
Issue of shares to vendors	1 August 2025	430,000,000	$0.005	2,150,000
Share Consolidation (30-to-1)	8 December 2025	(3,679,994,300)		-
Exercise of performance rights	15 December 2025	62,863	$0.027	29,782
Transaction Costs	various	-		(14,263)
Balance	30 June 2026	**126,959,537**		**55,866,099**

19. Reserves

The share-based payments reserve is used to recognise the fair value of performance rights granted to employees but not yet vested.

Share Based Payment Reserve	30 June 2026 No.	30 June 2026 $	30 June 2025 No.	30 June 2025 $
Opening balance	8,455,285	573,859	7,539,128	964,934
Issue of shares				
Exercise of performance rights	(146,195)	(39,782)	-	-
Vesting of performance rights	-	511,201	-	214,008
Performance rights lapsed / cancelled	(4,472,224)	-	(488,400)	(605,083)
Issue of performance rights to employees	3,138,999	-	1,404,557	-
Deferred Consideration - Blue Hire	-	1,230,000	-	-
Transfer to retained earnings - cancelled rights	-	(411,000)	-	-
	6,975,865	**1,864,278**	**8,455,285**	**573,859**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

The grant date fair value of equity instruments granted to employees is recognised as an expense, with a corresponding increase in the equity reserve, over the vesting period. The amount recognised as an expense is adjusted to reflect the number of equity instruments for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of equity instruments that meet the related service and non-market performance conditions at the vesting date.

For equity instruments with non-vesting conditions, the grant date fair value of the equity instruments is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

20. Share-based payments

During the year ended 30 June 2026, share-based payments to key management personnel to the value of $476,217 were recognised in the profit and loss statement (FY2025: $243,832). No share-based payments relating to forfeited performance rights were credited against the profit and loss statement (FY2025: $29,824). The cancellation of Class D performance rights on 30 June 2026 (refer to Terms below) resulted in the acceleration of the remaining expense associated with these Class D performance rights ($98,576). The remaining share-based payments reserve associated with Class D performance rights **(**$411,000) was then transferred to retained earnings.

Also during the year ended 30 June 2026, a share-based reserve of $1,230,000 was put in place to reflect the equity component of deferred consideration associated with the acquisition of Blue Hire.

Valuation of performance rights

The fair value of performance rights expensed in the period has been calculated using an appropriate valuation methodology for each class of performance rights, in accordance with *AASB 2 Share-based Payment*. For performance rights not yet vested at 30 June 2026, the value of the performance rights expensed has been determined in accordance with the portion of the vesting period falling within the reporting period.

The fair value of the rights at grant date was estimated by taking the market price of the Company's shares on that date less the present value of expected dividends that will not be received on their rights during the vesting period.

Details of inputs into valuation models for performance rights expensed in the period are provided below:

Class	Grant Date	Vesting Date	Share Price at Grant Date ($)	Risk-Free Interest Rate	Volatility	Management Probability Assessment at 30 June 2026	Rights Issued During the Period	Value Taken Up During the Period ($)
D	30-Nov-22	30-Nov-27	0.12	3.275%	110%	0%	-	164,400
E	23-Nov-23	30-Jun-26	0.12	N/A	N/A	100%	-	15,927
F	23-Nov-23	30-Jun-26	0.12	N/A	N/A	100%	-	37,163
G	28-Nov-24	30-Jun-26	0.18	N/A	N/A	100%	247,932	50,994
G	28-Nov-24	30-Jun-27	0.18	N/A	N/A	100%	247,932	26,624
H	28-Nov-24	30-Jun-26	0.18	N/A	N/A	100%	578,507	118,987
H	28-Nov-24	30-Jun-27	0.18	N/A	N/A	100%	578,507	62,122
I	27-Nov-25	30-Jun-27	0.15	N/A	N/A	0%	66,362	-
I	27-Nov-25	30-Jun-28	0.15	N/A	N/A	0%	66,362	-
J	27-Nov-25	30-Jun-27	0.15	N/A	N/A	0%	606,250	-
J	27-Nov-25	30-Jun-28	0.15	N/A	N/A	0%	606,250	-
							2,998,102	**476,217**

Terms of performance rights

On achievement of the relevant vesting condition, each performance right converts to one fully paid ordinary share in the Company. The details of performance rights issued during the year ended 30 June 2026, or for which an expense was recognised in the period, are set out below. All unvested performance rights are subject to the overarching provisions of the Company's Incentive Award Plan ("Plan") which require holders to remain an Eligible Participant (as defined in the Plan) in order to benefit from the achievement of the relevant vesting condition, unless otherwise determined by the Board.

<table>
<tr><th>Class</th><th>Vesting Condition</th></tr>
<tr><td>Class D</td><td>40,000,000 Class D Performance Rights will vest on the 20-day volume-weighted average price of the Company's shares exceeding $0.02.

30,000,000 Class D Performance Rights will vest on the 20-day volume-weighted average price of the Company's shares exceeding $0.025.

30,000,000 Class D Performance Rights will vest on the 20-day volume-weighted average price of the Company's shares exceeding $0.03.

30,000,000 Class D Performance Rights will vest on the 20-day volume-weighted average price of the Company's shares exceeding $0.035.

All Class D Performance Rights were cancelled on 30 June 2026 by mutual consent between the Company and the relevant Eligible Participant. As a result, requiring an acceleration of the remaining expense associated with these rights ($98,576).</td></tr>
<tr><td>Class E</td><td>Upon the Group achieving a total recordable injury frequency rate (TRIFR) of below 2.6 for the financial year ended 30 June 2024, 50% of Class E Performance Rights will vest on 30 June 2025 and 50% of Class E Performance Rights will vest on 30 June 2026.</td></tr>
<tr><td>Class F</td><td>Upon the Group achieving earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2024, between 75% and 100% of Class F Performance Rights will vest in accordance with the targets outlined below:

<table><tr><th>Target EPS growth*</th><th>Stretch EPS growth</th><th>% to Vest at Target Performance</th><th>% to Vest at Stretch Performance</th></tr><tr><td>10%</td><td>15%</td><td>75%</td><td>100%</td></tr></table>
Of the total Class F Performance Rights which vest in accordance with the above criteria, 50% of vested Class F Performance Rights will vest on 30 June 2025 and 50% of vested Class F Performance Rights will vest on 30 June 2026. If less than 10% EPS growth is achieved, none of the Class F Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch.

The Board may 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.</td></tr>
<tr><td>Class G</td><td>Upon the Group achieving a TRIFR of below 2.6 for the financial year ended 30 June 2025, 50% of Class G Performance Rights will vest on 30 June 2026 and 50% of Class G Performance Rights will vest on 30 June 2027.</td></tr>
</table>

Class H	Upon the Group achieving earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2025, between 75% and 100% of Class H Performance Rights will vest in accordance with the targets outlined below: **Target EPS growth*** 10% · **Stretch EPS growth** 15% · **% to Vest at Target Performance** 75% · **% to Vest at Stretch Performance** 100% Of the total Class H Performance Rights which vest in accordance with the above criteria, 50% of vested Class H Performance Rights will vest on 30 June 2026 and 50% of vested Class H Performance Rights will vest on 30 June 2027. If less than 10% EPS growth is achieved, none of the Class H Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch. The Board may 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.
Class I	Upon the Group achieving a TRIFR of below 2.6 for the financial year ended 30 June 2026, 50% of Class I Performance Rights will vest on 30 June 2027 and 50% of Class I Performance Rights will vest on 30 June 2028.
Class J	Upon the Group achieving earnings per share (EPS) growth of at least 250% for the financial year ending 30 June 2026, between 75% and 100% of Class J Performance Rights will vest in accordance with the targets outlined below: **Target EPS growth*** 250% · **Stretch EPS growth** 320% · **% to Vest at Target Performance** 75% · **% to Vest at Stretch Performance** 100% Of the total Class J Performance Rights which vest in accordance with the above criteria, 50% of vested Class J Performance Rights will vest on 30 June 2027 and 50% of vested Class J Performance Rights will vest on 30 June 2028. If less than 250% EPS growth is achieved, none of the Class J Performance Rights will vest. Straight-line vesting applies to performance between the target and stretch. The Board may 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.

21. Earnings per share

Net profit used in earnings per share calculations	2026 $	2025 $
Net (loss) / profit from continuing operations attributable to ordinary shareholders	**(20,098,954)**	**787,166**

Weighted average number of ordinary shares	2026	2025
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	125,713,420	83,253,544(1)
Adjustments for calculation of diluted earnings per share:		
Performance rights	-	7,472,095
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	125,713,420	75,781,450
Basic earnings per share	($0.1599)	$0.0095
Diluted earnings per share	($0.1599)	$0.0087

NOTES: (1) On 8 December 2025 the Company completed a consolidation of its issued capital on a 30-to-1 basis, approved by Shareholders at the Company's Annual General Meeting on 27 November 2025. The prior period comparative basic and diluted earnings per share have been restated as if this consolidation had occurred.

(2) The weighted average number of ordinary shares used in the calculation of diluted earnings per share during 2026 has not been adjusted for performance rights due to the Company being in a loss position.

22. Borrowings

Borrowings	30 June 2026 $	30 June 2025 $
Current		
Asset finance facilities	769,199	1,722,739
Insurance premium funding facility	138,384	186,861
Invoice finance facility	1,356,162	5,003,757
Supply chain finance facilities	97,924	386,899
Term loans	4,227,065	762,512
	6,588,734	**8,062,768**
Non-current		
Asset finance facilities	1,196,979	2,256,516
Term loans	13,770,835	2,000,016
	14,967,814	**4,256,532**
Total	**21,556,549**	**12,319,300**

Details of the material contractual terms of the Group's interest-bearing loans and borrowings are provided below:

a) Asset finance

The asset finance facilities bear fixed interest at prevailing market rates (ranging from 4.54% to 9.32%) and are primarily repayable over 1 to 5 years. The asset finance facilities are secured via a registered general security agreement (GSA) over all the present and future rights, property and undertaking of Babylon Operations Pty Ltd and are used by that entity to purchase new and used capital equipment.

b) Insurance premium funding

The insurance premium funding facility bears interest at prevailing market rates and is repayable over 12 months at an annual interest rate of 2.95%. It is used by Group entities to finance insurance premiums.

c) Invoice finance

The invoice finance facility with the National Australia Bank (NAB) bears interest at prevailing market rates and on a rolling loan term. The invoice finance facility is secured via a security interest and charge over all the present and future rights, property and undertaking of Group entities, and a letter of subordination by the Directors of Babylon Operations Pty Ltd. The facility is used to assist with working capital requirements and has a limit of $2,200,000 with interest accruing at 1.50 points above the NAB daily variable rate.

d) Supply chain finance

Babylon Operations Pty Ltd has an amortising trade finance facility provided by Caterpillar Financial Australia Limited, used for the purchase of parts and materials. The facility has a limit of $750,000 with a fixed interest rate of 1.99% p.a. and is secured by a parent-company guarantee.

e) Term loans

On 1 August 2025 the Company announced that, as part of the acquisitions of Blue Hire and Matrix, it had executed agreements with NAB to increase its debt facilities.

This agreement involved NAB providing a facility of approximately $21 million to be used to repay existing NAB terms loans of approximately $2.7 million and provide for acquisition funding and associated fees. The revised facility is to repaid through a 3-year term loan facility with NAB. The new term loan facilities have an interest rate of BBSY +3.5%, with the term loan due to be fully repaid in 2028. The facility will be reviewed annually and is secured by a security interest and charge of the rights, property and undertakings of the respective borrowing entities, and guarantees provided by members of the Babylon Group (refer to ASX release 1 August 2025).

Financial covenants associated with the NAB facility include: Debt Service Cover Ratio of 1.35x; Gross Leverage Ratio of 3.00x reducing to 2.25x on 31 December 2026; and a Shareholder Equity Ratio of 25% increasing to 35% on 31 December 2026.

NAB has waived testing of these covenants, with the Company announcing on 21 July 2026 that it had formalised a variation with NAB in respect of the above debt facilities. The key changes to the Company's debt arrangements include (consistent with the Company's announcement on 24 June 2026): removal of testing of the existing financial covenants; a new minimum EBITDA covenant, tested on a rolling 12-month basis, of $3.0 million (financial year to date) as at December 2026 and $4.0 million (financial year to date) as at March 2027; a permanent debt reduction of $1.2 million by way of cancellation of the invoice finance facility and paydown of the Corporate Markets Loan; and amendment of the expiry date of all facilities to 1 July 2027. This variation remains subject to the Company satisfying the NAB Conditions outlined earlier in this Report.

The Company expects to be in compliance with the new minimum EBITDA covenant at the point of first testing on 31 December 2026.

23. Employee provisions

Employee provisions	30 June 2026 $	30 June 2025 $
Current		
Provision for annual leave	776,976	542,740
Provision for long service leave	124,173	14,925
	901,149	**557,665**
Non-current		
Provision for long service leave	203,731	167,686
Total	**1,104,880**	**725,351**

The annual leave liability is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

24. Trade and other payables

Trade and other payables	30 June 2026 $	30 June 2025 $
Trade payables	3,954,128	4,043,988
Deferred Consideration	8,314,685	-
GST and PAYG withholdings payable	946,171	339,997
Superannuation liability	193,169	235,203
Other payables	932,422	829,398
	14,340,575	**5,448,586**

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 25(e).

25. Financial risk

a) Overview

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk) and operational risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on financial performance of the Group.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Audit and Risk Committee comprises Mr Radin as Chairperson, Mr Maingard and Mr Cullen with Mr Shelby being a standard invitee. A risk register is reviewed and maintained by the Audit and Risk Committee.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The Group's exposure to credit risk is influenced mainly by the individual credit characteristics of each customer. Management has established a credit policy under which new customers and counterparties to transactions are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the use of external ratings, when available, with such monitoring used in assessing receivables for impairment. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses are grouped based on shared credit risk characteristics and the days past due. Further information on the Group's approach to trade receivables is included in note 15 above.

d) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The credit risk on liquid funds is limited because the counterparties are banks with a minimum credit rating of AA assigned by reputable credit rating agencies. The Group's maximum exposure to credit risk at the reporting date was:

Exposure to credit risk	30 June 2026 $	30 June 2025 $
Cash and cash equivalents	1,048,729	3,065,160
Trade receivables	3,782,248	6,834,416
Deposits	-	29,039
	4,830,977	**9,928,615**

e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

	Weighted average interest rate	*1 year or less*	*Between 1 and 2 years*	*Between 2 and 5 years*	*Over 5 years*	*Contractual undiscounted cash flows*
30 June 2026	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	0.00%	4,064,128	-	-	-	4,064,128
Other payables	0.00%	10,713,592	-	-	-	10,713,592
Interest-bearing – variable						
Invoice finance facility	11.40%	1,356,162	-	-	-	1,356,162
Term loans	9.39%	1,250,000	16,747,900	-	-	17,997,900
Interest-bearing – fixed rate						
Premium funding	2.95%	138,384	-	-	-	138,384
Asset finance facilities	7.30%	769,199	816,282	380,698	-	1,966,179
Supply chain facilities	1.99%	97,924	-	-	-	97,924
Lease liabilities	7.50%	751,763	663,816	1,660,505	260,580	3,336,664
Total non-derivatives		**19,141,152**	**18,227,998**	**2,041,203**	**260,580**	**39,670,933**

	Weighted average interest rate	*1 year or less*	*Between 1 and 2 years*	*Between 2 and 5 years*	*Over 5 years*	*Contractual undiscounted cash flows*
30 June 2025	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	0.00%	4,043,988	-	-	-	4,043,988
Other payables	0.00%	1,404,598	-	-	-	1,404,598
Interest-bearing – variable						
Invoice finance facility	11.40%	5,003,757	-	-	-	5,003,757
Term loans	5.90%	762,512	762,512	1,240,504	-	2,765,528
Interest-bearing – fixed rate						
Premium funding	3.80%	186,681	-	-	-	186,681
Asset finance facilities	7.30%	1,722,739	999,010	1,257,506	-	3,979,255
Supply chain facilities	5.30%	386,899	-	-	-	386,899
Lease liabilities	7.50%	751,763	663,816	1,660,505	260,580	3,336,664
Total non-derivatives		**14,262,937**	**2,425,338**	**4,158,515**	**260,580**	**21,107,370**

f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

g) Currency risk

The Group is exposed to currency risk on purchases of spare parts and plant and equipment that are denominated in US dollars (USD). The Group uses forward exchange and participating forward exchange contracts to manage currency risk; no forward exchange contracts were in use at 30 June 2026 (30 June 2025: nil). Profit and loss on the foreign currency transactions are recorded within other expenses in the profit and loss statement.

h) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments which primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents. The Group manages its exposure to changes in interest rates on borrowings by using a mix of fixed and floating rate debt. The Directors monitor the Group's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. As at 30 June 2026, no surplus funds are placed on deposit earning higher interest (30 June 2025: $329,692).

A reasonably possible decrease (or increase) in the interest rate of 50 basis points would result in a decrease (or increase) in profit of $89,990 (2025: $38,846 on 50 basis points movement).

i) Profile

At the reporting date the interest rate profile of the Group's variable interest-bearing financial instruments was:

Variable rate instruments	30 June 2026 $	30 June 2025 $
Financial assets	938,729	3,065,160
Financial liabilities	(24,189,279)	(15,655,964)
	(23,250,550)	**(12,590,804)**

Capital management

The Board's policy is to maintain adequate capital so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's debt and capital structure includes ordinary share capital and loans and borrowings. The Group is not subject to externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

As shown below, and presented in the Group's Statement of Financial Position, the Group has a negative capital position of $310,926 as at 30 June 2026. Subsequent to year end, and as outlined further in Note 29, the Group has announced a number of measures to address its capital position and improve its debt-to-capital ratio. This includes the Rights Issues explained further in Note 29.

The Group's debt-to-adjusted capital ratio at the end of the reporting period was as follows:

Debt-to-capital ratio	30 June 2026 $	30 June 2025 $
Total liabilities	39,634,734	21,829,901
Less: cash and cash equivalents	(938,729)	(3,065,160)
Net debt	38,696,005	18,764,741
Total capital	(992,449)	15,229,567
Debt-to-capital ratio	**(38.99)**	**1.23**

j) Fair values

(i) Trade and other receivables and trade and other payables

Trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(ii) Borrowings

For borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

(ii) Fair value hierarchy

Financial instruments carried at fair value are determined by valuation level, as determined in accordance with the relevant accounting standard. The different levels have been defined as:

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

There have been no transfers between levels during the current or prior year.

26. Related parties

a) Key management personnel remuneration

Remuneration	2026 $	2025 $
Short term benefits	1,461,350	1,275,174
Share based payments	476,217	309,100
Post-employment benefits	119,810	94,476
Total	**2,057,377**	**1,678,750**

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

a) Other key management personnel and director transactions

During the year ended 30 June 2026, the Group procured goods and services to the value of $29,193 (inclusive of GST) from Mindustry Solutions Pty Ltd, a related party of Mr Maingard (FY2025: $378,083). The transactions were made on arm's length commercial terms.

During the comparative period ended 30 June 2025, the Group received proceeds of a total of $1,650,000 from short-term loan agreements with key management personnel and related parties (FY2026: nil). Proceeds of $600,000 were received from Mr Patrick Maingard and $1,050,000 from an entity associated with Mr Frank Ashe. The loans were issued at market interest rates and made on normal commercial terms, and repaid in full during the year ended 30 June 2025.

There were no other transactions with key management personnel and related parties during the year (FY2025: Nil).

b) Subsidiaries

All loans and receivables between Group entities are eliminated on consolidation and are interest free with no set repayment terms.

27. Group entities

Entity	Entity Type	Country of incorporation	Ownership interest	
			30 June 2026	30 June 2025
Parent entity				
Babylon Pump & Power Limited	Body Corporate	Australia	N/A	N/A
Significant subsidiaries				
Babylon Operations Pty Ltd	Body Corporate	Australia	100%	100%
Primepower Queensland Pty Ltd	Body Corporate	Australia	100%	100%
BPY Holdings Pty Ltd	Body Corporate	Australia	100%	N/A
Matrix Hydro Services Pty Ltd	Body Corporate	Australia	100%	N/A
RBH Engineering Pty Ltd	Body Corporate	Australia	100%	100%
Pilbara Trucks Pty Ltd	Body Corporate	Australia	N/A	100%

28. Dividends

No amounts were paid, declared or recommended by the Group by way of dividend in the year ended 30 June 2026 (FY2025: nil).

29. Subsequent events

On 9 July 2026, the Company requested, and was granted, an extension of the suspension of its securities until the release of an announcement confirming the completion of the Capital Raise or the commencement of trading on 31 August 2026.

On 13 July 2026, the Company announced that it had raised $400,000 under convertible loans from entities associated with Non Executive Chairman Jamie Cullen and 8.7% shareholder Byron Ynema, with up to a further $600,000 to potentially be raised from other major shareholders and investors (Convertible Loans). Funds will be used for short-term working capital while the Capital Raise is undertaken. The Convertible Loans are unsecured, convertible at the lender's election1 at the same issue price, and at the same time, as Shares issued under the Capital Raise (subject to a floor of $0.05) (Conversion Price), accrue 11.0% pa interest, are repayable (with interest) on 3 July 2027 and can be repaid early if not fully converted by 31 October 2026.

On 21 July 2026, the Company announced the launch of a pro rata non-renounceable rights issue (Rights Issue) as part of its proposed recapitalisation initiatives, following the update provided to ASX on 13 July 2026. The Rights Issue, to be undertaken under a prospectus lodged with ASIC on 21 July 2026, will seek to raise up to approximately $12,695,954 (before costs) through the issue of up to 253,919,074 Shares, on the basis of two (2) Shares for every one (1) Share held, at an issue price of $0.05 per Share (Issue Price), representing a ~37.5% discount to the 10 day VWAP up to 19 April 2026 the last day the Company's Shares were traded before being suspended. The Company has appointed Leeuwin Wealth Pty Ltd (Leeuwin Wealth) and Cumulus Wealth Pty Ltd (Cumulus Wealth) as Joint Lead Managers and corporate advisors to the Rights Issue and Leeuwin Wealth has been appointed as partial underwriter for $7.27 million of the Rights Issue. The Rights Issue provides eligible shareholders with the opportunity to participate in Babylon's recapitalisation and support its transition to a focused, better-capitalised water management rental business. The Rights Issue has a Minimum Subscription of 145,400,000 Shares, anticipated to comprise $2,500,000 of cash subscriptions and $4,770,000 of debt converted to equity.

Also on 21 July 2026, the Company announced that it had formalised a variation with NAB in respect of its existing debt facilities. The key changes to the Company's debt arrangements include (consistent with the Company's announcement on 24 June 2026): removal of testing of the existing financial covenants; a new minimum EBITDA covenant, tested on a rolling 12-month basis, of $3,000,000 as at December 2026 and $4,000,000 as at March 2027; a permanent debt reduction of $1,200,000 by way of cancellation of the invoice finance facility and paydown of the Corporate Markets Loan; and amendment of the expiry date of all facilities to 1 July 2027. This variation remains subject to the Company satisfying the NAB Conditions outlined above.

On 29 July 2026, the Company announced that it had executed a Share Purchase Agreement with Maximor Nominees Pty Ltd, trading as Westralian Diesel, for the sale of 100% of the issued share capital in Primepower Queensland Pty Ltd ("PPQ"). This transaction provides an exit for the Company from the maintenance segment, and represents a further milestone in Babylon's strategic transformation and sharpens the Company's focus on its core water management rental business. This transaction, completed on 31 July 2026, also satisfies one of the NAB Conditions.

There are no other significant matters subsequent to the end of the financial year.

30. Auditors' remuneration

Auditors' remuneration	2026 $	2025 $
Audit services		
Audit and review of financial reports	132,480	120,400

31. Parent entity disclosures

Financial position	30 June 2026 $	30 June 2025 $
Current assets		
Current assets	1,010,428	1,164,255
Non-current assets	26,504,080	13,339,256
Total assets	**27,514,508**	**14,503,511**
Liabilities		
Current liabilities	15,086,533	1,489,815
Non-current liabilities	13,884,825	68,040
Total liabilities	**28,971,358**	**1,557,855**
Net assets	**(1,456,850)**	**12,945,656**
Equity		
Share capital	55,836,326	53,690,589
Reserves	709,444	573,859
Accumulated losses	(58,002,620)	(41,318,792)
Total equity	**(1,456,850)**	**12,945,656**

Financial performance	2026 $	2025 $
Loss for the year	(16,713,610)	(2,569,076)
Other comprehensive income	-	-
Total comprehensive loss	**(16,713,610)**	**(2,569,076)**

a) Guarantees provided in relation to parent-entity accounting policies

Babylon Pump & Power Limited provides a parent-company guarantee in respect to asset finance, invoice finance and trade finance facilities established by Babylon (see note 22).

b) Accounting policies

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

c) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost.

32. Contingencies and capital commitments

There are no other contingencies or capital commitments as at 30 June 2026 (30 June 2025: nil).

Consolidated Entity Disclosure Statement
As at 30 June 2026

The Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The statement includes certain information for each entity that was part of the consolidated entity at 30 June 2026 in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295(3B)(a) of the *Corporations Act 2001* defines Australian resident as having the meaning in the *Income Tax Assessment Act 1997.* The determination of tax residency may involve judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the Company has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Entity	Type	Share Capital Held	Country of incorporation	Australian resident
Parent entity				
Babylon Pump & Power Limited	Body Corporate	100%	Australia	Yes
Significant subsidiaries				
Babylon Operations Pty Ltd	Body Corporate	100%	Australia	Yes
Primepower Queensland Pty Ltd	Body Corporate	100%	Australia	Yes
BPY Holdings Pty Ltd	Body Corporate	100%	Australia	Yes
Matrix Hydro Services Pty Ltd	Body Corporate	100%	Australia	Yes
RBH Engineering Pty Ltd	Body Corporate	100%	Australia	Yes

Directors' declaration

For the year ended 30 June 2026

1 In the opinion of the directors of Babylon Pump & Power Limited:

(a) the Group's financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance, for the financial period ended on that date; and

(ii) complying with Australian Accounting Standards (including Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the financial report also complies with International Financial Reporting Standards as set out in note 2(a);

(c) the remuneration disclosures that are contained in the remuneration report in the directors' report comply with AASB 124 Related Party Disclosures, the *Corporations Act 2001* and the Corporations Regulations 2001.

(d) there are reasonable grounds to believe that the Group will be able to pay its debts and when they become due and payable; and

(e) the consolidated entity disclosure statement included in this report is true and correct.

2 The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* for the year ended 30 June 2026.

Signed in accordance with a resolution of the directors:

James Cullen

Non-Executive Chairman

Michael Shelby

Managing Director

Dated at Perth this 31st day of August 2026

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Babylon Pump & Power Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Babylon Pump & Power Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 (f) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Assessment

Key audit matter	How the matter was addressed in our audit
Note 12 of the financial report discloses the carrying value of goodwill and the assumptions which have been used by the Group in testing for impairment. As required by Australian Accounting Standards, the Group has performed an annual impairment assessment for the cash generating unit (“CGU”) to which goodwill has been allocated to determine whether the recoverable amount exceeds or is below the carrying amount. Impairment testing of goodwill was assessed as being a key audit matter as management’s assessment of the recoverable amount is based on value in use (“VIU”) cash flow forecast which requires estimates and judgement about future financial performance.	Our procedures included, but were not limited to the following: • Assessing the appropriateness of the Group’s categorisation of Cash Generating Unit (“CGU”) and the allocation of assets to the CGU based on our understanding of the Group’s business and the Group’s internal reporting; • Challenging key inputs used in the value in use calculations including the following: ○ In conjunction with our valuation specialist, assessing the appropriateness of the discount rate utilised by management; ○ Assessing the Group’s forecasted cash flows are consistent with our knowledge of the business, board approved budget and corroborating our work with external information where possible; ○ Comparing growth rates with historical rates and industry data; and ○ Performing sensitivity analysis on the key assumptions. • Assessing the adequacy of the disclosures within the financial report.

Acquisition of BPY Holdings Private Limited & Matrix Hydro Service Private Limited

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
As disclosed in Note 12.1 the Group completed the acquisitions of Blue Hire and Matrix Hydro Services on 1 August 2025.

The accounting for the acquisitions were considered a key audit matter due to:

The significance of the transactions to the financial statements.
The complexity involved in applying AASB 3 Business Combinations.
The judgements required in determining whether the acquired assets and activities constitute a business.
The estimation uncertainty associated with determining the fair values of identifiable assets acquired and liabilities assumed, including the identifiable intangible assets.
The resulting calculation of goodwill arising on acquisition.
The estimates and judgments involved in determining the fair value of consideration transferred, including contingent and deferred consideration.

</td><td>
Our procedures included, but were not limited to the following:

Inspected the sale and purchase agreements to verify the costs of the acquisitions and assess the accounting impact of any conditions relating to the acquisitions.
Reviewing management’s acquisition workings and assessing the assumptions and inputs relating to each of the transactions;
Reviewing external third-party expert valuation reports on the fair value of plant and equipment acquired, comparing this to the balance that was brought on to the balance sheet on date of acquisition;
Obtaining management’s position paper on the acquisitions, detailing any assumptions and key terms of each agreement, ensuring it was in accordance with AASB3;
Compared the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information of the acquired businesses.
Assessed and reviewed the composition of the purchase price as included in the share purchase agreement which included the review of the existence of any contingent considerations in respect of the contractual personal arrangements booked at acquisition date and reporting date, including the acccounting for contingent consideration in the form of shares or cash.
Reviewing amendments to the deferred consideration arrangements announced to the market and assess the resulting accounting and disclosure implications within the acquisition accounting.
Auditing opening balances acquired as part of the business combinations and assess the identification and valuation of acquired intangible assets
Evaluating the tax implications arising from the acquisitions and the finalisation of the purchase price allocation and acquisition accounting.
Assessing the adequacy of disclosures within the financial report.

</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 21 of the directors' report for the year ended 30 June 2026

In our opinion, the Remuneration Report of Babylon Pump & Power Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 31 August 2026

Corporate Governance Statement

For the year ended 30 June 2026

Babylon Pump & Power Limited has established a strong governance framework and continues to be committed to a high level of integrity and ethical standards in all its business practices.

Effective and transparent corporate governance is of critical importance to Babylon Pump & Power Limited and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's 4th edition of Corporate Governance Principles and Recommendations.

The Corporate Governance Framework continues to evolve as it seeks continual improvement in the way it conducts its business. Further details on Babylon Pump & Power Limited's governance principles can be found in the Company's Corporate Governance Statement which is available at www.babylonpumpandpower.com.

ASX Additional Information

For the year ended 30 June 2026

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 31 August 2026.

1. Substantial holders

The below information is provided in accordance with Listing Rule 4.10.4.

Substantial Holder	Shares Held at Date of Last Notice	% Issued Share Capital at Date of Last Notice
Mr Geoffrey Frederick Lord and Associates	31,486,953	10.52%
Cumulus Wealth Pty Ltd and Associates	15,397,409	5.14%
Mr Byron Peter Ynema and Associates	11,000,000	3.67%

2. Holders of equity securities

The below information is provided in accordance with Listing Rules 4.10.5 and 4.10.16.

Class of Equity Securities	Securities on Issue	No. of Holders
BPP: fully paid ordinary shares	285,044,179	783
BPP: fully paid ordinary shares – escrowed	14,333,334	4
BPPAI: Class E performance rights expiring 19 March 2028	624,840	5
BPPAJ: Class F performance rights expiring 19 March 2028	1,457,962	5
BPPAK: Class G performance rights expiring 18 March 2029	730,625	6
BPPAL: Class H performance rights expiring 18 March 2029	1,704,792	6
BPPAO: Class I performance rights expiring 1 December 2029	134,723	4
BPPAP: Class J performance rights expiring 1 December 2029	1,212,500	4

All unquoted equity securities were issued pursuant to employee incentive schemes.

3. Voting rights attaching to equity securities

All fully paid ordinary shares carry one vote each.

4. Distribution schedules

The below information is provided in accordance with Listing Rule 4.10.7.

BPP: fully paid ordinary shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	156	31,555	0.01%
above 1,000 up to and including 5,000	127	349,794	0.12%
above 5,000 up to and including 10,000	73	520,768	0.18%
above 10,000 up to and including 100,000	226	8,859,024	3.11%
above 100,000	201	275,283,038	96.58%
Totals	**783**	**285,044,179**	**100.00%**

BPP: fully paid ordinary shares (escrowed)

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	0	0	0.00%
above 100,000	4	14,333,333	100.00%
Totals	**4**	**14,333,333**	**100.00%**

BPPAI: Class E performance rights expiring 19 March 2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	3	125,000	20.01%
above 100,000	2	499,840	79.99%
Totals	**5**	**624,840**	**100.00%**

BPPAJ: Class F performance rights expiring 19 March 2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	1	58,333	4.00%
above 100,000	4	1,399,628	96.00%
Totals	**5**	**1,457,961**	**100.00%**

BPPAK: Class G performance rights expiring 18 March 2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	3	125,000	17.11%
above 100,000	3	605,625	82.89%
Totals	**6**	**730,625**	**100.00%**

BPPAL: Class H performance rights expiring 18 March 2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	3	291,667	17.11%
above 100,000	3	1,413,126	82.89%
Totals	**6**	**1,704,793**	**100.00%**

BPPAM: Class I performance rights expiring 1 December 2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	2	27,778	20.62%
above 100,000	1	106,945	79.38%
Totals	**3**	**134,723**	**100.00%**

BPPAN: Class J performance rights expiring 1 December 2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00%
above 1,000 up to and including 5,000	0	0	0.00%
above 5,000 up to and including 10,000	0	0	0.00%
above 10,000 up to and including 100,000	0	0	0.00%
above 100,000	3	1,212,500	100.00%
Totals	**3**	**1,212,500**	**100.00%**

5. Unmarketable parcel

Based on a market price of $0.077 per share, 310 shareholders held less than a marketable parcel of securities.

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6. Twenty largest holders of quoted equity securities

The below information is provided in accordance with Listing Rule 4.10.9.

#	Holder Name	Holding	% IC
1	ROYAL HAZE PTY LTD <LISTER PUMP A/C>	76,456,800	25.54%
2	BYRON PETER YNEMA	34,543,200	11.54%
3	G & N LORD SUPERANNUATION PTY LTD <GNR SUPERANNUATION FUND A/C>	20,791,194	6.94%
4	BELGRAVIA STRATEGIC EQUITIES PTY LTD	17,022,330	5.69%
5	BONEYARD INVESTMENTS PTY LTD	11,443,674	3.82%
6	TH ROSE & SONS PTY LTD	5,088,905	1.70%
7	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	4,987,713	1.67%
8	DARMAL PTY LIMITED	4,725,000	1.58%
9	JASPER HILL RESOURCES PTY LTD <AR CONSTANTINE FAMILY A/C>	3,783,808	1.26%
10	ROCKSTONE ENTERPRISES PTY LTD <O'DONNELL SUPER A/C>	3,668,382	1.23%
11	RESOURCE WATER GROUP PTY LTD	3,358,209	1.12%
12	FINCLEAR SERVICES NOMINEES PTY LIMITED <ACCUM A/C>	3,338,334	1.12%
13	KAHALA HOLDINGS PTY LTD <KILAUEA SUPER FUND A/C>	3,325,998	1.11%
14	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <THE DALY FAMILY SUPER A/C>	3,132,067	1.05%
15	MR GEOFFREY FREDERICK LORD	2,742,745	0.92%
16	YANBIAN PTY LTD	2,041,815	0.68%
17	MR CHARLES FARQUHARSON & MRS JAYNE FRANKLIN FARQUHARSON <C & J FARQUHARSON S/F A/C>	2,000,000	0.67%
18	RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	1,884,344	0.63%
19	CHESAPEAKE CAPITAL LTD	1,843,167	0.62%
20	BLAIR WILLIAM MCDIARMID	1,666,667	0.56%
20	MICHAEL RUPERT TOWNLEY	1,666,667	0.56%
	Total	**209,511,019**	**69.98%**
	Total issued capital - selected security class(es)	**299,377,513**	**100.00%**

7. Securities subject to escrow

A total of 14,333,333 fully paid ordinary shares are subject to voluntary escrow, being part consideration for the Company's acquisition of Matrix Hydro Services Pty Ltd ("Matrix") and BPY Holdings Pty Ltd (trading as Blue Hire) ("Blue Hire") (refer Note 29 to the financial statements). The escrow period for 3,333,333 fully paid ordinary shares held by the vendors of Matrix ends on 1 April 2027 (being 18 months from the date of issue) and the escrow period for 11,000,000 fully paid ordinary shares held by Blue Hire ends on 1 August 2027 (being 24 months from the date of issue).

8. On-market buy-back

There is no current on-market buy-back.