



BABYLON
PUMP & POWER LTD



INVESTOR PRESENTATION

Restructuring, Repositioning and Refocused

31 May 2022

(ASX:BPP)

IMPORTANT NOTICE AND DISCLAIMER



This presentation has been prepared by Babylon Pump & Power Limited ("**Babylon**") (ASX: BPP) for information purposes only.

This presentation is not a product disclosure statement or prospectus for the purposes of the Australian *Corporations Act 2001* (Cth), nor does it constitute financial product or investment advice or a recommendation, offer or invitation by any person or to any person to sell, purchase or otherwise invest in securities in BPP in any jurisdiction. Neither this presentation nor anything in it shall form the basis of any contract or commitment.

This presentation contains general information only and does not take into account the investment objectives, financial situation and particular needs of individual investors. Investors should make their own independent assessment of the information in this presentation and obtain their own independent advice from a qualified financial adviser, lawyer, accountant, tax or such other adviser as considered appropriate having regard to their objectives, financial situation and needs before taking any action.

The information in this presentation includes historic information about the performance of BPP and securities in BPP. That information is historic only, and is not an indication or representation about the future performance of BPP or securities in BPP. You should not place undue reliance on any such information.

No representation or warranty, express or implied, is given as to the accuracy, completeness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement, contained in this presentation. Nor is any representation or warranty, express or implied, given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, forward-looking statements or potential returns contained in this presentation. Forward-looking statements include, but are not limited to, information which reflects management's expectations regarding BPP's future growth, results of operations (including, without limitation, capital expenditures), performance (both operational and financial) and business prospects and opportunities. Often, forward-looking statements include words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forecasts, forward-looking statements or potential returns only reflect subjective views held by BPP, and are based on certain assumptions made by BPP, as at the date specified in the relevant information and are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of BPP. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that forward-looking statements will prove to be accurate. Actual events and results may vary from the events or results expressed or implied in such statements. Given these uncertainties, you should not place undue reliance on any such statements

Subject to any continuing obligations under applicable law or any stock exchange listing rules, in providing the information in this presentation, BPP does not undertake any obligation to publicly update or revise any forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

To the maximum extent permitted by law, BPP and its related bodies corporate, directors, officers, employees, advisers and agents disclaim all liability and responsibility (including without limitation any liability arising in negligence, statute or otherwise) for any direct or indirect loss or damage which may arise or be suffered by any person through use or reliance on anything contained in, or omitted from, this presentation. An investment in BPP securities is subject to investment and other known and unknown risks, some of which are beyond the control of BPP. BPP does not guarantee any particular rate of return or the performance of BPP securities.

The distribution of this presentation including in jurisdictions outside Australia, may be restricted by law. Any person who receives this presentation must seek advice on and observe any such restrictions.

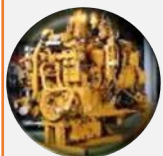
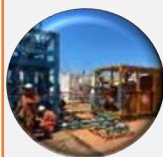
❑ **SPECIALIST MINING SERVICES COMPANY** **PROVIDING CRITICAL SOLUTIONS TO BLUE CHIP CLIENTS**

An established business foundation



Three core businesses:

- Specialty equipment rental;
- Specialty services (high pressure water and abrasive blasting); and
- Asset maintenance & rebuild services for mining equipment



Strong revenue growth since inception

+95%p.a. revenue growth from <\$2M in FY18 to c\$29M in FY22(f)

36% increase in FY22(f) revenue on FY21

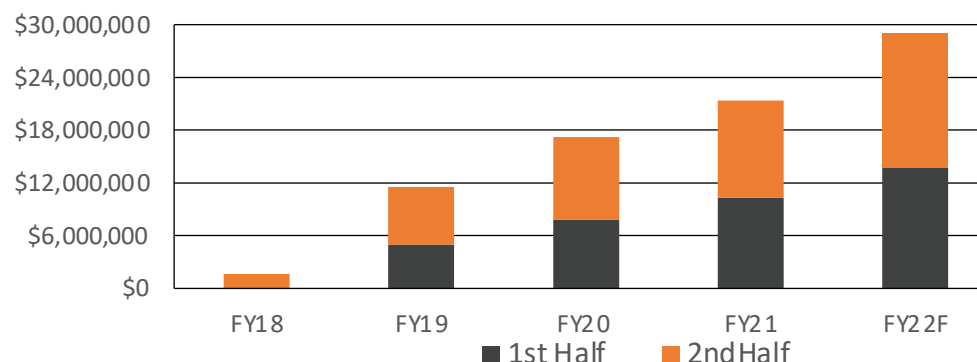
Driving Profitability & Shareholder Value

Strategic pivot to higher margin businesses with enhanced focus now on equipment rental and industrial services

Key Appointment To Drive Profitability

New Independent Non-Executive Chairman with extensive rental and mining services experience to drive strategic pivot to higher margins and higher profitability

Total Revenue



❑ STRATEGIC REVIEW AND REPOSITIONING

Strategic review of the BPP business has identified opportunities to deliver growth and improve margins

Refocus on higher margin specialty equipment rental and services

- Increase focus on water management and power generation assets servicing resource sectors
- Expand environmental and industrial services
- Refocus lower margin asset maintenance capacity to support rental operations

Enhance governance and strengthen Board

- Company growth has achieved scale to split Chairman and Managing Director roles
- Recent Board appointments to enhance resource sector rental experience

Align Board and key management with shareholders

- A new performance rights plan will be proposed at the next shareholder meeting
- The proposed new plan will provide for performance rights at share prices of 2.0c, 2.5c, 3.0c and 3.5c

Targeted Business Acquisitions

- Several prospects identified; in advanced negotiation phase on two in mine water management space; early discussions on another two
- Increased talent on Board will support acquisition strategy

NEW LOOK BOARD



Jamie Cullen
Non-Executive Chairman

RECENTLY APPOINTED

- CEO of Pacific Energy since 2015 – One of Australia's largest providers of sustainable distributed energy to remote mines and townships
- Previously CEO of Resource Equipment Ltd (2008-2014) and PCH Group Ltd (1995-2007)
- All three were ASX listed resource sector service companies until being acquired under takeover transactions
- Extensive commercial and practical experience in growing businesses domestically and internationally, both organically and through acquisitions
- Qualified Chartered Accountant, FAICD and member of Governance Institute of Australia; Prior to CEO roles was finance executive in USA and with PwC in Australia and the USA
- Waiving Board fees in return for a performance rights plan based on share price performance to fully align with shareholder interests



Michael Shelby
Managing Director

- Co-founder of Babylon in February 2017
- Over two decades of experience in oil & gas, mining and specialty rental markets spanning commercial, technical and project management roles
- Previously GM at Resource Equipment Ltd, primarily responsible for growing the oil & gas water management service business from inception until its takeover in 2015
- Holds a Bachelor of Science in Chemical Engineering from Louisiana State University
- MBA from Melbourne Business School and member of AICD



Patrick Maingard
Executive Director

- Co-founder of Babylon in February 2017
- Over 30 years of management experience with a strong SME background with Director and Managing Director portfolios
- Previously Director/co-owner of plastics manufacturing business Omni with key customers including Bunnings, Reece Plumbing, Masters, Australian Defense Force, Constellation Wines and Matrix Asia Pacific
- MSc Management from Oxford University and member of AICD



Louise Bower
Non-Executive Director

- Appointed October 2021
- Chartered Accountant with 27 years' experience in senior executive roles across various industry sectors and jurisdictions including Australia, South Africa and the United Kingdom
- Non-Executive Director of DUG Technology Ltd (ASX: DUG) - a technology company providing high-performance computing with a strong foundation in applied physics.
- Chair of Risk and Audit Committee



Michael Kenyon
Non-Executive Director &
Company Secretary

- Extensive senior finance experience with a range of private and public companies over the past 24 years
- Previously CFO of Pacific Energy prior to its \$470m takeover by QIC in 2019 and before that CFO of Resource Equipment
- Currently CFO and Company Secretary for Resource Development Group (ASX:RDG) and WA Kaolin (ASX:WAK)
- Bachelor of Business, Chartered Accountant, Graduate of AICD and of the Governance Institute of Australia.



FOCUS ON RENTAL INCOME AND WATER MANAGEMENT SOLUTIONS

Rental assets continue to deliver higher margins for BPP with consistent high levels of rental asset utilisation by major resource sector clients – strategic equipment purchases will expand specialist fleet

EXPANDING THE RENTAL BUSINESS

- ▶ Specialist nature of rental assets presents opportunity to capitalise on favourable industry dynamics through greater internal resourcing and selective strategic acquisitions.
- ▶ Specific growth initiatives include:
 - expand specialist rental fleet of water management and power generation assets servicing resource sectors
 - increase capabilities in groundwater management
 - expand environmental and industrial services business (via wholly-owned subsidiary Ausblast)
 - repurpose lower-value asset maintenance capacity towards rental operations

EXPANDING INTO ADJACENT SECTORS

- ▶ Rental expansion will assist Babylon expand future industry focus by moving up the value chain with potential to introduce:
 - environmentally sustainable solutions to support client ESG and NZE targets
 - explore water services adjacencies in natural resources sector (e.g. hydrogen production requires H₂O)

❏ SPECIALTY RENTAL FLEET AND WATER MANAGEMENT DRIVERS

- ▶ Virtually all mines experience water issues – too little or too much
- ▶ Estimated that > 70% of mines in Australia have water ingress issues (rain or subterranean)
- ▶ Water management/dewatering is “Mission Critical” for mines and must be dealt with
- ▶ Requirement is further driven by increasingly stringent environmental regulations and ESG considerations
 - increasing obligation on miners to contain and manage water (ground & rain)
 - restrictions on ability to discharge water off site (restrictions on timing and amount) – therefore water must be captured and managed on site

- ▶ Other key factors:
 - Australia hosts some of the world’s oldest and deepest mines. As mines deepen, issues typically become more complex (eg more water, changing flow rates, increased discharge pressure requirements, changing water qualities)
 - this requires larger and more sophisticated systems and considerable expertise in selection, design and set up
 - while new and expanding mines form the target market re-established mines are also a key customer
 - if dewatering has not occurred during care & maintenance significant work is required to remove water and restart mining

❑ SIGNIFICANT BASE OF RENTAL AND INDUSTRIAL SERVICES

CURRENT CONTRACTS

Select rental and industrial service engagements already managed by BPP

- Power generation with BHP Iron Ore
- Water management and power generation with BHP Nickel West
- Pumping with Mt Gibson Koolan Island and Citic Pacific Sino Iron Project
- Power generation with Vestas Australian Wind Technology
- One Year Trial Contract for Services with Alcoa
- Recurring equipment rental and services to major industrial service companies such as Cleanaway, Suez and Veolia
- Recurring works in the Pilbara on Rio Tinto and FMG sites
- Recurring industrial service work with Pilbara based lithium miner

OPPORTUNITIES

Outstanding opportunities identified to expand works with existing clients as well as new opportunities in gold, nickel and iron sectors

- 12-month highwall pump rental for internationally listed miner
- Sale and rental of assisted evaporation with power generation for listed major miner
- Multiple pressure pumping and offshore water supply projects in oil & gas sector
- Equipment and site dewatering service for listed mining company
- High pressure water blasting and vacuum works to support for majors in multiple upcoming shutdowns

❑ SIMPLE REPURPOSING PLAN FOR ASSET MAINTENANCE SERVICES

Engine maintenance and rebuild services has provided base, structure and introduction to clients

- Three-year contract extension with Alcoa
- Three-year contract with two-year extension with Rio Tinto
- Three-year contract with one year extension option with Premier Coal
- Recurring maintenance works for significant leading miners and service companies including:
 - Citic Pacific
 - BHP,
 - South 32
 - FMG
 - Griffin Coal
 - Macmahon

- ▶ Established workforce, supply chains and workshops will be transitioned to support Babylon's asset rental operations to further improve margins
- ▶ Continue to execute profitable maintenance contracts while progressively reducing exposure and redeploying capital and capability to rental and industrial services

❑ A CORE PARTNER TO RESOURCE SECTOR LEADERS



Babylon services the iron ore, gold, nickel, and oil & gas sectors with significant opportunities in infrastructure, alternative energy and other commodities in Western Australia and in Queensland through its subsidiary Primepower QLD.



CORPORATE SNAPSHOT

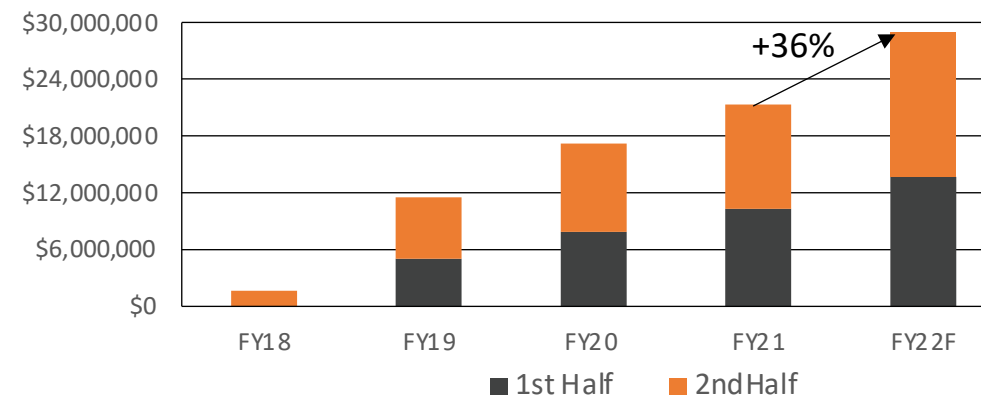
ASX Code: BPP	
Ordinary Shares	1,151m
*Performance Rights	130m
Market cap (@ 1.0 cents)	\$11.5m
Average Monthly Volume (shares)	29.5m
Top 20 Holdings	46%
Cash & Undrawn Debt Facilities (as at 31 March 2022)	\$3.2m

*Proposed to be cancelled and replaced with alignment to share price

Financial Snapshot	Q3 FY22 (\$M)	Q3 FY21 (\$M)	% Change on Q3 FY21
Cash Receipts	\$7.2	\$2.8	+156%
Operating Cash Flow	\$1.1	-\$3.2	+134%

Substantial & Major Shareholders	
G & N Lord Superannuation Pty Ltd & other entities controlled by Geoff Lord	17.4%

Total Revenue



Share Price Performance & Volume



INVESTMENT HIGHLIGHTS

- ▶ 36% increase in FY22(F) revenue on FY21
- ▶ Strengthened board with independent Non-Executive Chairman
- ▶ Refocussed on high margin operations with rationalisation of lower margin maintenance services
- ▶ Leveraging the strong outlook for Australian mining sector with opportunities generated from:
 - Mines with complex water issues
 - Environmental regulations and requirements
 - Capital restrictions
- ▶ Advanced discussions with potential acquisitions that are highly complementary to existing business units
 - Investment in assets to support growth in higher margin rental segment
 - Expansion into groundwater management services



Selected Clients





Babylon Pump & Power Limited

74 Harrison Road
Forrestfield WA 6058

Michael Shelby | Managing Director

mshelby@babylonpumpandpower.com