

**ASX Release**

21 December 2023

**Positive Trading Update and Variation of Agreement**

With the end of the first half of the financial year approaching, Babylon Pump & Power Limited (“Babylon” or the “Company”) (ASX:BPP) is pleased to provide a trading update and information on a favourable variation to the payment terms for the acquisition of Resource Water Group (“RWG”).

**Additional Commissioning of Hybrid Power Units**

In early November 2023 Babylon commissioned its first rental stand-alone portable hybrid power unit at a major gold mine in Western Australia. The unit has been in continuous use operating under solar and battery power for an average of 21 hours per day with the backup generator operating approximately 3 hours per night recharging the battery pack. The current average operating scenario is reducing the client’s annual carbon emissions by approximately 34.2 tonnes which is equivalent to an 81% reduction versus a traditional diesel-powered generator. A 98% reduction in maintenance and refueling interactions has lowered the environmental and human safety risk factors of this application versus a traditional diesel-powered generator.

Two more stand-alone portable hybrid power units will soon be commissioned into the rental fleet and Babylon is now working with our supplier for the provision of further and larger units for the rental fleet to meet customer demands in the new calendar year.



### Strengthening Balance Sheet

Babylon has made significant progress reducing deferred consideration for its latest two acquisitions ahead of the required schedule from the Company's operating free cash flows. Monthly deferred consideration payments for RBH will be completed in February 2024. Free cash flow has allowed the Company to make extra monthly payments reducing deferred consideration for RWG to \$1.0M. These payments will increase in March 2024 allowing all deferred consideration to be paid in full by 30 June 2024. The agreement with the RWG vendor has been amended to extend the final payment date for the RWG acquisition consideration from 31 December 2023 to 30 June 2024.

RWG's vendor, Frank Ashe, now serving in the Executive Management Team of BPP commented: *"I am pleased that Babylon has delivered on its commitment to strengthening test pumping capabilities as well as growing its rental fleet. I'm confident the strategic initiatives will continue to deliver earnings growth for the Company and am enthusiastic about the opportunities ahead. We are working on a number of technology partner innovations, which we aim to offer (via test pumping and rental services) to our clients within the next 12 months. As a vested stakeholder, I am excited about the strategic direction of Babylon to continue the earnings growth and business momentum."*

The Company continues to progress potential opportunities for the new financial year utilising hybrid power solutions to partner with its clients in reducing emissions. Babylon is fielding inbound interest in relation to the hybrid units and technical discussions continue with new clients looking to incorporate low carbon footprint technology on a rental basis.

This update is in addition to the AGM trading update where the unaudited management accounts for the four months ended 31 October 2023 had been finalised and reflect EBITDA equating to approximately 62% of the full FY23 normalised EBITDA of \$2.8M.

For more information, please contact:

**Michael Shelby**

Managing Director

+61 (0) 8 9454 6309

mshelby@babylonpumpandpower.com

