

29 October 2024

Babylon Quarterly Update and Appendix 4C

Consistent Cashflow and Positive Outlook

Highlights¹

- **Positive operating cashflow of \$1.0M in the September quarter (+20% over Q1 FY24)**
- **Completion of acquisition deferred consideration payments in June 2024 has unlocked cash flow and enabled investment in new plant & equipment (\$0.6M in the September quarter)**
- **Babylon appointed new Australian distributor of pumps by Higma Industrial (HIGRA), a leader in amphibious pump solutions across multiple markets**
- **\$4.3M funding available plus receivables of \$4.9M from blue chip client base to support continued organic growth**

Specialist resources services provider Babylon Pump & Power Limited (“Babylon” or “the Company”) (ASX: BPP) is pleased to present a quarterly update and cash flow report for the period ended 30th September 2024.

The Company recorded cash receipts of \$8.5M and positive operating cashflow of \$1.0M for the quarter. Babylon has now recorded positive operating cashflow in ten of the last eleven quarters and expects FY25 to be its fourth full year posting positive operational cashflow.

Commenting on the results achieved during the quarter, Managing Director Michael Shelby said:

“We continue to build our core business segments following Babylon’s strong FY24 financial performance and have aggressive organic growth targets for FY25. In addition, Babylon is actively pursuing potential acquisition opportunities in order to expand our capabilities and scale in specialist equipment and services for resource sector water management.

The solid start to the year is reflected in the positive operating cashflow and I’m confident that our team can continue to deliver as we ramp up through the year ahead.”

¹ All financial figures provided in this announcement are unaudited.



Operations Update

Rental Segment

Babylon is pleased to announce it has been appointed by Higr Industrial (HIGRA) as distributor for pumps in Australia. HIGRA is headquartered in Brazil and provides unique amphibious pump solutions across multiple markets. Amphibious pumps combine high hydraulic efficiency with versatility of deployment as they can be installed above water, submerged, horizontal or vertical, giving the user high performance and energy conversion. Babylon has secured its first HIGRA pump order from an existing blue chip client.

Commenting on the HIGRA distribution deal, Managing Director Michael Shelby said:

"We are excited to secure the HIGRA Australian distributorship. HIGRA's highly efficient and unique product offering aligns with our commitment to provide specialty water management solutions to our clients, and also supports our efforts to help our clients reduce their carbon emissions."



A recently installed hybrid power unit at a West Australian gold mine



A steady start to the new financial year for the rental segment has seen weakness in the nickel sector overcome with works secured in the gold, iron ore and manganese sectors. Full financial effect of the new rental projects will begin in the second quarter of FY25 as multiple power generation projects will be installed and a highwall pump will be commissioned during the period.



A Babylon high-flow pump recently installed at a major gold mine, capable of 350L/s at 100m head

Maintenance Segment

The year has started with multiple wins for electric haul truck power modules for existing clients, recurring large diesel engine rebuilds for iron ore and metallurgical coal miners and ancillary equipment rebuilds for iron ore and gold miners. The workshops in Perth and Mackay have both had high levels of activity during the period as Babylon's ability to complete maintenance rebuild work in short timeframes continue to drive the segment.



Summary and Outlook

The Board is pleased with the continuing improvements in business performance, cashflow, safety and strategy execution. Babylon continues to add new assets while driving organic growth in the rental segment and remains alert for potential acquisitions to build rental scale and expand the Company's capabilities in the mining services sector.

For the purpose of ASX Listing rule 4.7C.3, payments to related parties or associates of Babylon during the quarter totalled \$130,623. The payments were in respect of non-executive director fees and superannuation (\$33,652), managing director salary, superannuation (\$84,974), interest on unsecured loan (\$5,096) and payment for services rendered by a related party on commercial terms (\$6,901).

The Company's Appendix 4C follows for the quarter ended 30th September 2024.

This ASX release has been authorised by Managing Director Michael Shelby.

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About Babylon Pump & Power Ltd

Babylon Pump & Power Ltd (ASX: BPP) 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. Babylon is based in Perth with operations in Western Australia and Queensland.



Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Babylon Pump & Power Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,474	8,474
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,088)	(5,088)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(2,014)	(2,014)
(d) administration and corporate costs	(173)	(173)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(248)	(248)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	42	42
1.9 Net cash from / (used in) operating activities	994	994

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(625)	(625)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	18	18
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(607)	(607)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	14,804	14,804
3.6	Repayment of borrowings	(14,582)	(14,582)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(328)	(328)
3.10	Net cash from / (used in) financing activities	(106)	(106)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	367	367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	994	994

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(607)	(607)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(106)	(106)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	648	648

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	648	367
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	648	367

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	130,623
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	10,035	(8,013)
7.2	Credit standby arrangements	-	-
7.3	Other: Invoice finance facility	5,100	(3,464)
7.4	Total financing facilities	15,135	(11,477)
7.5	Unused financing facilities available at quarter end		3,658
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <ul style="list-style-type: none"> NAB asset finance facility with a \$5,534,700 revolving line of credit, NAB daily variable rate, with the interest rate fixed for the term of each drawing, secured by GSA NAB Import trade facility with a \$3,000,000 revolving line of credit, NAB daily variable rate +2.70%, secured by GSA Toyota Fleet Management asset finance facility \$750,000, rate variable +/- 7.30%, secured by GSA, subject to review Caterpillar Financial Australia Limited \$750,000 trade finance facility with a fixed interest rate of 5.29% p.a, secured by a parent company guarantee NAB invoice finance facility with a \$5,100,000 revolving line of credit, NAB daily variable rate +1.50%, secured by GSA 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	994
8.2	Cash and cash equivalents at quarter end (item 4.6)	648
8.3	Unused finance facilities available at quarter end (item 7.5)	3,658
8.4	Total available funding (item 8.2 + item 8.3)	4,306
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2024

Authorised by: By the board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.