

BABYLON TO ACQUIRE BLUE HIRE AND EXTEND CLOSING DATE FOR RETAIL ENTITLEMENT OFFER

Highlights

- Babylon to acquire 100% of BPY Holdings Pty Ltd ("Blue Hire"), a WA-based specialist in pumping and hydrotesting solutions
- Babylon emerges as a scaled, specialist provider, with expertise in equipment rental and advanced technical water services
- FY24 pro forma group including Blue Hire and Matrix Hydro Services Pty Ltd ("Matrix") shows revenue of approximately \$54 million with EBITDA of approximately \$14 million
- Acquisition consolidates a competitor and expands Babylon's rental platform with a highly complementary rental fleet
- Blue Hire founder Byron Ynema to join Babylon's leadership team, responsible for management of the combined rental fleet
- Completion consideration represents an upfront EBITDA multiple of 2.5x FY24 earnings, an attractive and value-accretive outcome for Babylon shareholders
- Blue Hire acquisition to be funded through a new debt facility with NAB positioning Babylon for material growth
- Targeted completion of the acquisition of Blue Hire and Matrix is 30 June 2025
- Retail Entitlement Offer has been extended to accommodate shareholders and closes at 5pm AWST, Friday 13 June 2025

Specialist resources services provider Babylon Pump & Power Limited ("**Babylon**", the "**Company**" or the "**Group**") (ASX: BPP) is pleased to announce it has entered into a binding agreement to acquire 100% of Blue Hire, a Western Australian-based specialist in pump hire, hydrotesting, and water project solutions. This acquisition enhances Babylon's position in the high-margin rental segment and demonstrates continued execution of Babylon's growth strategy following its recent announcement of the proposed acquisition of Matrix.

The acquisition of Blue Hire is subject to the satisfaction of various conditions precedent including, but not limited to, Babylon having satisfactorily completed its due diligence enquiries in relation to Blue Hire, and there being no material adverse changes impacting Blue Hire.

About Blue Hire: A Strategic Fit with Management Continuity

Founded and based in Bunbury, Western Australia, Blue Hire is a specialist provider of high-performance pump hire, hydrotesting, and water project services. With over a decade of operating experience, Blue Hire services clients across the mining, industrial, marine and agricultural sectors, delivering tailored fluid transfer and pressure testing solutions across regional WA.

Blue Hire's capabilities include:

- Dry hire of pumping equipment, high-flow centrifugal systems and filter sets
- Crane-mounted slurry pump solutions
- Large-scale hydrotesting operations for HDPE pipelines and pressure vessels
- Custom-engineered water transfer and filtration solutions for both short and long-term applications

Renowned for its operational depth and practical, field-proven expertise, Blue Hire brings a consistent base of recurring clients – most of whom have partnered with the business for more than three years. Its 140+ unit rental fleet complements Babylon's existing rental assets, particularly in the small-to-medium horsepower segment, while providing high-margin services coupled with low overheads and minimal integration risk. Blue Hire's fleet comprises of pumps, generators and other water management ancillary items.

Blue Hire's strong regional client base is highly complementary to Babylon's operations. Notably, there is no overlap in clients between the two businesses, enabling synergistic fleet utilisation and cross-selling opportunities.

Blue Hire founder, Byron Ynema, will join Babylon post-acquisition and take responsibility for managing the combined rental fleet, ensuring operational continuity and leadership strength as Babylon integrates and scales its rental platform.

Management Commentary

Babylon's Managing Director and CEO, Michael Shelby, commented:

"I am delighted to announce the acquisition of Blue Hire, marking a step-change in our rental capability. This milestone delivers the meaningful rental scale that we have been chasing, strengthens our geographic reach and adds a proven, profitable dry hire business to our platform. With Byron joining the team, we are confident in a seamless integration and in delivering sustained growth. Together with the acquisition of Matrix, this deal positions Babylon as a true specialty water services provider to Australia's resource sector."

With our scalable platform now in place, we're entering a new chapter for Babylon with a larger rental fleet, increased market share and an expanded leadership team. I'm proud of the disciplined approach we've taken and pleased to confirm we are now fully funded to deliver on our growth strategy. I'm excited about what's ahead as we focus on creating long-term value for our shareholders. There has never been a better time to be a Babylon shareholder - I am grateful for the support of existing shareholders and welcome new shareholders to the register."

Significant Financial Impact and Group Positioning

The Blue Hire acquisition is expected to add significant earnings power and margin enhancement to Babylon, based on the financial performance of Blue Hire for the 2024 and preceding financial years. On a pro forma basis, including the contributions from both Matrix and Blue Hire, Babylon FY24 group revenue would have been approximately \$54 million with EBITDA of approximately \$14 million. Blue Hire's strong EBITDA margin is expected to provide an immediate uplift to Babylon's overall profitability.

Transaction Consideration and Funding

Total consideration for the proposed acquisition of Blue Hire is:

(a) at completion:

(i) \$16,350,000;

(j) such number of fully paid ordinary shares in the capital of Babylon equal to a value of A\$1,650,000, based on the 5-day VWAP preceding the date of issue;

(b) deferred consideration, of a minimum of \$6,000,000 and a maximum of A\$8,200,000

(Deferred Consideration), based on performance, to comprise of 85% cash and 15% fully paid ordinary shares in the capital of Babylon, based on the 5-day VWAP preceding the date of issue.

The Deferred Consideration is to be calculated as follows:

$$x = [1 + [(D) - (A)] / (A)] * \$7,100,000$$

Where:

x = Deferred Consideration

A = B + C

B = revenue of Blue Hire for the 12 month period ending on the day of completion of the proposed acquisition

C = rental business unit revenue of Babylon and its Related Entities (excluding Blue Hire), for the avoidance of doubt excluding revenue from test pumping and industrial services, for the 12 month period ending on the day of completion of the proposed acquisition (as reasonably determined by the Company)

D = rental business unit revenue of Babylon and its Related Entities (including Blue Hire), for the avoidance of doubt excluding revenue from test pumping and industrial services, for the financial year ending 30 June 2026 (as reasonably determined by Babylon).

The fully paid ordinary shares in the capital of Babylon to be issued to the shareholders of Blue Hire are expected to be issued out of Babylon's Listing Rule 7.1 capacity.

Babylon has completed due diligence in relation to Blue Hire, and any material liabilities of Blue Hire will be discharged at or immediately following completion of the proposed acquisition. All related party loans owing to Blue Hire, for amounts of approximately \$9 million in aggregate, will be repaid to Blue Hire at or immediately following completion of the proposed acquisition.

To fund the acquisition, Babylon has received a term sheet from National Austral Bank ("**NAB**") for a loan of up to \$21.2 million to finance the acquisitions and refinance an existing term loan of \$2.8 million, which is subject to the satisfaction of various conditions. An existing \$5.1m debtor finance facility will remain unchanged and a revolving lease facility will be reduced from \$5.5 million to \$5.0 million. Subject to completing the acquisitions, Babylon has sufficient cash flow to meet the ongoing debt obligations under the new debt facility to be provided by NAB.

The NAB facility interest rates are consistent with the current debt facilities provided NAB, and are based on:

- (a) the BBSY Bid Rate as determined from the Reuters screen on or about 10:30am (AEST) on the day the facility is first made available; and
- (b) 3.50% per annum (**Drawn Margin**); and
- (c) 40% of the Drawn Margin.

The NAB facilities will be documented and secured by securities NAB considers appropriate or customary for facilities of this nature including, but not limited to:

- (a) first ranking registered general security deed over all assets and undertaking of Babylon and the guarantors;
- (b) interlocking cross-guarantees provided by the guarantors;
- (c) subject to agreed security principles and clean up period, Babylon group members must become Guarantors within 60 days of becoming group members;
- (d) right of entry over leasehold premises on a best endeavours basis;
- (e) all bank guarantees issued for rental or performance bonds are to be 100% cash-secured to NAB; and
- (f) any further securities deemed necessary by NAB following full due diligence.

The NAB debt facility will also include the debt covenants that are typical of facilities of this nature, which will be tested on 31 March, 30 June, 30 September and 31 December each year.

Looking Ahead

Babylon intends to complete the acquisitions of Matrix and Blue Hire on or around Monday, 30 June 2025.

An investor webinar to be held on Thursday, 5 June at 11am AEST will be announced separately via the ASX platform to provide shareholders with an overview of Babylon's expanded platform, updated strategy and growth outlook following the Matrix and Blue Hire acquisitions.

Entitlement Offer Update

Eligible shareholders are notified that the Retail Entitlement Offer has been extended and will now close at 5pm AWST on Friday, 13 June 2025. Shareholders who wish to participate in Babylon's growth should ensure their applications are lodged before the deadline.

Key Dates

Event	Date
Closing Date of Entitlement Offer	Friday, 13 June 2025
Announcement of results of retail offer	Tuesday, 17 June 2025
Expected Date of Quotation of New Shares issued	Tuesday, 17 June 2025
Estimated completion of proposed acquisition of Matrix & Blue Hire	Monday, 30 June 2025

Estimated Settlement of NAB Debt Facility

Monday, 30 June 2025

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 specialty 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 specialty 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-power mobile equipment including engines, power train assemblies and components. Babylon is based in Perth with operations in Western Australia and Queensland.

Forward Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.