

Babylon Quarterly Update and Appendix 4C

- **Timing of maintenance segment cashflows corresponding with the seasonal holiday period resulted in operational outflow of \$0.8M for Q3 FY25**
- **\$3.0M of undrawn finance facilities available plus trade receivables of \$6.7M from blue chip client base to support continued 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 31st March 2025¹.

The Company recorded cash receipts of \$5.6M and operating cashflow of (\$0.8M) for the quarter. The small negative operating cash flow resulted from working capital requirements in the maintenance segment, which saw a seasonally quiet January and February followed by strong invoicing levels in March. Therefore, cash outflows to suppliers during the quarter were not matched by inflows from clients as payment of March invoices will not be received until the next reporting period. This quarterly operational outflow is expected to be a nuance of a seasonally quieter January & February, exacerbated by a strong March.

Commenting on the results, Managing Director Michael Shelby said:

"Whilst the Company continues to see recurring demand for its services, the maintenance segment can have large up front working capital requirements as rebuilding large engines requires major parts purchasing up to a month in advance. This can drive short-term swings in cashflows within the segment, as was the case in the March quarter when significant purchasing was required ahead of a large invoicing month in March. Importantly, our high level of trade receivables is with blue chip clients, and this is short-term timing related as on a year-to-date basis the business has generated over \$2 million in operating cash flow.

"As previously communicated, we continue to actively pursue potential acquisition opportunities to expand our capabilities and scale in specialist equipment and services for resource sector water management.

¹ All financial figures provided in this announcement are unaudited.

"With the Maintenance segment operating at above historical EBITDA margins, several rental segment project wins achieved during the quarter and our distributorship of HIGRA pumps continuing to provide new orders, we expect to deliver steady business performance in the months ahead and positive cash flow in FY25 and beyond. I am excited about the prospects for the business and opportunities for future growth that we see in front of us."

Operations Update

Rental Segment

Work on sites is normally minimised by clients through January to correspond with holiday time. February and March saw improvement in both test pumping and industrial services as work ramped back up. The Company expects consistent execution of test pumping projects through the end of the financial year on multiple gold projects. Industrial services work has picked up and each month of Q3 saw compound improvement with works completed on various iron ore mine sites in the Pilbara region.

The rental segment has had multiple power generation wins during the quarter as 1.5MW of portable power was mobilised to a large iron ore mine site and another hybrid power module was commissioned for a large multinational gold miner. Recovery of rental utilisation continues with wins in the gold and iron sectors after the setback of BHP's decision to place NickelWest Mt Keith into care and maintenance as reported in January quarterly update.

The Company's distributorship of Brazilian based HIGRA pumps continue to provide wins with multiple parts and rebuild orders received during the period.



Installation and commissioning of a hybrid power unit

Maintenance Segment

The Maintenance segment continues to operate at above historical EBITDA margins but the challenge for the quarter was timing of client projects. Babylon's engine rebuilding facilities work closely with clients to align with planned maintenance schedules and success in winning work from clients based on Babylon's ability to meet their timelines. After some delays in the market, work in the quarter was concentrated in March. Client enquiries and quoting levels remain particularly strong in Qld, but several clients are now discussing pushing works into early FY26.



Pair of engines for R 9800 excavator

Summary and Outlook

The Board is focused on the continuing improvements in business performance, management of cashflow, safety and strategy execution. Babylon seeks 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 totaled \$124,173. The payments were in respect of non-executive director fees and superannuation (\$34,379), managing director salary and superannuation (\$89,202), and interest paid on a director loan (\$592).

The Company's Appendix 4C follows for the quarter ended 31st March 2025.

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

For more information, please contact:

Michael Shelby

Managing Director
+61 (0) 8 9454 6309
mshelby@babylonpumpandpower.com

Tim Dohrmann

NWR Communications
+61 (0) 468 420 846
tim@nwrcommunications.com.au

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.

Appendix 4C

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

Name of entity		
Babylon Pump & Power Limited		
ABN	Quarter ended ("current quarter")	
47 009 436 908	31 December 2024	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,619	23,194
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,839)	(13,692)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(2,249)	(6,858)
(d) administration and corporate costs	(111)	(285)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	12
1.5 Interest and other costs of finance paid	(229)	(645)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	50	300
1.9 Net cash from / (used in) operating activities	(756)	2,026
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(50)	(1,097)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	63
	(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	(48)	(1,034)
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	7,241	33,961
3.6	Repayment of borrowings	(6,245)	(33,870)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(280)	(872)
3.10	Net cash from / (used in) financing activities	716	(781)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	666	367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(756)	2,026
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(48)	(1,034)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	716	(781)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	578	578

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	578	666
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)	578	666

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	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1	10,475	(7,702)
7.2	-	-
7.3	5,100	(4,968)
7.4	Total financing facilities	(12,670)
7.5	Unused financing facilities available at quarter end	
		2,905*
* Amortising loans are unable to be redrawn		
7.6	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.	
	<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 a GSA • NAB 4-year term loan facility of \$3,000,000, BBSY +1.45%, secured by GSAs over group assets and guarantees from group entities • Toyota Fleet Management asset finance facility \$750,000, rate variable +/- 7.30%, secured by GSA, subject to review • Caterpillar Financial Australia Limited \$750,000 amortising trade finance loan with a fixed interest rate of 5.29% p.a, secured by a parent company guarantee • Westpac \$440,513 amortising Premium Funding Loan with a 3.75% flat rate • NAB invoice finance facility 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)
	(756)
8.2	Cash and cash equivalents at quarter end (item 4.6)
	578
8.3	Unused finance facilities available at quarter end (item 7.5)
	2,905
8.4	Total available funding (item 8.2 + item 8.3)
	3,483
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)
	4.6
<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: 22 April 2025

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.