

BABYLON TO DIVEST AUSBLAST AS PART OF STRATEGIC FOCUS ON WATER MANAGEMENT AND RENTAL PLATFORM

Highlights:

- Babylon to divest non-core industrial services business, Ausblast, for \$2.8m cash
- Transaction simplifies the Group, reduces operational risk and sharpens strategic focus on rental and water management platform
- Proceeds reduce net debt by ~\$1.5 million and free ~\$1.3 million for working capital and growth
- Sale implies 5.6x annualised EBITDA multiple based on Ausblast's H1 FY26 performance

Specialist resources services provider Babylon Pump & Power Limited ("Babylon", "the Company" or "the Group") (ASX: BPP) advises that it has entered into a binding agreement to sell Pilbara Trucks Pty Ltd, trading as Ausblast, to Sandgroper Group Holdings Pty Ltd.

Total consideration of \$2.8 million cash is payable on completion. The transaction is expected to complete on 21 January 2026, subject to standard conditions.

In the six months to 31 December 2025, Ausblast generated revenue of approximately \$1.1 million and EBITDA of approximately \$0.25 million, implying a sale multiple of 5.6x EBITDA on an annualised basis.

Strategic Rationale

Divesting Ausblast follows a recent review of Babylon's strategy aimed at simplifying the Group, sharpening its strategic focus and redeploying capital into higher-return, lower-risk core activities.

Since its acquisition in March 2021, Ausblast has operated as a specialist industrial services business providing vacuum truck and high-pressure water blasting services. While the business has performed reliably, it is non-core to Babylon's current strategy, which is now firmly centred on specialist water management, rental and technical services to the resources sector.

Key benefits of the transaction include:

Strategic simplification: the sale enables Babylon to exit a low-growth industrial services operation and concentrate fully on its integrated water management and rental platform, improving strategic clarity and simplifying the Company's investment proposition.

Balance sheet strengthening: proceeds from the transaction are expected to reduce net debt by approximately \$1.5 million, with the balance providing additional liquidity and working capital to support growth in the rental business.

Capital reallocation to growth: the transaction releases capital for reinvestment into Babylon's expanding rental fleet and water management services, which offer stronger scalability and margin potential.

Importantly, while the transaction does not materially reduce corporate overheads, it reduces management complexity and execution risk, allowing greater focus on the Group's enlarged rental and water management platform following the recent acquisitions of Matrix Hydro Services and Blue Hire.

Babylon Managing Director, Michael Shelby, said:

"The sale of Ausblast is a logical step as we continue to refine and strengthen Babylon's strategic focus. This transaction allows us to simplify the business, strengthen the balance sheet and redeploy capital from a low growth segment into our core rental and water management activities, where we see the strongest long-term returns. We thank the Ausblast team for their contribution to the Group and wish them well under Sandgroper's ownership."

Use of Proceeds

The cash consideration will be applied to reduce Group debt (~\$1.5 million) and support working capital and organic growth initiatives within the rental segment (~\$1.3 million).

Change in Finance Facilities

The transaction will result in the Company's invoice finance facility with NAB being reduced to \$2.2 million and the master equipment finance facility being reduced by ~\$1.0 million.

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-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.

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.