



ASX Release

31 January 2019

Babylon Quarterly Update and Appendix 4C

Highlights

- **On track to exceed FY19 annual revenue guidance of c\$7M with Q2 FY19 revenue of c\$3.5M, and H2 FY19 revenue of c\$5M**
- **Positive c\$0.87M cash generated from operating activities for the quarter**
- **Additional dewatering equipment and power generation equipment installed across multiple client sites**
- **Increased workshop activity for heavy diesel maintenance work**

The Board of specialist resources services provider Babylon Pump & Power Limited (“Babylon” or “the Company”), (ASX: BPP, BPPOA), is pleased to present a quarterly update and its quarterly cash flow report for the quarter ended 31 December 2018.

The Board is delighted to report its first operational cash flow positive quarter as a listed company, with the Company continuing to invest in the business, add to its inventory of specialised equipment to meet its client needs and continue to expand its client engagements.

Industry Fundamentals

The Company is continuing to see strength in underlying industry fundamentals which is being reflected in the level of client engagement and growth in Babylon’s opportunity pipeline. Babylon is aggressively pursuing additional opportunities in diesel maintenance and specialty rental areas.

Operations Update

Specialty Rental

Babylon has taken delivery of a number of new rental assets during Q2 FY19 for ongoing projects. These include diesel driven pump sets, bore headworks trailers and diesel generators. Works on site continue to install and commission assets with rental revenue increasing each month.

Diesel Maintenance

Heavy diesel maintenance activity in the Babylon workshop continues to grow. Babylon’s experienced team and technical expertise has led to opportunities for work on more complex and larger engine maintenance opportunities with higher customer value.

Summary and Outlook

The Board and Management of Babylon are pleased with the market’s response for Babylon’s services. Both rental and maintenance clients are offering repeat business opportunities, recognising the Company’s expertise and capabilities. Babylon is selectively evaluating new client opportunities to ensure the best use of its resources.





The strong industry fundamentals combined with the response from clients to the Company's specialised equipment and service capabilities gives the Board of Directors confidence that Babylon's underlying business can continue its rapid growth.

Further information will be provided with our half yearly accounts to be released in February.

The Company's December 2018 Appendix 4C follows.

For more information, please contact:

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Executive Chairman

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Babylon Pump & Power Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,864	4,872
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,851)	(3,649)
(c) advertising and marketing	(12)	(28)
(d) leased assets		
(e) staff costs	(1,039)	(1,850)
(f) administration and corporate costs	(95)	(262)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	6
1.5 Interest and other costs of finance paid	(143)	(180)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	121	(22)
1.9 Net cash from / (used in) operating activities	847	(1,113)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,412)	(3,967)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	(104)	(49)
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	(1,516)	(4,016)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes	-	4,500
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(300)
3.5 Proceeds from borrowings	990	3,535
3.6 Repayment of borrowings	(391)	(1,236)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	51	32
3.10 Net cash from / (used in) financing activities	650	6,530

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,928	506
4.2 Net cash from / (used in) operating activities (item 1.9 above)	847	(1,113)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,516)	(4,016)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	650	6,530

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	1,908	1,908

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	1,914	1,937
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	(5)	(8)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)		

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

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Directors' remuneration

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	300	272
8.2 Credit standby arrangements		
8.3 Other (please specify)	500	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1) Asset finance facility, National Australia Bank Limited, secured
8.2) Invoice finance facility, National Australia Bank Limited, secured

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(1,600)
9.3 Advertising and marketing	(15)
9.4 Leased assets	
9.5 Staff costs	(1,000)
9.6 Administration and corporate costs	(90)
9.7 Other (Asset Purchases)	(20)
9.8 Total estimated cash outflows	(2,725)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here:  Date: 31/01/2019
Director

Print name: Michael Shelby

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.