



ASX Release

29 October 2019

Babylon Quarterly Update and Appendix 4C

Highlights

- **Cash receipts of \$3.5m in Q1 FY20 up 14% on previous quarter**
- **Second successive operational cash flow positive quarter with \$0.3M cash generated from operating activities**
- **Completion of Primepower acquisition generates early growth opportunities**
- **Strong growth outlook continues**

The Board of specialist resources services provider Babylon Pump & Power Limited (“Babylon” or “the Company”), (ASX: BPP), is pleased to present a quarterly update and its quarterly cash flow report for the quarter ended 30 September 2019.

The Board is delighted to report continued growth and its second successive operational cash flow positive quarter, with a strong revenue base established. Cash receipts of \$3.5m in the quarter represent 14% growth on the previous quarter and 248% growth on prior year Q1 FY19 cash receipts of \$1.0m.

Completion of the acquisition of Primepower Queensland Pty Ltd (Primepower) provides a strategic entry to the important Queensland mining services market and is already leading to significant new growth opportunities.

Operations Update

Specialty Rental

Babylon continues to receive strong and growing demand from major mining and oil & gas service companies. Further, the Company continues to field ongoing enquires regarding multiple specialised pumping projects in the oil and gas and mine dewatering sectors.

Notable new rental works / highlights for the quarter include:

- Secured vendor number direct with Rio Tinto
- Provided both rental power generation and rental pumps to Rio Tinto to complement ongoing maintenance works
- Provided specialty rental assets and personnel for high pressure pumping job on Barrow Island
- Secured specialty pumping project with leading oil service company for high pressure pumping work at Victorian gas plant
- Secured specialty pumping rental for project on a NWS offshore platform



Diesel Maintenance

A strengthening market awareness of the Company's specialised service offering and timely project delivery in engine rebuilds continues to drive demand for the Company's diesel maintenance services. The recent acquisition of Primepower in September 2019 strengthens the Company's diesel maintenance offering and ability to take on larger engine rebuild programs moving forward.

Notable diesel maintenance highlights for the quarter included:

- Completed acquisition of Primepower, providing a strategic entry to the Queensland mining services market
- Increased headcount at Primepower by three diesel fitters to support ongoing growth in demand for services
- Began works to increase sub-assembly capacity at Primepower's Mackay facility
- Added Sojitz Gregory Mine to client base, providing diesel maintenance services
- Leased neighbouring facility in WA to expand workshop capacity to meet growing services demand

Summary and Outlook

The Company continues to grow its revenue base via its diesel maintenance and project rental services and continues to see material contract opportunities which are expected to maintain the Company's ongoing rapid growth trajectory.

The Board is confident the Company is well placed moving forward, noting (i) the deferral of maintenance by clients is driving a need for more comprehensive engine and component rebuild programs across the resources sector, and (ii) the requirement for specialised equipment and services to complete projects in the mining and oil & gas space is leading to increasing demand for the Company's complete project solutions.

The Company's Appendix 4C follows for the quarter ended 30 September 2019.

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")

30 September 2019

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	3,508	3,508
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,694)	(1,694)
(c) advertising and marketing	-	-
(e) staff costs	(916)	(916)
(f) administration and corporate costs	(241)	(241)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0.10	0.10
1.5 Interest and other costs of finance paid	(168)	(168)
1.6 Income taxes paid	(187)	(187)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	302	302

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(101)	(101)
(b) businesses (see item 10)	(1,743)	(1,743)
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	(17)	(17)
2.6 Net cash from / (used in) investing activities	(1,861)	(1,861)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,970	2,970
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(247)	(247)
3.5 Proceeds from borrowings	83	83
3.6 Repayment of borrowings	(917)	(917)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	1,889	1,889

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	504	504
4.2 Net cash from / (used in) operating activities (item 1.9 above)	302	302
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,861)	(1,861)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,889	1,889

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	835	835

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	853	516
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	(18)	(11)
5.5	Cash and cash equivalents at end of quarter	835	504

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
83
Nil

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
Nil
Nil

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	1,000	(690)
8.2 Credit standby arrangements	-	-
8.3 Other	3,100	(600)
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 facilities, National Australia Bank Limited, secured
8.3) Invoice finance facilities, 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	(2,700)
9.3 Advertising and marketing	(15)
9.4 Leased assets	-
9.5 Staff costs	(1,400)
9.6 Administration and corporate costs	(60)
9.7 Other	(5)
9.8 Total estimated cash outflows	(4,180)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Primepower Queensland Pty Ltd	N/A
10.2 Place of incorporation or registration	Queensland	
10.3 Consideration for acquisition or disposal	4.3	
10.4 Total net assets	3.1	
10.5 Nature of business	Mining Services	

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: 29/10/2019
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.