

9 June 2022

\$1.0m Placement and underwritten \$6.4m Entitlement Offer

Restructuring, Repositioning and Refocusing

- **\$6.4m fully underwritten non-renounceable pro-rata Entitlement Offer**
- **\$1.0m placement to professional and sophisticated investors**
- **Strategic shift to refocus on higher margin specialty rental and services**
- **Repurposing plan for asset maintenance services**

Specialist resources services provider Babylon Pump & Power Limited (“**Babylon**” or “**the Company**”) (ASX: BPP) is pleased to announce a fully underwritten non-renounceable pro-rata offer of New Shares to Eligible Shareholders on the basis of four (4) New Shares for every five (5) Shares held at the Record Date, each at an issue price of \$0.006 to raise \$6.36 million before costs (**Entitlement Offer**) and the placement of approximately 172.69 million New Shares to professional and sophisticated investors (**Placement**) to raise \$1.04 million before costs. Funds raised will be used to support future growth initiatives and the redemption of \$4.5 million of convertible notes in the Company.

Babylon has enhanced governance and strengthened its Board with the recent appointment of Jamie Cullen to the Board as independent Non-Executive Chairman. A concurrent strategic review has identified opportunities to deliver growth and improve margins for the Company with an increased focus on higher margin specialty rental and industrial & environmental services.

The funds raised via the Entitlement Offer and Placement will be used to strengthen the Company’s balance sheet enabling it to execute strategic initiatives of growing the specialist equipment rental fleet and expanding water management capabilities. The Company will continue to execute profitable maintenance contracts while reducing exposure to lower margin contracts with the redeployment of capital and resources to higher margin rental and industrial services.

Entitlement Offer & Placement

The Company is pleased to offer shareholders the opportunity to subscribe for Babylon shares under a non-renounceable pro-rata offer of New Shares on the basis of four (4) New Shares for every five (5) Shares held at the Record Date, at an issue price of \$0.006 per share.

The Entitlement Offer will include the ability for shareholders to apply for additional shares not taken up by other shareholders.

Canaccord Genuity (Australia) Limited is Lead Manager to the Placement and Lead Manager and Underwriter to the Entitlement Offer. A summary of the material terms of the Underwriting Agreement are in the Annexure to this announcement.



As at the Record Date, the Company will have on issue 1,323,969,154 Shares including Shares to be issued under the Placement. The Company expects that approximately 1,059,175,323 New Shares will be issued under the Entitlement Offer to raise approximately \$6.36 million.

The Offer is being made in conjunction with a placement to professional and sophisticated investors of 172,691,600 Shares being issued at the same price as the Offer of \$0.006 per Share (**Placement Shares**) which will raise \$1.04 million. Placement participants will be eligible to participate in the Entitlement Offer.

New Shares under the Placement and Entitlement Offer will rank equally in all respects with Babylon's existing fully paid ordinary shares.

More information regarding the Entitlement Offer will be set out in the Offer Document to be circulated to shareholders in accordance with the timetable of Key Dates below. The Offer Document will be accessible from the ASX and Babylon's website, www.asx.com.au and www.babylonpumpandpower.com respectively from today, 9 June 2022.

Indicative Timetable

Announcement of Offer and lodgement of Appendix 3B, Offer Document and s708AA notice	Thursday, 9 June 2022
DvP settlement of Placement	Tuesday, 14 June 2022
Issue of DvP Placement Shares	Wednesday, 15 June 2022
Existing Shares quoted on an "ex" basis	Thursday, 16 June 2022
Record Date (5pm AWST)	Friday, 17 June 2022
Offer opens Offer Document and Entitlement & Acceptance Form sent to Eligible Shareholders	Monday, 20 June 2022
Last day to extend the Closing Date	Friday, 24 June 2022
Closing Date (5pm AWST)	Wednesday, 29 June 2022
Securities quoted on a deferred settlement basis	Thursday, 30 June 2022
Company to notify ASX of under subscriptions (if any)	Friday, 1 July 2022
Anticipated date for the issue of the New Shares and lodgement of Appendix 2A Deferred settlement trading ends	Friday, 1 July 2022
Dispatch of holding statements for New Shares and commencement of trading in New Shares	Monday, 4 July 2022
Settlement of Shortfall	Tuesday, 5 July 2022
Issue of Shortfall Shares and Top Up Shares	Wednesday, 6 July 2022
Dispatch of holding statements for Shortfall Shares and Top Up Shares and commencement of trading in New Shares and Top Up Shares	Wednesday, 6 July 2022





* The timetable above is indicative only and may change. The Company may change any of the dates and times without notice, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and applicable laws. In particular, the Company reserves the right to extend the Closing Date, to accept late applications under the Offer either generally or in particular cases and to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

For more information, please contact:

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Annexure - Material Terms of the Underwriting Agreement

The Company and the Underwriter have entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which the Underwriter agreed to manage the Placement and the Offer and fully underwrite all New Shares offered under the Offer (**Underwritten Shares**).

The Underwriting Agreement is conditional upon the issue of the Placement Shares in accordance with the agreed timetable. The Company must pay the Underwriter total fees of 6% of the total gross amount raised under the Offer (with all fees and commissions due to sub-underwriters to be paid by the Underwriter). Additionally, the Company will reimburse the Underwriter for all reasonable costs and expenses of and incidental to the Placement and Offer.

The Company has agreed, subject to certain carve-outs, to indemnify and hold harmless the Underwriter and its related parties from losses incurred as a result of certain matters in connection with the Offer, the Placement and breach of the Underwriting Agreement. The Company has also agreed it will not undertake certain corporate activities including altering its capital structure in the 3 months following execution of the Underwriting Agreement without the prior written consent of the Underwriter.

The Underwriting Agreement contains termination clauses that relieve the Underwriter of its obligations if certain events occur. These include:

- either of the either of the All Ordinaries Index or the S&P/ASX Small Ordinaries Index indexes closing 7.5% or more below its respective level;
- the Company does not apply for official quotation of the Shares under the Offer, or is prevented from issuing the Shares under the Offer, in accordance with the agreed timetable, or the Offer is withdrawn by the Company;
- the Underwriter forms the view a supplementary disclosure document should be lodged with ASIC and the Company fails to do so, or the Company lodges a supplementary disclosure document without the prior written agreement of the Underwriter;
- the Offer Document does not contain all the information required by the Corporations Act or contains misleading information including by way of omission, or ASIC makes an application for an order in relation to the Offer Document including under section 1324B of the Corporations Act;
- there is a material outbreak or escalation of hostilities in certain countries;
- any authorisation material to anything in the Offer Document expires or is amended in a manner unacceptable to the Underwriter; and
- a director or senior manager of the Company is charged with an indictable offence.

The Underwriter may also terminate the Underwriting Agreement if certain events occur which in the reasonable opinion of the Underwriter, the event is or is likely to (i) have a materially adverse effect on the outcome of the Offer or the market for the Underwritten Shares or the Company; or (ii) could give rise to a liability of the Underwriter.

The Underwriting Agreement also contains covenants, warranties, representations and other terms usual for an agreement of this nature.

