

ASX Release

31 January 2018

Babylon Amended Quarterly Update and Appendix 4C

Highlights

- **Successful ASX re-listing on 10 January 2018 after raising \$4.5m in new capital**
- **Strong growth in revenue and client contracts**
- **Outstanding pipeline of opportunities for early 2018**

The Board of specialist resources services provider Babylon Pump & Power Limited (Babylon), (ASX: BPP, BPPOA), is pleased to present its Quarterly Cash Flow Report for the quarter ended 31 December 2017. The Board is delighted with this early progress and continues to invest in the business and add to its inventory of specialised equipment to meet client needs.

Shareholders should note that, under the required accounting policies, Babylon's financial reports, including the Appendix 4C, only include revenues from 18 December 2017, being the date of completion of the acquisition of Babylon Operations Pty Ltd by Babylon Pump & Power Limited (formerly IM Medical Limited).

Accordingly, Appendix 4C set out below records only circa \$28,000 in cash receipts from customers for Q2 FY17. Babylon Operations Pty Ltd's cash receipts during the quarter prior to 18 December 2017 were approximately \$760,000. The Board of Babylon expect cash receipts in Q3 FY2018 to be materially higher than the combined cash receipts in the previous quarter.

Improving Industry Fundamentals

The Company is continuing to see strength in underlying industry fundamentals which is being reflected in client engagement and Babylon's opportunity pipeline. Completion of the capital raising and relisting in early January has positioned Babylon to aggressively pursue opportunities and has assisted with further engagement within industry network.

Operations Update

Babylon is currently in negotiation with domestic and overseas suppliers to secure additional assets for the specialty rental fleet. In this quarter Babylon has taken delivery of power and compressed air assets to fulfil existing client opportunities, and will continue to build on the fleet to meet client requirements.

Babylon continues to recruit experienced diesel mechanics and pumping specialists, with a progressive increase in headcount planned over the coming quarter to coincide with business growth.

Summary and Outlook

The Board and Management of Babylon are excited about the growth prospects for the Babylon business. Babylon has an outstanding pipeline of opportunities awaiting decision in early 2018, which



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BABYLON

PUMP & POWER LTD

is spread across various commodities and clients. The opportunities cover long term rental of specialised pumping and power generation equipment as well as heavy diesel maintenance projects.

The Board is encouraged by the level of activity, the number of clients offering repeat business and the level of inbound inquiry from leading companies seeking specialist service providers. Babylon has a variety of tenders/proposals with key clients and potential clients and is confident of significant growth in the work/order book during the current quarter.

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 our underlying business can continue its rapid early growth in 2018.

The Company's cash balance at 31 December 2017 was circa \$4.2 million.

The Company's December 2017 Appendix 4C follows.

For more information, please contact:

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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 2017

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	28	28
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(255)	(255)
(c) advertising and marketing	(7)	(7)
(d) leased assets		
(e) staff costs	(53)	(53)
(f) administration and corporate costs	(104)	(187)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	15	15
1.9 Net cash from / (used in) operating activities	(376)	(460)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) businesses (see item 10)		
(c) investments		

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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		
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	(3)	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,539	4,539
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	(49)	(49)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	14	14
3.10 Net cash from / (used in) financing activities	4,504	4,504

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	91	175
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(376)	(460)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,504	4,504

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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	4,216	4,216

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	4,216	43
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)	4,216	43

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**

(7)

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**

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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		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(1,678)
9.3 Advertising and marketing	(31)
9.4 Leased assets	(20)
9.5 Staff costs	(300)
9.6 Administration and corporate costs	(578)
9.7 Other (provide details if material)	(20)
9.8 Total estimated cash outflows	(2,627)

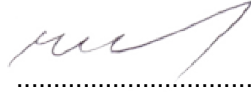
10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Babylon Operations Pty Ltd	
10.2 Place of incorporation or registration	WA	
10.3 Consideration for acquisition or disposal	Non-cash share acquisition	
10.4 Total net assets	Circa \$150,000	
10.5 Nature of business	Mining Services	

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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:



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Director

Date: 31/01/2018

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.

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