



ASX Release

29 July 2020

Babylon Quarterly Update and Appendix 4C

Highlights

- Record cash receipts of c. \$7.4m in Q4 FY20
- Positive c. \$1.2m cash generated from operating activities for the quarter
- Positive c. \$1.8m cash generated from operating activities for FY20
- Significant funding available to support ongoing operational activities and growth

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 June 2020.

The Board is delighted to report a record quarter of cash receipts and another consecutive operational cash flow positive quarter, finishing off the financial year strongly with c. \$9.0m of available cash and funding.

Operations Update

Specialty Rental

Although travel to site for sales and marketing activities has been impacted by COVID19 restrictions, rental revenue for Q4 FY20 has remained steady. The Company continues to pursue power generation and pumping opportunities expected to mobilise in Q1 and Q2 FY21. Further, the Company is currently in discussions regarding asset acquisition opportunities to underpin further growth.

Diesel Maintenance

Demand for the Company’s diesel maintenance services remains strong, with a consistent revenue base from our current customers and ongoing enquiries from multiple new companies in the industry.

The Company’s blue-chip client list has continued to benefit from facility and process improvements at its Mackay workshop as well as its broad supply chain during this COVID19 period.

In addition to completing work on client owned engines, the Company is completing work on its own fleet of core engines. This fleet will utilise existing inventory, support larger rebuild programmes and allow for quicker reaction to client needs.





Summary and Outlook

The Company's Board is confident of ongoing growth in our service offering as reflected in the increase in operational cash flow and client engagement.

The Company's Appendix 4C follows for the quarter ended 30 June 2020.

For more information, please contact:

Michael Shelby

Executive Chairman

+61 (0) 8 9454 6309

mshelby@babylonpumpandpower.com



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Babylon Pump & Power Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,420	20,235
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(5,066)	(12,633)
(c) advertising and marketing	(9)	(17)
(d) leased assets		
(e) staff costs	(1,323)	(4,557)
(f) administration and corporate costs	(160)	(722)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(27)	(374)
1.6 Income taxes paid	10	(474)
1.7 Government grants and tax incentives	150	150
1.8 Other (provide details if material)	163	172
1.9 Net cash from / (used in) operating activities	1,158	1,780
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	(1,743)
(c) property, plant and equipment	(1,069)	(2,188)
(d) investments		
(e) intellectual property		
(f) other non-current assets	1	31

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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)	-	(293)
2.6	Net cash from / (used in) investing activities	(1,068)	(4,193)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,570
3.2	Proceeds from issue of convertible debt securities	3,774	3,774
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(302)	(580)
3.5	Proceeds from borrowings	503	3,939
3.6	Repayment of borrowings	(593)	(5,239)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	3,382	5,463

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	82	504
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,158	1,780
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,068)	(4,193)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,382	5,463
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,554	3,554

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	3,533	62
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)	(9)	(10)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,554	82

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Directors remuneration)	118
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,500	(2,503)
7.2 Credit standby arrangements		
7.3 Other (please specify) Invoice finance Fac.	4,100	(641)
7.4 Total financing facilities	8,600	(3,144)
7.5 Unused financing facilities available at quarter end		5,456
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<ul style="list-style-type: none"> • NAB invoice finance facility \$4,100,000, rate variable +/- 6.58%, secured by GSA, subject to review on 30 April 2021. • NAB asset finance facility \$2,500,000, rate variable +/- 5.36%, secured by GSA, subject to review on 30 April 2021. • NAB Import trade facility \$2,000,000, rate variable +/- 6.58%, secured by GSA, subject to annual review on 30 April 2021. 	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,158
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,554
8.3 Unused finance facilities available at quarter end (item 7.5)	5,456
8.4 Total available funding (item 8.2 + item 8.3)	9,010
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?


Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date:29 July 2020.....

Authorised by: 
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.