



ASX Release

15 July 2019

Babylon Quarterly Update and Appendix 4C

Highlights

- Strong last quarter for FY19, with revenue of c\$3.2 million
- Positive c\$0.5M cash generated from operating activities for the quarter
- Babylon on track to deliver positive EBITDA for FY19
- 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 June 2019.

The Board is delighted to report an operational cash flow positive quarter, finishing off the financial year strongly and setting a strong revenue base for the year ahead.

Operations Update

Specialty Rental

Babylon continues to experience strong growth in rental revenue underpinned by additional dewatering works with existing clients in addition to current site works in installing and commissioning assets.

Notable new rental projects / works for the quarter include:

- Completion of a high-pressure pumping project for an onshore oil and gas operator using specialty Zone 2 well service equipment; and
- Delivery of rental equipment for multiple new clients operating within the drilling sector.

Furthermore, the Company is currently in discussions regarding multiple pumping projects in the oil and gas and mine dewatering sectors.

Diesel Maintenance

Demand for the Company's diesel maintenance services continues to grow, underpinned by a revenue base from our current customers and ongoing enquires from multiple new clients in the industry.

The Company's blue-chip client list continued to grow throughout the quarter, with the inclusion of a multinational contract miner and a large heavy earthmoving equipment rental company, driven by market awareness of Babylon's specialised industry expertise, service offerings and quality of work in diesel maintenance services.



Diesel Maintenance (continued)

Notable diesel maintenance works for the quarter included:

- Award of rebuild / refurbish projects for multiple international oil and gas service companies;
- Expansion of generator rebuild program for a large multinational iron ore company; and
- Further integration with a current iron ore client, providing additional diversified site services / works.

Summary and Outlook

The specialised mining services and bespoke solutions of Babylon continue to generate increasing demand from a diverse range of blue-chip clients. The Board is confident that the right strategy is in place to deliver long-term value, and the Company's key markets of mining and oil and gas continues to show robust levels of activity.

The Board is pleased to have reached the point of being operationally cash flow positive in the current quarter and EBITDA positive for the FY19 year and looks forward to continuing to improve performance in coming quarters. The recent increase in the Company's finance facilities (as announced on 10 July 2019) is a reflection of the strength of the business and will assist in rapidly advancing Babylon's growth strategy.

Further information will be provided in the Babylon FY19 financial report to be released in August 2019.

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

For more information, please contact:

Michael Shelby

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 June 2019

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	3,085	10,259
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,401)	(6,526)
(c) advertising and marketing	(6)	(40)
(e) staff costs	(894)	(3,888)
(f) administration and corporate costs	(54)	(450)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0.06	7
1.5 Interest and other costs of finance paid	(142)	(460)
1.6 Income taxes paid	(8)	(8)
1.7 Government grants and tax incentives	-	-
1.8 Other	(94)	(267)
1.9 Net cash from / (used in) operating activities	487	(1,373)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(396)	(5,227)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(4)	(48)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(3)	(3)
2.6	Net cash from / (used in) investing activities	(403)	(5,278)

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	(2)	(302)
3.5	Proceeds from borrowings	-	4,554
3.6	Repayment of borrowings	(539)	(2,123)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	2	21
3.10	Net cash from / (used in) financing activities	(539)	6,650

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	960	506
4.2	Net cash from / (used in) operating activities (item 1.9 above)	487	(1,373)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(403)	(5,278)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(539)	6,650

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	504	504

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	516	971
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	(11)	(12)
5.5	Cash and cash equivalents at end of quarter	504	960

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**

119

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	300	230
8.2 Credit standby arrangements	-	-
8.3 Other	500	496
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*

8.3) Invoice finance facility, National Australia Bank Limited, secured*

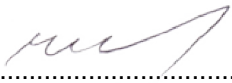
*As announced to the market on 10 July 2019, the Company's invoice finance facility has been raised by \$1M to \$1.5M (previously \$0.5M) and the Company's asset finance facility has been increased by \$0.2M to \$0.5M (previously \$0.3M).

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(1,400)
9.3 Advertising and marketing	(5)
9.4 Leased assets	-
9.5 Staff costs	(1,000)
9.6 Administration and corporate costs	(60)
9.7 Other (Asset Purchases)	(60)
9.8 Total estimated cash outflows	(2,525)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
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: 
Director

Date: 15/07/2019

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.