

Babylon September 2026 Quarterly Update and Appendix 4C

Highlights:

- Customer receipts of \$9.7 million, approximately 11% higher than the prior corresponding quarter, notwithstanding that the prior period included contributions from the since-divested Maintenance and Ausblast businesses
- Q1 FY27 Rental revenue of \$6.4 million, up 8.5% on the prior corresponding period, reflecting continued activity across Babylon's focused water management rental operations
- High levels of activity of test pumping works, with strong repeat business, diversified commodity exposure and secured work extending through the summer period
- \$7.27 million recapitalisation completed, comprising \$2.5 million of cash funding and \$4.77 million of debt converted to equity, strengthening Babylon's financial position and supporting continued investment in the Rental business
- Interest-bearing debt reduced to approximately \$19.4 million at quarter end, from approximately \$21.6 million at 30 June 2026
- Net operating cash outflow of \$0.1 million after \$0.4 million of redundancy-related payments and elevated supplier payments as the Company normalised supplier accounts following the recapitalisation
- Cash of \$1.4 million at quarter end, with a further \$1.5 million of unused financing facilities available

Specialist resources services provider Babylon Pump & Power Limited ("Babylon" or "the Company") (ASX: BPP) is pleased to provide its quarterly update and Appendix 4C cash flow statement for the quarter ended 30 September 2026 (Q1 FY27).

The September quarter completed Babylon's strategic and financial reset, with the Primepower divestment and recapitalisation leaving the Company focused on its specialist water management rental operations.

Commenting on the results, Babylon Managing Director Michael Shelby said:

"During the quarter we completed our exit from the Maintenance business and the recapitalisation, while the underlying Rental operations continued to perform steadily. Customer receipts were ahead of the prior corresponding period and our Test Pumping business is operating near full capacity, supported by good levels of repeat work and secured forward activity.

"We have also started deploying capital into repairing and readying Rental equipment for customer demand, while continuing to work through the corporate and working capital reset.

"We remain focused on maintaining operating discipline, increasing utilisation, selectively investing behind identified customer demand and continuing to build the specialist water management rental business."

Cash Flow Commentary

Babylon recorded customer receipts of \$9.7 million during the quarter, approximately 11% above the prior corresponding period.

The prior corresponding quarter included Ausblast and Maintenance, which have since been divested, and only two months of Blue Hire and Matrix following their August 2025 acquisitions.

Net cash used in operating activities was \$0.1 million. The operating cash result included approximately \$0.4 million of redundancy-related cash costs associated with the Company's restructuring, together with higher than normal supplier payments as Babylon deployed recapitalisation proceeds to bring supplier accounts up to date and support normal ongoing trading relationships.

During the quarter Babylon invested \$0.32 million in property, plant and equipment, substantially directed towards repairing, refurbishing and preparing Rental fleet for customer deployment.

The Company also received \$0.15 million in cash consideration from completion of the divestment of Primepower Queensland.

Cash at quarter end was \$1.4 million, with a further \$1.5 million of unused financing facilities available.

Interest-bearing debt reduced to approximately \$19.4 million at 30 September 2026, compared with approximately \$21.6 million at 30 June 2026.

For the purpose of ASX Listing Rule 4.7C.3, payments to related parties or associates of Babylon during the quarter totaled \$226k. These payments were in respect of directors' fees, salaries and superannuation paid to executive and non-executive directors.

Operations Update

Babylon's specialist water management rental operations continued to perform steadily throughout Q1 FY27.

Rental segment revenue for the quarter was \$6.4 million, representing growth of 8.5% compared with the prior corresponding quarter.

The year-on-year comparison includes three months of contribution from Blue Hire and Matrix in the current quarter compared with two months in Q1 FY26.

Following completion of the recapitalisation, Babylon commenced deploying capital into the repair, refurbishment and preparation of Rental equipment for return to service and deployment against identified customer demand.

Further selective fleet investment is expected in coming quarters, with capital deployment to remain aligned with available funding, utilisation and customer requirements.

Babylon's Test Pumping operations continued to perform strongly during the quarter and are to see high utilisation through the half year.

Activity remains diversified across customers ranging from junior resource companies through to Tier 1 miners and across commodities including gold, copper and lithium, limiting exposure to any individual customer or commodity. Growth has been particularly strong across gold projects in the Pilbara, Gascoyne and Kalgoorlie regions.

Significant work scheduled for Q2 and Q3 FY27 comprises repeat business from existing customers, demonstrating continued customer demand and providing opportunities for Babylon to capture additional downstream water management work.

Purchase orders have also been secured for work through December and January, periods which have historically been seasonally quieter for the Test Pumping business.

Babylon is also broadening the services offered through the division. Leveraging its existing bore pump expertise and customer relationships, the Company has recently secured work in adjacent activities including bore cleaning and routine bore servicing.

These additional services are intended to increase Babylon's participation across the water management lifecycle and create further opportunities to provide complementary Rental equipment and services.

Corporate and Strategic Update

Completion of Maintenance Exit

Babylon completed the divestment of Primepower Queensland Pty Ltd to Maximor Nominees Pty Ltd on 31 July 2026 for cash consideration of \$150,000.

The transaction completed Babylon's exit from the Maintenance segment, with no ongoing liabilities associated with the business, and enabled management and financial resources to be focused on the specialist water management rental operations.

Recapitalisation

During the quarter Babylon completed its \$7.3 million recapitalisation, comprising \$2.5 million of new cash funding and \$4.8 million of debt converted to equity. The recapitalisation strengthened the Company's financial position and provides greater flexibility to support existing operations and selectively invest in Rental fleet.

Following completion of the recapitalisation and satisfaction of the conditions associated with the Company's revised NAB arrangements, Babylon's securities were reinstated to quotation on the ASX in September 2026.

Blue Hire founder Byron Ynema also joined the Babylon Board as Executive Director effective 1 September 2026.

Corporate Cost Base

The Company continued implementing cost reductions and simplifying its corporate structure during the quarter following the divestment of its non-core operations.

The restructuring resulted in approximately \$0.4 million of redundancy-related cash costs during the quarter.

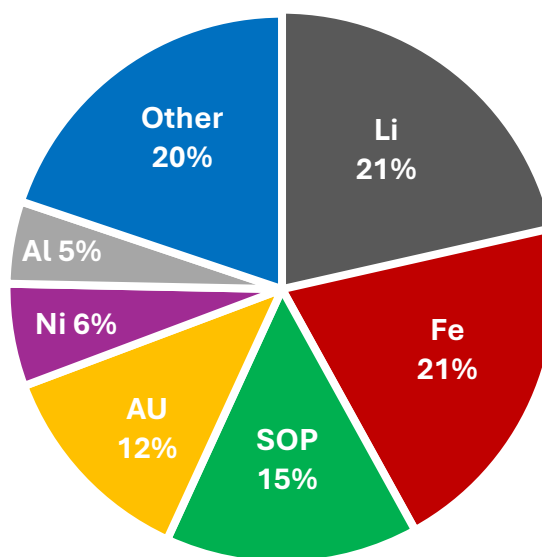
The restructuring required to align Babylon's corporate structure with the simplified Rental business is now substantially complete, with the Company continuing to target reductions in annual corporate expenditure.

Babylon remains focused on maintaining a lean corporate structure appropriate for the scale and requirements of its specialist water management rental operations.

Strategy and Outlook

Babylon enters the second quarter of FY27 as a substantially simplified business focused on specialist water management rental services. Revenue for period was diversified across multiple commodities with no single commodity representing more than 21% of the total.

Q1 FY27 Revenue Mix by Commodity



The Company's priorities remain:

- Maintaining and improving Rental fleet utilisation, selectively deploying capital into refurbishment and expansion of fleet where supported by identified customer demand;
- Executing secured Test Pumping work and developing adjacent water management services;
- Maintaining disciplined debtor, creditor and working capital management; and
- Operating with a lower corporate cost base following the Company's strategic simplification.

The secured Test Pumping workload and continuation of activity across Babylon's broader Rental operations provide a solid operating base entering the remainder of FY27.

The Company will continue to assess fleet investment opportunities based on customer demand, expected returns and available capital, while maintaining its focus on operational and financial discipline.

This ASX release has been authorised by the Board of Babylon Pump & Power Ltd.

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About Babylon Pump & Power Ltd

Babylon Pump & Power Ltd (ASX: BPP) is a specialist water management rental business servicing the Australian resources sector.

The Company provides specialist pumping, dewatering, test pumping and project water management equipment and services, supported by technical capability, an established equipment fleet and long-standing customer relationships across the Australian resources industry.

Appendix 4C

Quarterly cash flow report for entities

Name of entity

Babylon Pump & Power Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

30 September 2026

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	9,653	9,653
1.2	Payments for:		
(a)	research and development	-	-
(b)	product manufacturing and operating costs	(6,132)	(6,132)
(c)	advertising and marketing	-	-
(d)	leased assets	-	-
(e)	staff costs	(2,848)	(2,848)
(f)	administration and corporate costs	(304)	(304)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(480)	(480)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(108)	(108)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
(a)	entities	-	-
(b)	businesses	-	-
(c)	property, plant and equipment	(319)	(319)
(d)	investments	-	-
(e)	intellectual property	-	-
(f)	other non-current assets	-	-
2.2	Proceeds from disposal of:		
(a)	entities	-	-
(b)	businesses	150	150
(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	-	-
2.6	Net cash from / (used in) investing activities	(169)	(169)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,802	3,802
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(438)	(438)
3.5	Proceeds from borrowings	3,072	3,072
3.6	Repayment of borrowings	(5,419)	(5,419)
3.7	Transaction costs related to loans and borrowings	(275)	(275)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	742	742

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	939	939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(108)	(108)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(169)	(169)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	742	742
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,404	1,404

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	1,404	939
5.2	Call deposits	-	-
5.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,404	939

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	226
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	20,964	(19,419)
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	20,964	(19,419)
7.5	Unused financing facilities available at quarter end * Amortising loans are unable to be redrawn		1,545*
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. Facilities as at 30th September 2026: - NAB term loan facility of \$17,429,000, BBSY +3.5%, secured by GSAs over group assets and guarantees from group entities - NAB asset finance facility with a \$2,000,000 revolving line of credit, NAB daily variable rate, with the interest rate fixed for the term of each drawing, secured by a GSA - Toyota Fleet Management asset finance facility \$750,000, rate variable +/- 7.30%, secured by GSA, subject to review - Caterpillar Financial Australia Limited \$750,000 amortising trade finance loan with a fixed interest rate of 5.29% p.a, secured by a parent company guarantee \$35,000 amortising Premium Funding Loan with a 2.95% flat rate		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(108)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,404
8.3 Unused finance facilities available at quarter end (item 7.5)	1,545
8.4 Total available funding (item 8.2 + item 8.3)	2,949
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	27.3
<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	
<i>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.</i>	

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: 26/10/2026

Authorised by: By the board

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.