30 January 2026

Babylon December 2025 Quarterly Update and Appendix 4C

Highlights:

- **Net operating cash inflow of $2.4m (+32% YoY) with $11.5m in cash receipts (+27% YoY)**
- **Rental segment delivered revenues ahead of budget in a strong first full quarter post-acquisitions, with multiple new contract wins supporting $5.3m in H1 rental segment EBITDA[1]**
- **Secured 3-year, ~$3m p.a. pump hire contract with Newmont**
- **Signed Terms Sheet to sell Ausblast business for $2.8m cash (settled in January)**
- **Maintenance segment remains significantly challenged by industry conditions, with no contribution to cash flow or profitability – cost reductions have stabilised operations**
- **Appointment of experienced CFO Paul Connolly to support next phase of growth**

Specialist resources services provider Babylon Pump & Power Limited ("Babylon" or "the Company") (ASX: BPP) is pleased to present a quarterly update and cash flow report for the period ended 31 December 2025 (Q2 FY26).

Cash Flow Commentary

In the first full quarter following the completion of Babylon's strategic acquisitions of Blue Hire and Matrix Hydro Services, the Company recorded a net operating cash inflow of $2.4 million for the December quarter (+32% from Q2 FY25) driven by receipts from customers of $11.5 million (+27% from Q2 FY25).

Cash at bank on 31 December 2025 was $1.2m and undrawn finance facilities were $7.5m, providing total funding headroom of $8.7 million to support growth initiatives.

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

"We've entered the second half of FY26 with a significantly enhanced platform and a clear focus on execution. Our specialist Rental business continues to grow, reflecting solid integration progress following the introduction of the Matrix and Blue Hire acquisitions in August 2025, along with increasing demand for water management solutions. The signing of a material contract with Newmont and rising utilisation in key regions are pleasing endorsements of the level of service we provide. While the market for our Maintenance business suffered a sharp downturn and remains difficult, we've taken decisive action to preserve margins and seek optionality."

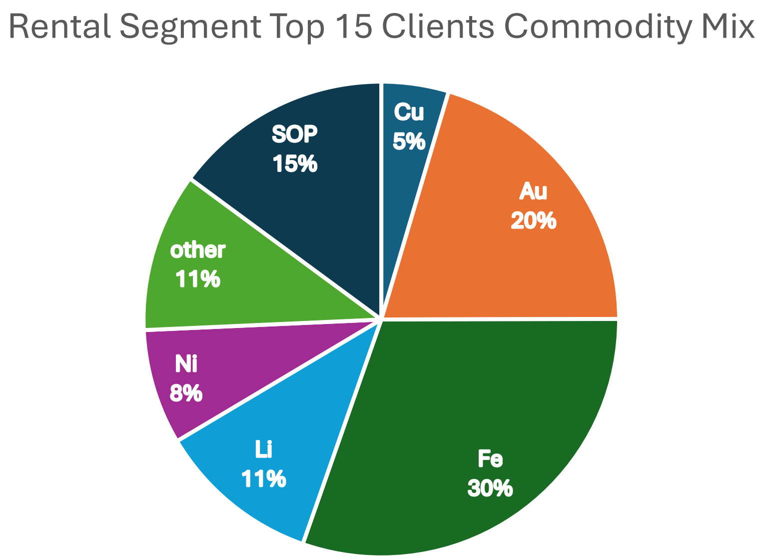
[1] All financial figures provided in this announcement are unaudited.

Operations Update

Rental Segment

Babylon's expanding Rental segment posted a standout result for H1 FY26, achieving EBITDA of $5.3 million – more than double the $2.3 million delivered in the prior corresponding period. This growth reflects strong organic performance and early contributions from Matrix and Blue Hire following completion of these acquisitions on 1 August 2025, which have materially expanded the Company's capability and geographic footprint.

Notably, the client base across the rental business is now significantly more diversified, with major contributions from the gold and iron ore sectors. This mitigates commodity-specific risk and underpins revenue resilience. The chart below shows the commodity mix of the top 15 clients by commodity, representing approximately 80% of rental revenue.



Recent rental segment activity:

- Babylon was awarded a material three-year pump hire and maintenance contract with Newmont, expected to generate revenue of approximately $3 million per annum (see ASX announcement on 22 December 2025)
- Divested non-core Ausblast business at EBITDA multiple of ~5.6x (see ASX announcement on 21 January 2025)
- Continued to ramp up works for the dewatering contract at Cockatoo Island (WA) iron ore mine
- Mobilised specialised pumping system for offshore construction project in West Australia
- Assisted local emergency services in Boddington, WA, with provision of water to fight bushfires (photo below).

Maintenance Segment

Babylon’s Maintenance segment continued to face challenging conditions in Q2, with clients in the coal and iron ore sectors deferring non-essential maintenance spending.

The main revenue driver for the segment over the past 3 years has been the Queensland coal market, with the balance of revenue coming primarily from the iron ore sector. The Queensland coal market has weathered significant cost pressures and uncertainty during this financial year, which has seen a sudden and sharp drop in spending in the heavy equipment maintenance market.

Despite these headwinds, revenue improved versus Q1 and the business has traded close to breakeven for H1 and is forecast to stabilise in Q3. Proactive cost reductions have right-sized the segment for current market conditions and preserved the Company's capability to respond when demand improves. The Company expects that the steps taken will ensure the segment will trade around breakeven point while management evaluates all strategic alternatives for the business.

Corporate

Chief Financial Officer Appointment

In January, Babylon appointed Mr Paul Connolly as Chief Financial Officer. Paul brings more than 25 years' experience across senior finance, tax and treasury leadership roles in global industrial companies. He joins BPP from Amcor, where he held multiple senior positions across Australia, Europe and Asia, including most recently as CFO / Vice President Finance & IT for Amcor Flexibles Asia Pacific. Paul's strategic and operational expertise strengthens Babylon's leadership team as the Company enters a new phase of growth.

Appointment of Joint Company Secretaries

In November, Babylon announced the appointment of Ms Kate Stoney and Mr Josh Merriman as Joint Company Secretaries. Ms Stoney and Mr Merriman are experienced corporate governance and finance professionals who have held company secretarial positions across various other listed public companies. In conjunction with the appointments, the Company's Managing Director, Mr Michael Shelby, resigned from his temporary Company Secretary duties to fully focus on commercial matters.

Outlook

Babylon enters Q3 FY26 with strong momentum in its Rental business and the integration of Matrix and Blue Hire now substantially complete. While Maintenance remains subdued, cost management efforts have positioned the business to break even, with strategic options under active review.

Key areas of focus include:

- Adding Rental assets to fleet, subject to funding availability, to meet contract wins and customer needs
- Maximising fleet utilisation and operational synergies across the combined group with an eye on asset rotation focusing on highest financial utilisation equipment
- Managing maintenance segment costs while evaluating long term commitment to the segment
- Financial discipline remains a priority, with a continued emphasis on managing working capital, optimising fleet investment and reducing net debt

The Board is pleased with the significant growth achieved in the rental business, which continues to be the primary focus for the Company. Its priority is to apply operating cash generation to meet funding obligations whilst capitalising on growing the rental business with available funding resources.

For the purpose of ASX Listing rule 4.7C.3, payments to related parties or associates of Babylon during the quarter totaled $102k. The payments were in respect of director fees and superannuation ($44k), and contract finance services on market-related commercial terms to Ms Bower ($59k).

This ASX release has been authorised by the Board.

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About Babylon Pump & Power Ltd

Babylon Pump & Power Ltd (ASX: BPP) is a provider of speciality mining services to the resources sector in Australia. The company is a specialist in high-pressure pumping, dewatering and project water management with decades of experience supplying and maintaining equipment in remote and offshore locations. Babylon also provides a full range of speciality power generation solutions, including system design, installation, commissioning, operations and maintenance services.

With a team of highly experienced technicians, Babylon also provides full maintenance and asset management services for high horsepower mobile equipment including engines, power train assemblies and components. Babylon is based in Perth with operations in Western Australia and Queensland.

Forward-Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Appendix 4C

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

Name of entity

Babylon Pump & Power Limited

ABN	Quarter ended ("current quarter")
47 009 436 908	31 December 2025

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	11,549	20,259
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(6,227)	(9,237)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(2,110)	(5,439)
	(d) administration and corporate costs	(288)	(535)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	11
1.5	Interest and other costs of finance paid	(578)	(804)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Debt arrangement costs)	-	(349)
1.9	**Net cash from / (used in) operating activities**	**2,356**	**3,906**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(18,350)
	(c) property, plant and equipment	(802)	(1,082)

Consolidated statement of cash flows			Current quarter $A'000	Year to date (6 months) $A'000
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets	-	-
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 (Term Deposit)		329	329
2.6	**Net cash from / (used in) investing activities**		**(473)**	**(19,103)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	7,880	36,734
3.6	Repayment of borrowings	(10,885)	(23,401)
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**	**(3,019)**	**13,319**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,323	3,065
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,356	3,906
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(473)	(19,103)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,019)	13,319
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,187**	**1,187**

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	1,187	2,323
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)**	**1,187**	**2,323**

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	102
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.

7.	Financing facilities *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.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	27,674	(23,052)
7.2	Credit standby arrangements	-	-
7.3	Other: Invoice finance facility	5,100	(2,193)
7.4	**Total financing facilities**	32,774	(25,245)

7.5	**Unused financing facilities available at quarter end**	7,529*

* Amortising loans are unable to be redrawn

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 31st December 2025:

- NAB asset finance facility with a $5,000,000 revolving line of credit, NAB daily variable rate, with the interest rate fixed for the term of each drawing, secured by a GSA
- NAB 5-year term loan facility of $21,174,000, BBSY +3.5%, secured by GSAs over group assets and guarantees from group entities
- 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
- $408,305 amortising Premium Funding Loan with a 2.95% flat rate
- NAB invoice finance facility with a $5,100,000 revolving line of credit, NAB daily variable rate +1.50%, secured by a GSA

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,356
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,187
8.3	Unused finance facilities available at quarter end (item 7.5)	7,529
8.4	Total available funding (item 8.2 + item 8.3)	8,716
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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.

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: 30 January 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.