

ASX: BUB
Bubs Australia

bubs®

ANNUAL GENERAL MEETING

30 November 2021



Jennifer Hawkins

Bubs Global Brand Ambassador

DISCLAIMER

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This Presentation contains certain 'forward-looking statements'. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Bubs, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Bubs' business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Bubs, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Bubs as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), none of Bubs, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Certain non-IFRS financial information has been included to assist in the making appropriate comparisons with prior periods to assess the operating performance of the business. Bubs uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information has not been subject to auditor review.

Unless otherwise stated, all dollar values are in Australian dollars (\$) or A\$). A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.



Growing Generation Joy™



Creating new generations of happy & healthy bubs[®]

GOODNESS

We believe in wholesome, healthy food and a positive approach to life.

HONESTY

We believe in 100% transparency, this is 'clean' food from a brand you trust.

VERY BEST

We believe in being thorough and uncompromising, sticking to our ethics no matter what.

PLAYFULNESS

We believe in the joy of family time, the pleasure of sharing happy moments and being together.

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CHAIR WELCOME

Dennis Lin

Executive Chairman



AGENDA

Chair Welcome	5
CEO Address	9
Formal Business	27
Shareholder Q&A	33



OUR BOARD: **BENCH STRENGTH FOR FUTURE GROWTH**

Supporting future business needs with expertise in global strategy, dairy operations and international regulatory compliance.

BOARD OF DIRECTORS



DENNIS LIN
Executive Chairman

- China and global growth expert.
- M&A specialist.
- Health & wellness expertise.



KRISTY CARR
Managing Director

- Founder since 2006.
- Business development.
- Infant nutrition brand specialist.



KATRINA RATHIE
Non-Executive Director

- Leading expert in international IP, and FMCG consumer brand lawyer with extensive Governance experience.



STEVE LIN
Non-Executive Director

- Expertise across Asia & USA.
- Investments & corporate management.



JAY STEPHENSON
Company Secretary

- Extensive professional Company Secretary experience for ASX companies.

OUR TEAM: BENCH STRENGTH FOR FUTURE GROWTH

Supporting future business needs with expertise in global strategy, dairy operations and international regulatory compliance.

KEY MANAGEMENT PERSONNEL



KRISTY CARR
Chief Executive Officer



FABRIZIO JORGE
Chief Operating Officer

- Global growth strategy.
- Operational oversight
- 20+ years dairy experience.



IRIS REN
Chief Financial Officer

- Financial advisory & corporate transactions.
- Audit & compliance.

EXECUTIVE LEADERSHIP TEAM



RICHARD PAINE
Chief Manufacturing Officer
Quality, Dairy & Nutritionals

- Dairy operations & supply chain.
- Nutritional manufacturing specialist.



VIVIAN ZURLO
Chief Marketing & Innovation
Officer – Global Markets

- Global brand & marketing strategy.
- Nutritional innovation & product development.



DAVID ORTON
General Manager Supply
Chain Operations

- Supply China & Operations.
- Integrated business planning.



DYLAN LU
Managing Director –
Greater China

- China omnichannel commercial sales & e-commerce leadership.

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CEO ADDRESS

Kristy Carr

Founder & Managing Director



CHALLENGING COVID MACRO ENVIRONMENT

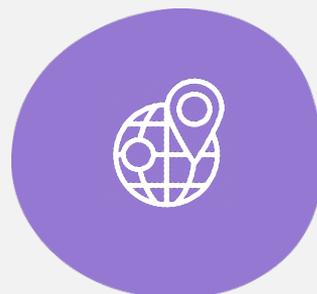
Notwithstanding external forces creating channel disruption and volatility across our sector in FY21, Bubs was well placed with **strong foundations, emerging brands and a robust balance sheet.**



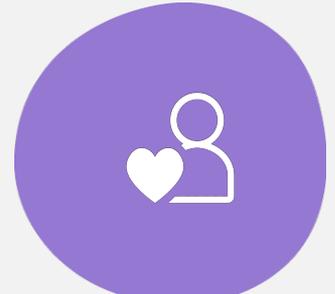
Channels shifting and merging, with acceleration of new routes to market.



Rebalance inventory due to supply and demand volatility.



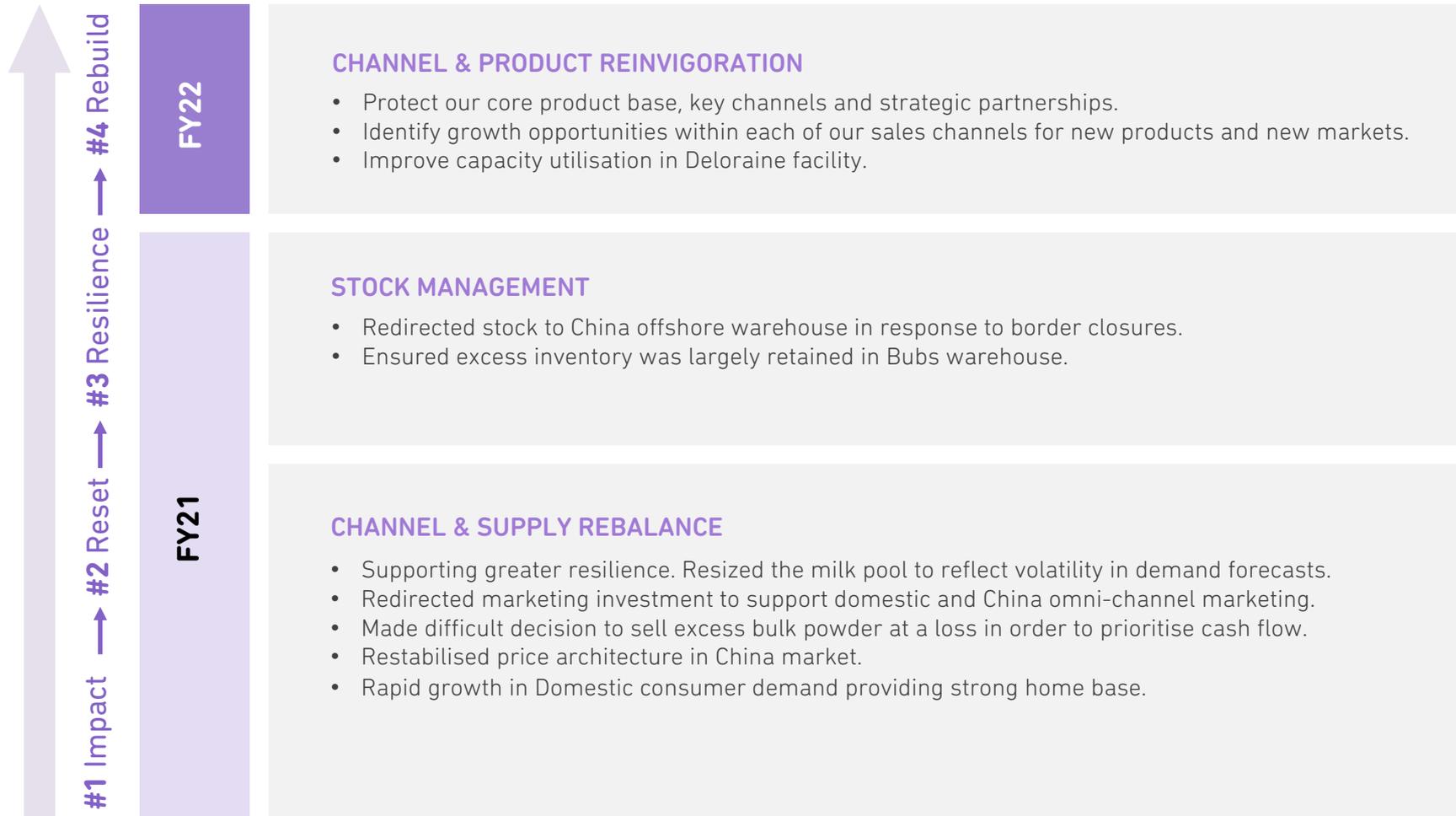
China's rapid shift to digitisation, powered by social commerce.



Consumers increasingly value quality, health and safety in packaged foods.

COVID-19 BUBS RESPONSE

Our response throughout FY21 focused on four pandemic phases to protect our base for rebuild. This has **strengthened our foundations and ability to mitigate future demand shocks.**



TURNAROUND TO **ACCELERATED GROWTH**

Responding to rapidly changing market dynamics, **Bubs has quickly adapted and returned the business to high growth trajectory** in Q1 FY22, overcoming COVID-19 disruption and challenging macro environment.



PROTECTING HOME BASE HERITAGE

Continued brand investment to sustain market share and strong retail footprint in national grocery and pharmacy retailers.



SUSTAINING VALUE CHAIN CONFIDENCE

Rebalanced channel inventory to meet stabilised demand and restructured value chain with all parties benefiting from enhanced margins.



CHINA CHANNELS MERGE

Leveraging brand equity in China by growing CBEC brand presence, combined with reinvention of the Daigou channel driving peer endorsed sales.



EXPORT DIVERSIFICATION

Renewed focus on new market access across SE Asia and USA, as well as creation of B2B industrial sales channel with Deloraine Dairy Solutions.

FY21 OPERATIONAL PLAN

Operational action plan for building on strategic pillars in response to COVID-led channel disruption.

Key Priorities	Objective	Key Focus Areas	Status	Timing
Specialty Dairy Focus 	<ul style="list-style-type: none"> Drive highest & best use of dairy pool 	<ul style="list-style-type: none"> Focus on hero products Goat Milk Infant Formula and CapriLac® Adult Goat Milk Powder. Sustain Goat Formula margin and brand share. 		1H FY22 COMPLETED AHEAD OF PLAN
Margin Improvement 	<ul style="list-style-type: none"> Improve product value chain 	<ul style="list-style-type: none"> Optimise Channel and Product mix. Implement supply chain cost efficiencies. Increase Deloraine facility utilisation. 		FY22 ON TRACK TO COMPLETE
Daigou 2.0 	<ul style="list-style-type: none"> Reactivate Daigou Channel 	<ul style="list-style-type: none"> Drive Daigou facilitated social e-commerce sales. Support online-to-offline (O2O) channel. Redirect brand marketing to grow China base. Stabilising China price architecture. 		2H FY22 COMPLETED AHEAD OF PLAN
Re-balancing Inventory Levels 	<ul style="list-style-type: none"> Operational excellence 	<ul style="list-style-type: none"> Achieved balance across channel inventory. Balance demand forecast and milk supply. Manage excess milk supply via industrial B2B sales. 		1H FY22 COMPLETED AHEAD OF PLAN

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GROWTH STRATEGY



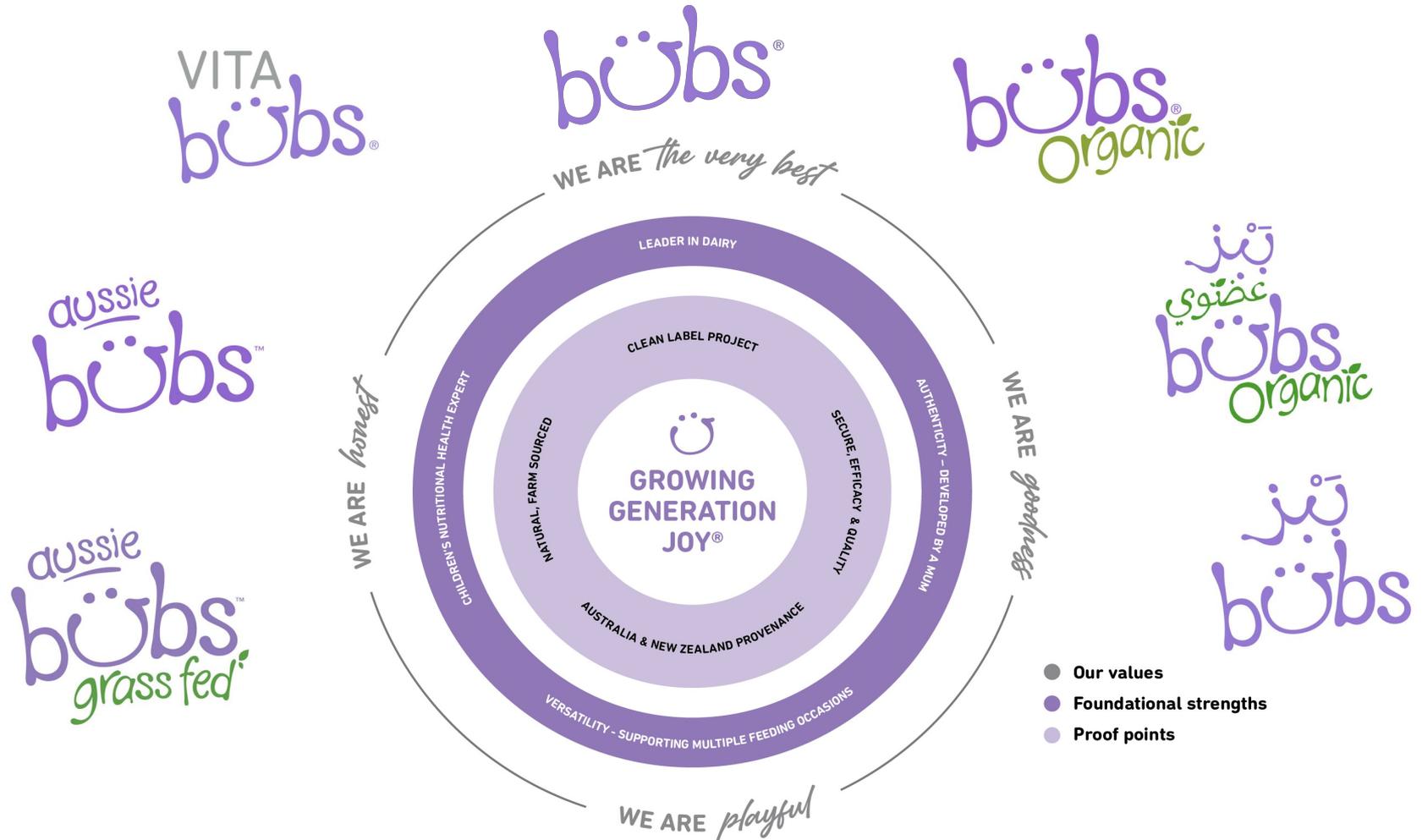
OUR GROWTH AMBITION

To provide a comprehensive portfolio of **Bubs®** nutrition to the entire family throughout the world.



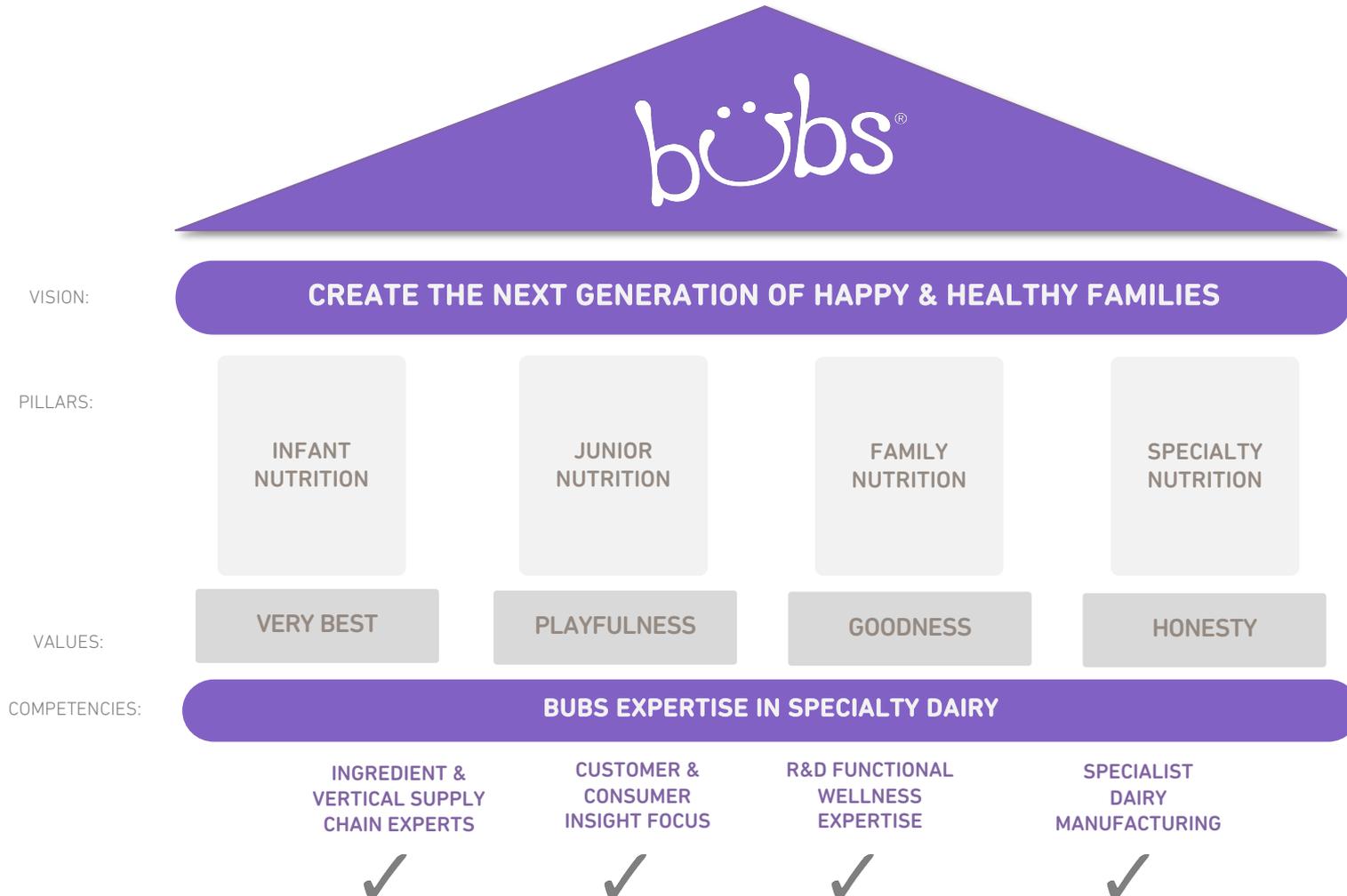
BUBS® STRONG MASTERBRAND

The foundational strengths of the Bubs® master brand supports our brand differentiation and provides a clear direction of consistency in **brand values to leverage for current and future extensions of the brand.**



BRAND GROWTH PILLARS

Our proven dairy expertise provides continued growth opportunity to **stretch Bübs[®] brand equity into adjacent categories, consumer segments and nutritional occasions.**



CONTINUOUS INNOVATION FOR BUBS FAMILY

Ability to **respond quickly to emerging consumer trends and adjacent market segments**, providing a pathway through innovative growth in Bubs Masterbrand equity.

INFANT MILK FORMULA

JUNIOR NUTRITION

ORGANIC BABY FOOD & SNACKS

VITAMINS & SUPPLEMENTS

FAMILY NUTRITION



BUBS DIVERSIFIED WORLD MARKETS

We have continued to build our **market access strategies** around **4 strategic sales channels** that are complementary to unlock value within our Bubs Masterbrand equity.



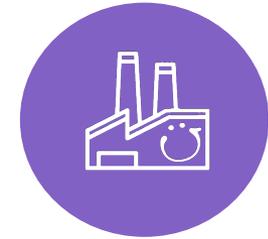
1. Australia



2. China



3. International



4. B2B Deloraine Dairy Solutions

FOCUS:

Customer & Consumer Centric – Excellence in Quality

KEY CHARACTERISTICS:

Opportunity for a significant local challenger brand with strong home market engagement with domestic consumers.

China routes to market now omni-channel with Daigou merging with CBEC/O2O via online sales, live-streaming and social selling.

Consolidate growth in existing SEA penetration with opportunity to grow in new region: USA.

Grow specialist dairy solution co-manufacture and end-to-end new product development for global customers.

BUBS COMPETENCIES:

BUBS EXPERTISE

INGREDIENT & VERTICAL SUPPLY CHAIN EXPERTS



CUSTOMER & CONSUMER INSIGHT FOCUS



R&D FUNCTIONAL WELLNESS EXPERTISE



SPECIALIST DAIRY MANUFACTURING



UNDERPINNED BY BUBS TRUSTED VERTICAL INTEGRATION

Ability to leverage our expertise and trust across our integrated supply chain provides continued opportunities to drive scale and business growth.



BUBS® TRUSTED NUTRITION IS YOUR GOLD SEAL OF APPROVAL.



OUR SUPPLY CHAIN SECURITY



OUR MILK CONVERSION PROCESS



OUR HIGH QUALITY & TESTING STANDARDS



OUR FARMERS



OUR CLEAN LABEL FORMULATIONS

FOUNDATIONAL STRENGTHS

- Transparency, ownership and oversight.

- Ensures control process from farm and milk drying with options to grow scale.

- Application of high standards supporting expertise in infant to adult nutrition.

- Access to exclusive supply across Australian dairy landscape.

- Development of pure formulations, free from heavy metals, pesticides and GMO's.

IMPLICATIONS FOR GROWTH

Provides consistent levels of high-quality standards across end-to-end supply chain.

Ability to grow economies of scale from milk source to ownership of canning facility.

Provides unique point of difference with infant grade facility and production standards.

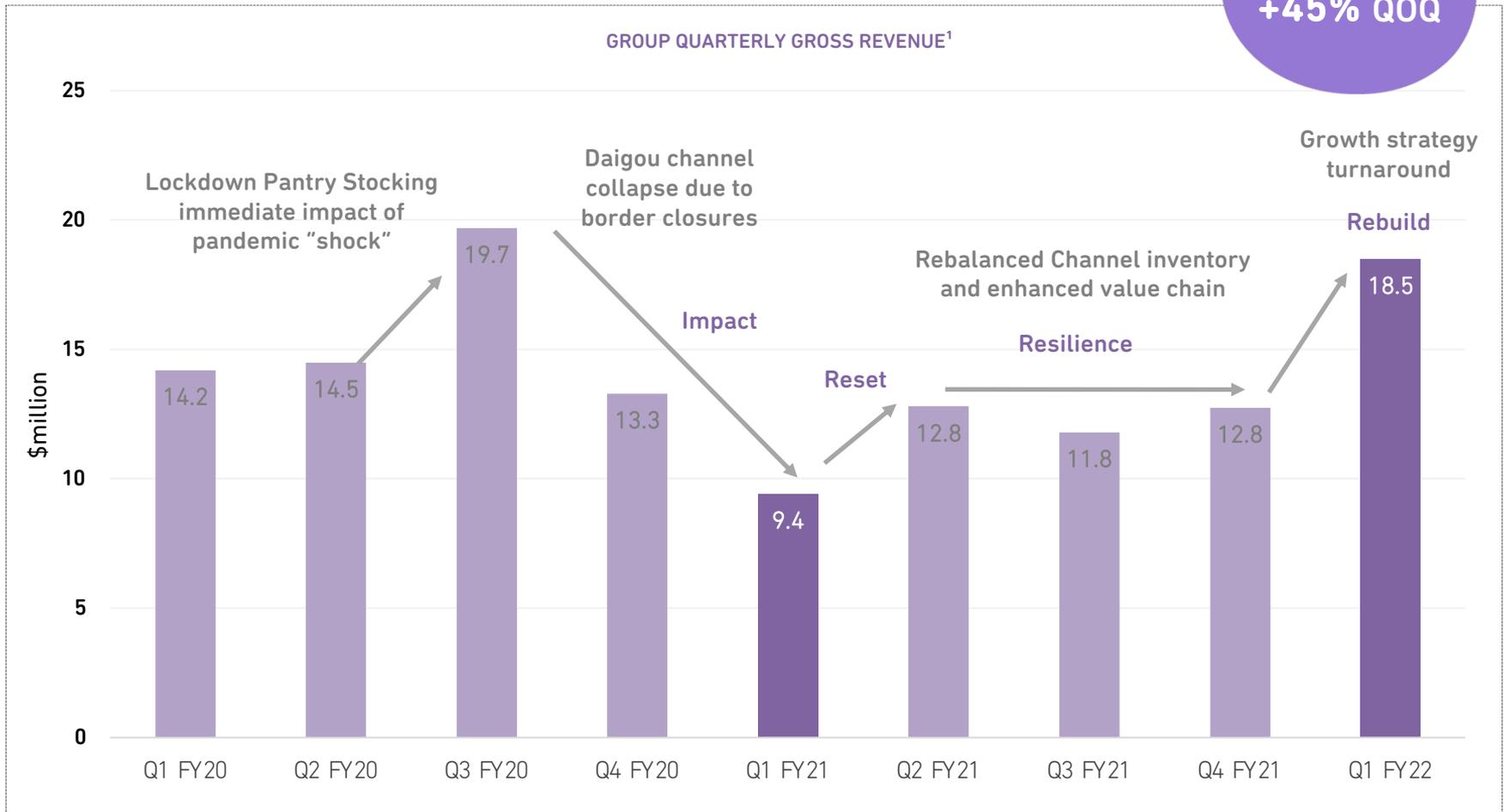
Agility to ensure high quality standards and manage milk pool to meet demand.

Unique first to market advantage across infant formula range tested as pure nutrition.

REBUILD TO RETURN TO ACCELERATED GROWTH

Business growth strategy reflects transformation of business in post-Covid era.

+96% pcp
+45% QOQ



¹ Gross revenue is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Gross revenue represents the revenue recognised without rebates and marketing contribution.

DOMESTIC: LEAD CHALLENGER BRAND

Bubs Australia is the **fastest growing Infant Formula manufacturer**¹ with continued sales volume growth and market share gains.



#2 GOAT BRAND²

Coles
Woolworths
Chemist Warehouse



#2 ORGANIC COW BRAND²

Coles
Woolworths
Chemist Warehouse



+35%

scan sales growth pcp

3.6%

market share

Bubs Market Share (%) and Sales Value (\$)



¹ IRI Scan value sales, Dollars (\$000's) share of total Baby Formula , Coles, Woolworths and Chemist Warehouse combined Quarter to 26.09.2021

² IRI Scan value sales, Units (000's) share of total Baby Formula , Coles, Woolworths and Chemist Warehouse combined Quarter to 26.09.2021

CHINA: GROWING BRAND AWARENESS

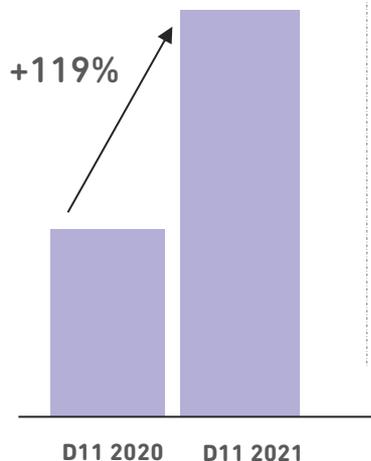
During Double 11 shopping festival, **CapriLac®** ranked No. 1 adult goat milk powder brand on Tmall Global, and **Bubs®** moved up to No. 7 on Tmall total Goat Formula Category.



CAPRILAC® GOAT MILK POWDER

No.1

Tmall Global sales revenue pcp¹.



BUBS® GOAT INFANT FORMULA

No. 7

Tmall Goat Formula Category ranking vs. No.8 in 2020².



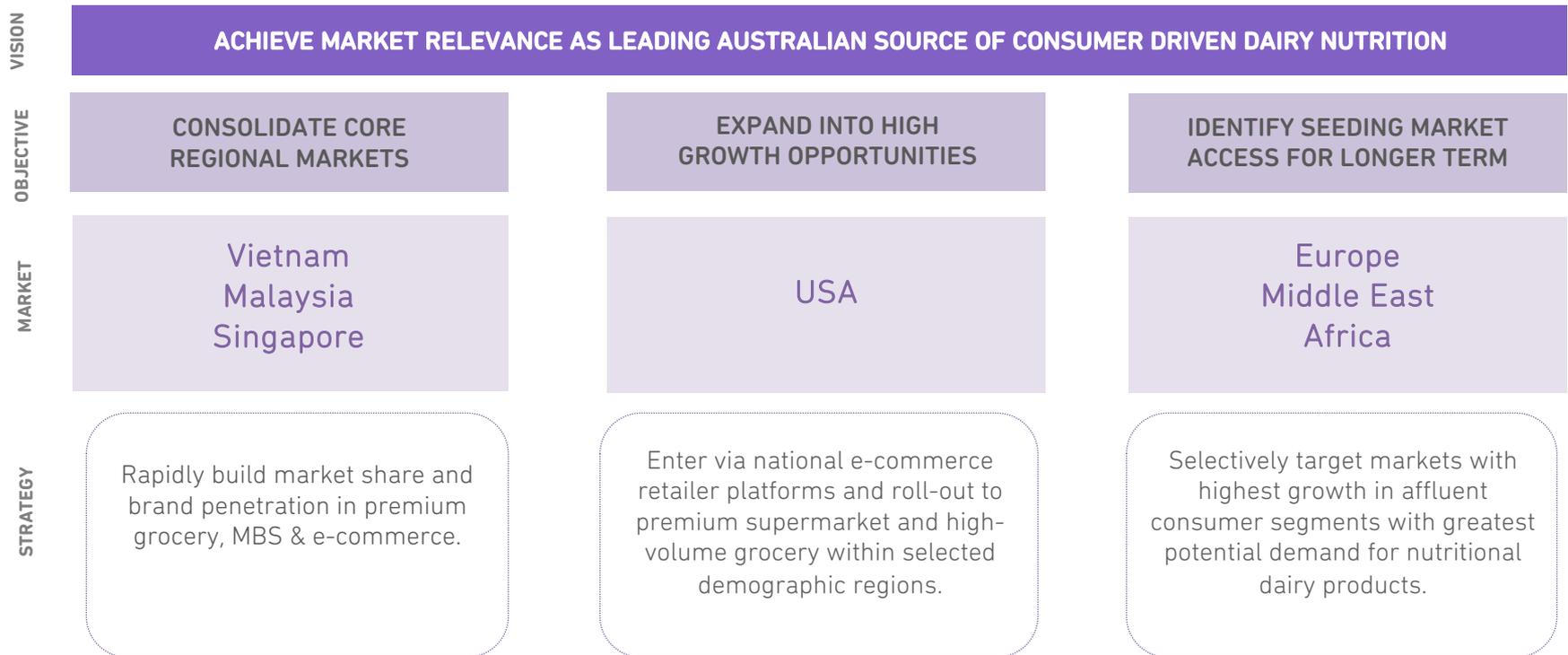
¹ 2021 Double 11, official unit sales data from Alibaba platforms, 21 Oct to 11 Nov 2021.

² Tmall Double 11 (1 Nov-11 Nov 2021), "Goat Formula Top 20", published on myguancha platform, 18 November 2021.

INTERNATIONAL: DRIVING MARKET EXPANSION

Our **international market diversification strategy** is centered on driving our core product portfolio expansion across markets with well established and accessible channels with high consumer demand.

INTERNATIONAL: GROWTH AMBITION



B2B: DELORAINE DAIRY SOLUTIONS

Strategic focus on B2B to leverage existing expertise, organisational capability, and vertically integrated business of scale. **Provides resilience, diversification of customer base and efficiencies across entire business.**

VISION: LEADING VERTICALLY INTEGRATED GLOBAL DAIRY SPECIALIST

GOAL: BUILD RESILIENCE, DIVERSIFICATION AND INTERNATIONAL SCALE

STRATEGIC PILLARS:

**ESTABLISH SUPPLY
POOL RESILIENCE**

**BUILD VALUE ADD
SOLUTIONS**

**GROW GLOBAL
BUSINESS**

Provides ability to proactively manage market fluctuations and supply chain equilibrium.

Utilise supply chain, manufacturing and NPD capabilities to add value and diversify customer base.

Leverage commercial relationships for potential co-manufacturing, ingredient sourcing & branded product sales.

BUBS EXPERTISE

**INGREDIENT & VERTICAL
SUPPLY CHAIN EXPERTS**

**CUSTOMER & CONSUMER
INSIGHT FOCUS**

**R&D FUNCTIONAL
WELLNESS EXPERTISE**

**SPECIALIST DAIRY
MANUFACTURING**



SUMMARY: ONE BRAND. ONE FAMILY. ONE WORLD.

bubs®



- **Daigou channel turnaround** with Key Operational plan well progressed, demonstrating discipline and inventory management.
- **Strong Bubs® brand equity and Masterbrand proposition** with demonstrated ability to stretch **into adjacent categories**.
- Building **diversified market access via** leveraging foundational strengths with strong capabilities in supply chain integration.
- **Continued results demonstrated** in protecting and strengthening our core domestic market, outperforming the category.
- **Growth strategy turnaround demonstrated by resilience and rebuild** with future upside potential driven by innovation.

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FORMAL BUSINESS



ITEM 1: COMPANY FINANCIAL STATEMENTS

To table the financial statements, directors' report and auditors' report for the Company for the year ended 30 June 2021. Shareholders are not required to vote or formally approve or adopt the financial reports.

Deloitte.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that disclosing the matter would have adverse consequences of doing so that outweigh the benefits of doing so.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report complies with section 300A of the Corporations Act 2001.

Responsibilities
The directors of the Company are responsible for the accuracy and completeness of the information in the Remuneration Report, based on the information provided to us.

Doire Toide
DELOITTE TOUGH TOHMATSU

Sunbit
Andrew Lian Sun
Partner
Chartered Accountants
Melbourne, 31 August 2021



OUR RESOLUTIONS

Please ensure that you have cast your vote on all resolutions.



RESOLUTION 1

**ADOPTION OF
REMUNERATION
REPORT**



RESOLUTION 2

**RE-ELECTION OF
DIRECTOR
MR STEVEN LIN**



RESOLUTION 3

**ELECTION OF
DIRECTOR
MS KATRINA RATHIE**

ITEM 2: **ADOPTION OF REMUNERATION REPORT**

To adopt the remuneration report for the financial year ended 30 June 2021. In accordance with the Corporations Act, this resolution is advisory only and does not bind the company or the directors.

RESOLUTION 1

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company’s annual financial report for the financial year ended 30 June 2021.”

VOTE TYPE	VOTED	% VOTED
For	59,582,078	86.64
Against	7,894,733	11.48
Open-usable	1,290,916	1.88
Abstained	76,669,541	N/A
Total	145,437,268	100.00

ITEM 3: RE-ELECTION OF DIRECTOR STEVEN LIN

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

RESOLUTION 2

“That for the purpose of Clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Steve Lin, who retires as a Director by rotation, and being eligible, is re-elected as a Director.”

VOTE TYPE	VOTED	% VOTED
For	138,311,354	94.64
Against	6,427,605	4.4
Open-usable	1,400,916	0.96
Abstained	297,393	N/A
Total	146,437,268	100.00

ITEM 4: ELECTION OF DIRECTOR KATRINA RATHIE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

RESOLUTION 3

“That for the purpose of Clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Katrina Rathie, who being eligible, is elected as a Director.”

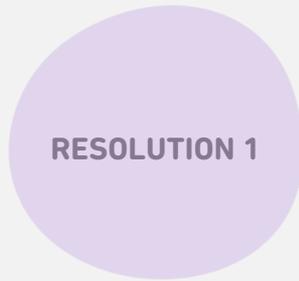
VOTE TYPE	VOTED	% VOTED
For	143,574,376	98.22
Against	1,187,844	0.81
Open-usable	1,409,258	0.96
Abstained	265,790	N/A
Total	146,437,268	100.00

SHAREHOLDER Q&A



CLOSE

Voting will be closed shortly. Please ensure that you have cast your vote on all resolutions.



RESOLUTION 1

**ADOPTION OF
REMUNERATION
REPORT**



RESOLUTION 2

**RE-ELECTION OF
DIRECTOR
MR STEVEN LIN**



RESOLUTION 3

**ELECTION OF DIRECTOR
MS KATRINA RATHIE**

ASX: BUB

Bubs Australia



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