

ASX: BUB  
Bubs Australia

# bübs®

## ANNUAL GENERAL MEETING 28 November 2022



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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 bübs®

## Goodness

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



## Very Best

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



## Honesty

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



## Playfulness

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





# AGENDA

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Growing Generation Joy

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# CHAIR WELCOME



Dennis Lin  
Executive Chairman





Bubs Australia  
awarded 2022  
Australian Exporter  
of the Year

60th  
Australian  
Export Award

60th  
Australian  
Export Awards

60th  
Australian  
Export Awards

60th  
Australian  
Export Awards

Australian  
Chamber of  
Commerce  
and Industry

Australian  
Government  
Australian Trade and Investment Commission

Australian  
Chamber of  
Commerce  
and Industry

Australian  
Government  
Australian Trade and Investment Commission

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## HOW TO ASK A QUESTION

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question follow the instructions below the broadcast window.

The screenshot displays a user interface for asking questions. At the top, there are four navigation icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a red underline), and a folder for 'Documents'. Below these icons is a large text input area with the placeholder text 'Your question(s)'. Underneath this area, there is a prompt: 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu. Below the dropdown, a note states 'Questions are limited to 2000 characters.' and there is a smaller text input field with a 'Send' button to its right. The character count '0 character(s)' is shown at the bottom right of this field.



## HOW TO VOTE

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed

The screenshot displays the voting interface with a navigation bar at the top containing four icons: Broadcast, Vote (highlighted with a purple bar and a red notification badge), Q & A, and Documents. Below the navigation bar is a grey header for 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director', with three buttons: FOR, AGAINST, and ABSTAIN. The second item is '2B Re-elect Ms Jane Citizen as a Director', which shows a confirmation message: 'We have received your vote For' with a green checkmark icon, and a link 'Click here to change your vote.' below it.

# OUR BOARD: BENCH STRENGTH FOR FUTURE GROWTH

Supporting future business needs with expertise in global growth, consumer brands, dairy operations and capital markets.

## BOARD OF DIRECTORS



**DENNIS LIN**  
Executive Chairman

- China & global growth expert
- M&A specialist
- Accountant & Lawyer
- Extensive ASX Board & Governance experience



**KRISTY CARR**  
Managing Director

- Founder since 2006
- International business development
- Growth marketing
- Infant nutrition specialist



**KATRINA RATHIE**  
Non-Executive Director

- Leading expert in international IP law
- Remuneration & Nomination
- FMCG brand specialist
- NED SBS & Starlight Children's Foundation



**STEVE LIN**  
Non-Executive Director

- Expertise across Asia & USA
- International investments
- Corporate management



**JAY STEPHENSON**  
Company Secretary

- Extensive professional Company Secretary experience for ASX companies

## KEY MANAGEMENT PERSONNEL



**RICHARD PAINE**  
Chief Operating Officer

- Dairy operations & supply chain
- Nutritional manufacturing specialist



**IRIS REN**  
Chief Financial Officer

- Financial advisory & corporate transactions
- Audit & compliance



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# CEO ADDRESS

**Kristy Carr**  
Founder & CEO



# FY22 BUSINESS UPDATE



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# FY22 STRATEGIC OVERVIEW

Bubs milestone achievements delivered record revenue in FY22 with a shift to earnings growth profile.

## FY22 FINANCIAL ACHIEVEMENTS



### Record Revenue

Return to high growth trajectory more than double prior year



### Positive Underlying EBITDA<sup>1</sup>

Delivery of first profit, excluding non-cash compensation expense



### Gross Margin Improvement

Significant groupwide gains and optimised product and channel mix

## FY22 STRATEGIC MILESTONES



### High Growth in Domestic Retail Scan Sales and Market Share

Record sales and market share gains  
No.1 Goat Formula brand in Australia<sup>2</sup>



### China Channel Strategic Partnership

China revenue at a record high with roll out of innovative M2C model commencing



### USA Ranging in >6,000 stores across 42 States

540,000 tins of Bubs<sup>®</sup> Infant Formula chartered by U.S. Government under 'Operation Fly Formula'

<sup>1</sup> Excludes non-cash equity compensation expense in the form of share-based payments and equity linked transactions with strategic trading partner.

<sup>2</sup> IRI Scan Data, Dollars (\$000's) Growth YA, Coles, Woolworths and Chemist Warehouse combined to MAT 03/07/2022.



# INNOVATION: LAUNCH INTO A2 PROTEIN CATEGORY

Bubs comprehensive portfolio caters for different dietary needs across the three highest growth segments, with the identical products sold in Australian retailers being exported to China and USA.



**Trusted Nutrition Organic Goodness**

clean label PROJECT  
PURITY AWARD

- ✓ 365 Grass Fed
- ✓ Non-GMO
- ✓ Clean Label Nutrition

bubs<sup>®</sup>  
Growing Generation Joy

bubsaustralia.com

Australia

bübs<sup>®</sup>  
Growing Generation Joy

**宝宝近视低龄化 如何保护宝宝的视力?**

- 1 叶黄素是构成人体视网膜黄斑区最重要的营养素，因为也被称为眼睛维生素
- 2 DHA是组成大脑和视网膜的重要成分，对孩子的视力和智力发育都至关重要。

每100ml含有24 mg DHA & 27µg叶黄素

含有丰富的叶黄素和DHA

维持宝宝眼部的健康发育

Bubs贝霖A2 β-酪蛋白牛奶粉

China

**Gentle Nutrition Easy to Digest**

- ✓ Australian Made
- ✓ Easy to Digest
- ✓ Clean Label Nutrition

clean label PROJECT  
PURITY AWARD

aussie bübs<sup>®</sup>  
Infant Nutrition

aussiebubs.com

USA



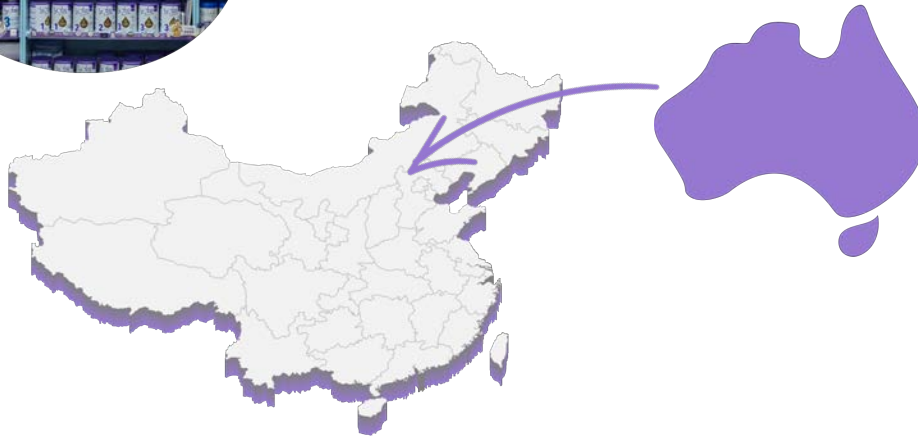
# REGULATORY MILESTONES

Bubs is one of very few companies globally to establish a regulatory pathway for permanent full access into the two largest infant formula markets in the world for the first time.



## CHINA

US\$40Bn<sup>1</sup>



Bubs is in the due diligence phase of finalising our joint venture agreements with China-based manufacturing and supply entities to secure approval of an existing SAMR brand slot with the intent of rebranding as Bubs<sup>®</sup> to launch a new GB compliant ultra-premium Goat formula range in General Trade.

## USA

US\$5.6Bn<sup>1</sup>



Bubs is committed to meeting the requirements for permanent market access under the U.S. FDA Infant Formula Transition Plan for Exercise of Enforcement Discretion. Bubs<sup>®</sup> existing Australian product range already satisfies U.S. nutrient requirements and will continue to be imported until October 2025.

<sup>1</sup> Euromonitor and Market Data.

## FINANCIAL HIGHLIGHTS

High growth global strategy delivers scale with record earnings, gross margin and revenue.

**\$104.2m**  
**+123% pcp**  
Record Gross Revenue<sup>1</sup>

**32%**  
Significantly improved Group Gross Margin

**\$4.8m**  
Underlying EBITDA profit<sup>3</sup>

**+177%**  
Infant Formula Revenue growth pcp

**+166%**  
China Revenue growth pcp

**+39%**  
Domestic scan sales growth YOY Record market share<sup>2</sup>

**\$63m**  
Post balance sheet date successful completion of capital raise



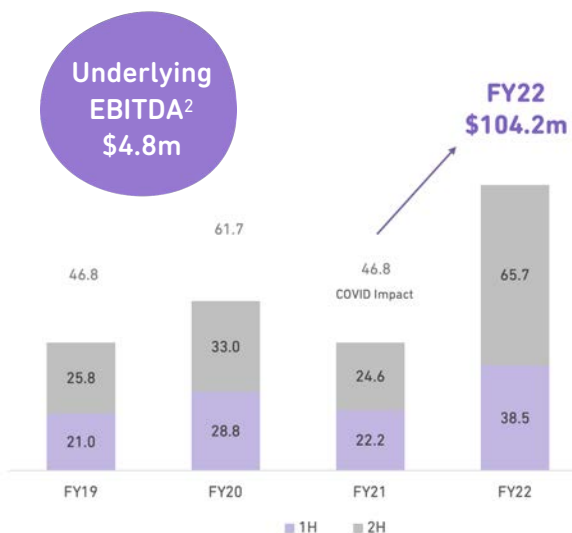
<sup>1</sup> Gross revenue is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Gross revenue represents the revenue recognised without rebates and marketing contribution.  
<sup>2</sup> IRI Scan Data, Dollars (\$000's) Growth YA, Coles, Woolworths and Chemist Warehouse combined to MAT 03/07/2022.  
<sup>3</sup> Underlying EBITDA profit \$4.8m is calculated as: EBITDA loss of \$7.8m, excluding share-based payments (\$8.3m) and equity linked transactions (\$4.2m) with strategic trading partner.

# DELIVERING SCALE AND PROFITABLE GROWTH

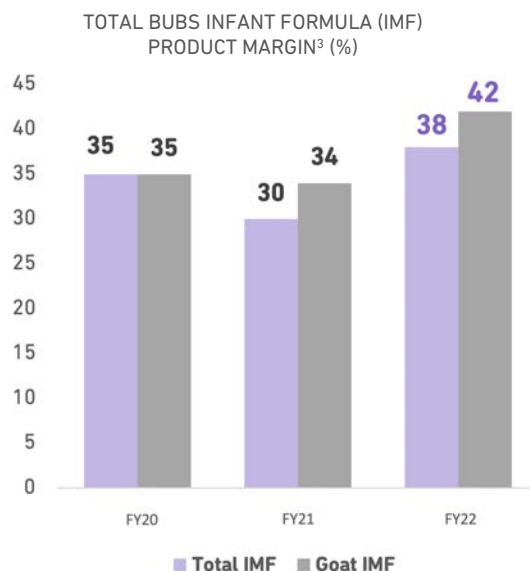
Our long-term profitable growth is underpinned by continued product margin improvement and diversification of our product and channel mix.



## Record Gross Revenue<sup>1</sup>

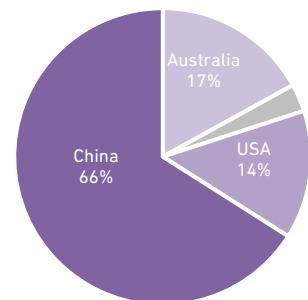


## Product Margin Improvement

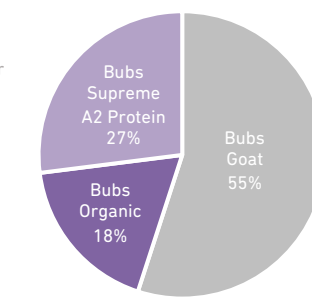


## Diversification

BUBS INFANT FORMULA CHANNEL MIX FY22 REVENUE<sup>4</sup> CONTRIBUTION



BUBS INFANT FORMULA PRODUCT MIX FY22 REVENUE<sup>4</sup> CONTRIBUTION



<sup>1</sup> 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.

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<sup>3</sup> Product margin is calculated as (Revenue – Production Costs) / Revenue. Revenue excludes Corporate Daigou equity linked transaction.

<sup>4</sup> Excludes Corporate Daigou equity linked transaction.



# PRECISION PERFORMANCE GROWTH

## GROUP STRATEGIC FOCUS

Omni-channel expansion in key markets through performance marketing that is driven by data and aligning brand values with consumer sentiments.



### AUSTRALIA

- Grow market share through brand identity refresh and supporting parents through their baby feeding journey.

### CHINA

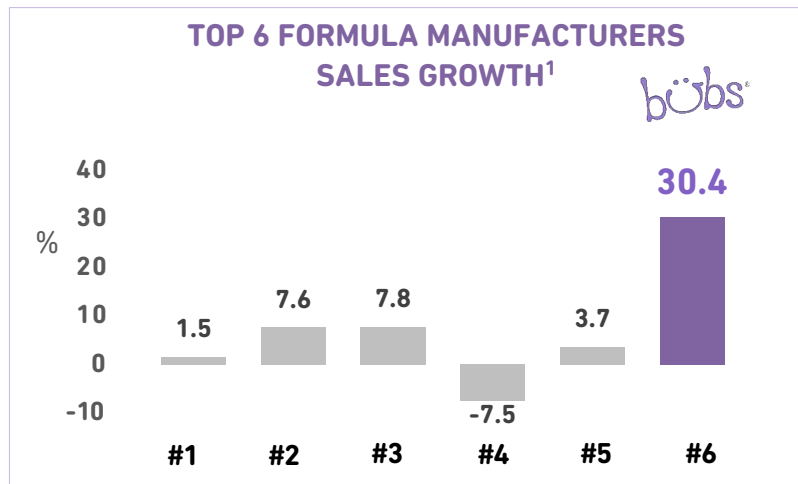
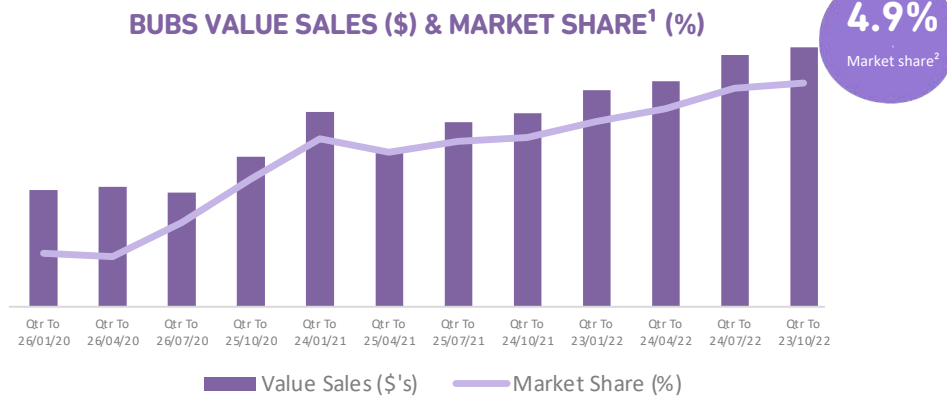
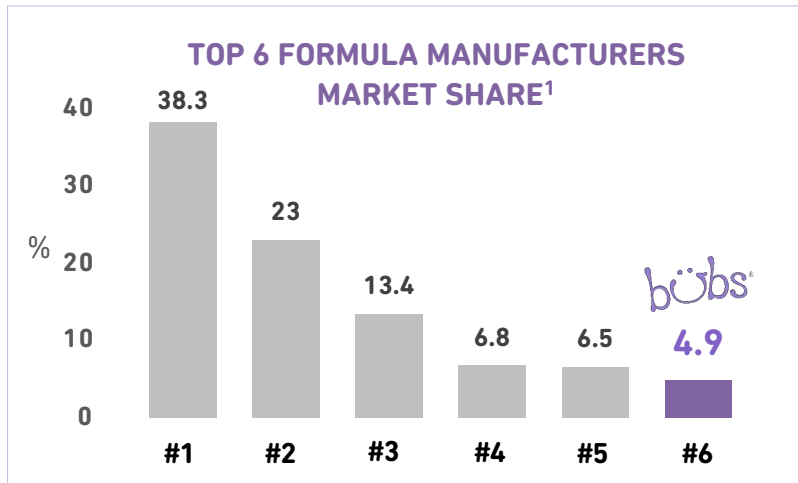
- Focus on omni-channel strategy and rapid expansion of M2C driven by data – knowing where every tin is sold in China.
- Obtain SAMR registration and launch China label products in Mother and Baby stores.

### USA

- Obtain FDA permanent approval by October 2025.
- Evolve brand storytelling and marketing strategies to engage and convert American millennial parents.
- Performance based growth marketing to maximise return on each marketing dollar.

# AUSTRALIA: STRONG HOME MARKET IN HIGH GROWTH

Bubs Australia is the fastest growing infant formula manufacturer in Australia<sup>1</sup>. Bubs<sup>®</sup> is the clear challenger brand, outperforming the category with high scan sales growth and strong market share gains.




## No.1 GOAT FORMULA<sup>1</sup>

Market leader across Coles, Woolworths & Chemist Warehouse



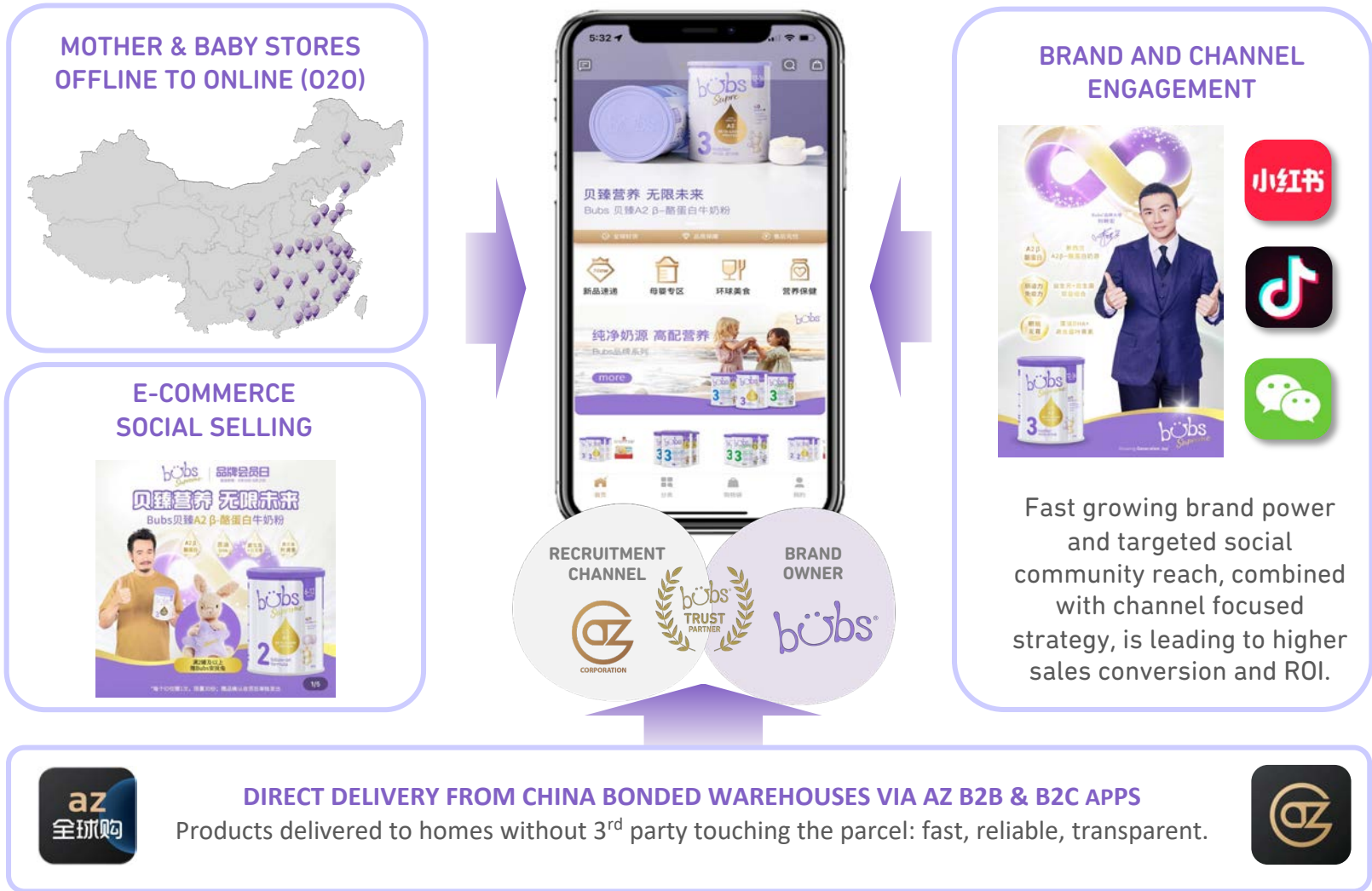
## No.2 ORGANIC FORMULA<sup>1</sup>

Closing the gap on longtime market leader of organic formula

<sup>1</sup>IRI Scan Data, Total Infant Formula Category Retail Scan Sales (\$000's) in Coles, Woolworths and Chemist Warehouse combined QTR to 23/10/2022.

# CHINA: MANUFACTURER-TO-CONSUMER (M2C) MODEL

Leveraging re-engineered Daigou channel boosted by strategic partnership with AZ Global. Direct delivery from within China via reseller recruitment provides end-to-end channel movement visibility.





# USA: FIRST MOVER ADVANTAGE

Speed to market has unlocked enormous value to quickly advance regulatory approvals, our retail distribution footprint and brand awareness, providing a strong foundation for long-term profitable growth.



>6,500 stores in 42 States

# SUMMARY

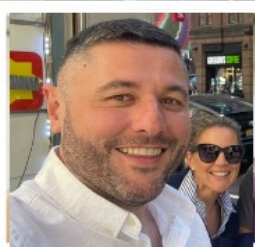
Bubs team demonstrated resilience, agility and focus throughout Financial Year 2022, delivering a strong strategic scorecard and record results.



We entered FY23 with:

- a diversified product portfolio in our most profitable business segment;
- a new growth horizon with the accelerated market access in the USA;
- a re-engineered M2C business model in China providing end-to-end channel visibility;
- permanent regulatory pathways for full access to the world's two largest infant formula markets; and
- a robust balance sheet to increase our manufacturing capacity and support our future growth plans.







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# FORMAL BUSINESS



# TABLE: COMPANY FINANCIAL STATEMENTS

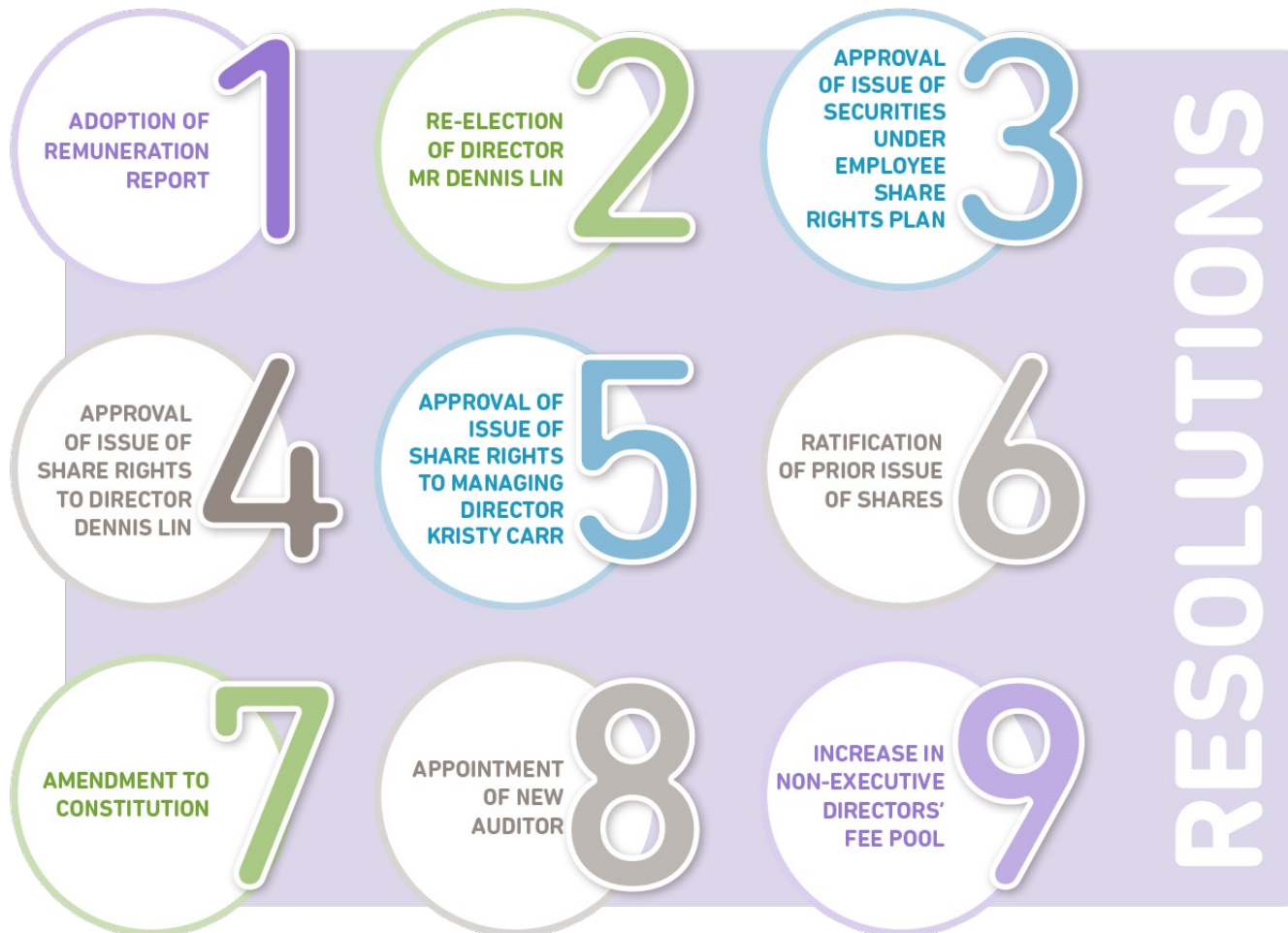
To table the financial statements, directors' report and auditors' report for the Company for the year ended 30 June 2022. Shareholders are not required to vote or formally approve or adopt the financial reports.



Please note: The Annual Report 2022 is only available as electronic version. To access [click here](#)

## OUR RESOLUTIONS

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





## ADOPTION OF REMUNERATION REPORT

To adopt the remuneration report for the financial year ended 30 June 2022. In accordance with the Corporations Act, this resolution is advisory only and does not bind the company or the directors.



“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 2022.”

PROXY TYPE	NUMBER	%
For	147,313,980	78.01
Against	39,190,594	20.75
Open-usable	2,338,080	1.24
Abstained	586,806	N/A
Total	189,429,460	100

## RE-ELECTION OF DIRECTOR MR DENNIS LIN

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



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

PROXY TYPE	NUMBER	%
For	163,996,473	80.76
Against	36,726,550	18.09
Open-usable	2,333,931	1.15
Abstained	1,089,076	N/A
Total	204,146,030	100

## APPROVAL OF ISSUE OF SECURITIES UNDER EMPLOYEE SHARE RIGHTS PLAN

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



“That for the purposes of ASX Listing Rule 7.2 (exception 13(b) and for all other purposes, approval is given by the Company to issue Equity Securities under the employee incentive scheme titled Employee Share Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

PROXY TYPE	NUMBER	%
For	147,422,232	77.67
Against	40,139,231	21.14
Open-usable	2,255,083	1.19
Abstained	708,884	N/A
Total	190,525,430	100



## APPROVAL OF ISSUE OF SHARE RIGHTS TO DIRECTOR – DENNIS LIN

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

### RESOLUTION 4

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 606,502 Share Rights to Dennis Lin (or his nominee/s) under the Employee Share Rights Plan on the terms and conditions set out in the Explanatory Statement.”

PROXY TYPE	NUMBER	%
For	136,612,000	72
Against	50,563,568	26.65
Open-usable	2,553,300	1.35
Abstained	793,351	N/A
Total	190,522,219	100

## APPROVAL OF ISSUE OF SHARE RIGHTS TO MANAGING DIRECTOR – KRISTY CARR

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



“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,091,703 Share Rights to Kristy Carr (or her nominee/s) under the Employee Share Rights Plan on the terms and conditions set out in the Explanatory Statement.”

PROXY TYPE	NUMBER	%
For	136,790,621	72.08
Against	50,666,572	26.69
Open-usable	2,326,997	1.23
Abstained	738,029	N/A
Total	190,522,219	100

## RATIFICATION OF PRIOR ISSUE OF SHARES

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



“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 63,374,717 Shares to eligible institutional investors, on the terms and conditions set out in the Explanatory Statement.”

PROXY TYPE	NUMBER	%
For	158,975,493	87.54
Against	20,288,103	11.17
Open-usable	2,349,731	1.29
Abstained	22,477,680	N/A
Total	204,091,007	100



## AMENDMENT TO CONSTITUTION

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



“That for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given by the Company to amend its Constitution to include new provisions around the use of technology by the Company as set out in item 7 of the Explanatory Statement.”

PROXY TYPE	NUMBER	%
For	169,501,957	83.53
Against	30,971,408	15.26
Open-usable	2,468,512	1.21
Abstained	1,204,153	N/A
Total	204,146,030	100

## APPOINTMENT OF NEW AUDITOR

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



“That, subject to ASIC consent of being received by the Company for Deloitte Touche Tohmatsu to resign as auditor, for the purpose of Section 327B(1)(b) of the Corporations Act and for all other purposes, KPMG, having been nominated by a Shareholder and having consented in writing to act, be appointed as auditor of the Company.”

PROXY TYPE	NUMBER	%
For	187,122,047	92.03
Against	13,862,158	6.82
Open-usable	2,336,916	1.15
Abstained	824,909	N/A
Total	204,146,030	100

## INCREASE IN NON-EXECUTIVE DIRECTORS' FEE POOL

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



“That, for the purposes of clauses 14.7 and 14.8 of the Company’s constitution, ASX Listing Rule 10.17, and for all other purposes, approval is given for the Company to increase the total aggregate fixed sum per annum to be paid to non-executive Directors by \$200,000 to no more than \$500,000.”

PROXY TYPE	NUMBER	%
For	161,114,187	85.48
Against	25,016,877	13.28
Open-usable	2,334,536	1.24
Abstained	963,860	N/A
Total	189,429,460	100



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# SHAREHOLDER Q&A





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