



Bubs Australia Limited
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14 November 2023

2023 ANNUAL GENERAL MEETING MELBOURNE

CHAIR ADDRESS

In my Chair's address today, I would like to provide shareholders with some context to our strategy including the medium-term activities we are implementing to improve revenue and earnings and to fully realise the potential of the Company. I will also discuss the new leadership appointments we have made over the past year.

I am privileged to have been appointed your Chair. Your board and our newly refreshed management team have been working very hard over the course of the year to deliver longer term sustainable value creation for Bubs shareholders. While our share performance has been disappointing over the past year, we are pleased to report that we are making steady progress against our Strategic Plan announced in July 2023 and are already starting to see green shoots. Despite the challenges of the past 12 months, the core business activities in our key markets of USA and Australia – with the exception of China – have been pleasing overall.

Some of the highlights of the past year included:

- Bubs being named by Austrade as 'Australian Exporter of the Year' in November 2022 acknowledging the remarkable success of 'Operation Fly Formula', as well as Bubs' expedited market entry to the USA in the second half of 2022;
- the Federal Drug Administration's (FDA) June 2023 audit of our exceptional canning facility "Deloraine" located in Victoria, our successful completion of the protein efficiency ratio study and the recent commencement of patient enrolment in our clinical trial in America, as we move steadily towards our goal of securing permanent market access to the USA, the second largest infant formula market in the world;
- receiving strong investor feedback and endorsement for the Board and Managements' 5-point Strategic Plan to grow and restore shareholder value; and
- introducing governance changes to ensure we have an independent Board with skilled committees, appropriate management oversight and to ensure our corporate governance is broadly consistent with ASX Corporate Governance Principles.



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Board focus

As a board, we understand and acknowledge that there remains much work to do. Therefore, we have moved quickly to implement several initiatives to build a stronger business. These include:

- Board renewal
- Refreshed executive leadership team
- A new 5-point Strategic Plan

With these building blocks in place, our focus from here is to work hard to grow revenue, contain costs and maximise shareholder value.

Board renewal

In March 2023, the Board appointed Paul Jensen as an independent Non-Executive Director and Chair of Bubs Audit & Risk Committee and Paul has already made a considerable and positive impact. In April 2023, Reg Weine was appointed to the Board as an independent Non-Executive Director. These two appointments were made to bolster the Board's independence and skills in governance and to support Bubs global expansion and growth.

With Reg Weine's appointment as Bubs CEO and Managing Director at the end of August, and in order to ensure the majority independent status of the Board, the Board proposes to recruit a new independent and appropriately skilled Non-Executive Director in 2024.

Refreshed Executive Leadership Team

Let me now provide some further detail on the Bubs Executive Leadership Team who are responsible for driving and executing on our strategy.

Reg Weine was appointed as Bubs Australia Limited CEO & Managing Director, in late August. Reg is an experienced, high calibre executive with over 25 years in the FMCG and agri-food sectors and over 15 years in international markets and trade.



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Most importantly, Reg has previously led growth companies and he is a measured, hard-working executive who is trusted by the Board to always act in the best interests of our Company and our shareholders.

Richard Paine, Chief Operating Officer. Richard is a 30-year veteran in Dairy, Supply Chain and Operations including experience in key roles at Bega Cheese and Murray Goulburn. Richard has been an integral member of the Bubs Executive Leadership team for the past four and a half years and I would like to take this opportunity to thank Richard for his leadership as the Bubs interim CEO for 5 months this year.

Robin Johnston joined as our interim CFO in April. Robin is a highly accomplished CFO with 30 years of experience in senior finance roles across the retail, wholesale distribution/logistics and FMCG sectors and has brought a renewed focus on budgeting, cost discipline, risk mitigation and working capital optimisation.

Peter Cope, General Counsel. Peter is an experienced lawyer and general counsel, having spent 20 years in the legal profession and in private practice including roles in the energy, dairy and aviation sectors, with Ausnet, Murray Goulburn and Melbourne Airport. Peter is making good progress to resolve outstanding disputes whilst protecting Bubs commercial position and our valuable brands and IP.

Julia Baldock, Global Head of Marketing & Innovation. Julia is a passionate, results driven marketer with over 20 years' experience in innovation, brand marketing and campaign development across global markets. Julia has a brand and customer focus lens, is working on Bubs packaging designs and product innovation; and she recently returned from a successful visit to Vietnam and China, two of Bubs key export markets.

In addition to the Bubs Executive Leadership Team changes, we also made two key appointments during the year in our key markets – USA & China. These in country leadership roles in both China and the USA have been successful in providing increased leadership, accountability, clarity and focus to these important growth markets. The company is fortunate in having both high calibre individuals in Chris Lotsaris (General Manager USA) and Jackie Lin (General Manager China) as capable in-country leads with full P+L responsibility and accountability. I would like to acknowledge the strong contributions made by the refreshed Executive Leadership Team, including Chris and Jackie.



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A New 5-point Strategic Plan

In April, we announced the Board led strategic review of the business that culminated in a 5-point Strategic Plan released to the market in July, to responsibly manage capital and to grow and maximise shareholder value. The Key Strategic Pillars of the plan include:

- USA as the Growth Engine
- China Reset
- Portfolio Optimisation
- Sweating the Assets
- Working Capital & Cost Discipline.

In his address, our CEO Reg Weine will provide further details on our strategy, together with an update on our progress against key priorities for FY24, but suffice to say, the diversification away from a 'China heavy' strategy has been timely on the back of the USA Fly Formula operation. It allows the Bubs business to now both de-risk and grow revenue in a sustainable manner for the long term, whilst still retaining the ability to work through a more calibrated and considered access process and business model for China. As an Australian with a Chinese cultural background, I must say that it was very pleasing to see Prime Minister Anthony Albanese and Senator The Hon Penny Wong in China last week, where Bubs was exhibiting at the China International Import Exhibition Expo in Shanghai, and we look forward to a renewal of the 50 year co-operation between our respective countries.

Summary

Despite the challenges of the past year, Bubs remains a business and brand that is growing strongly in our domestic market as well as key international markets. We have a refreshed Board and Executive Leadership Team, and we have a clear strategy that positions the business for sustained growth and which, I am pleased to say, is already yielding positive results. The Bubs Board and Management are committed to executing our strategy and determined to restore shareholder value and confidence in the Company.

On behalf of the Board, I want to sincerely thank our people, customers, suppliers, and our shareholders for your continued support of Bubs.



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ABOUT BUBS AUSTRALIA LIMITED (ASX: BUB)

Founded in 2006 in Australia, Bubs' purpose is to grow happy, healthy families through clean nutrition. Bubs® A2 Beta-Casein Protein, Bubs Organic® Grass-fed, and Easy-Digest Goat Milk Infant Formula, along with Bubs Organic® baby food range, cater for all feeding occasions and stages of a child's development during their first 1,000 days of life.

Bubs® products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to ten markets across China, Southeast Asia, the Middle East, and USA.

Consumer Website: **bubsaustralia.com**

Investor Centre: **investor.bubsaustralia.co**