



Bubs Australia Limited
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BUBS AUSTRALIA SHARE PLACEMENT TO SUPPORT GROWTH OVERSUBSCRIBED

- *Significant oversubscription a continuing strong vote of confidence.*
- *New Australian and international prominent professional investors introduced.*
- *Strong cornerstone investor continued support.*
- *Provides working capital and funding to support China growth momentum following QianJiaWanPu, New Times Asia and Alibaba agreements, as well as CFDA nomination with CNCA registered facility.*
- *Funds capital expenditure to further enhance vertical integration and new milk supply agreements.*

Sydney, 18 June 2018: Bubs Australia Limited (ASX: BUB) is pleased to announce the successful completion of a share Placement, raising A\$40m at \$0.75 per share from professional and sophisticated investors in Australia and internationally (Placement).

The Placement follows the recent announcement of binding agreements with 1) CNCA licensed facility Deloraine Dairy Pty Ltd which has agreed to nominate Bubs[®] Goat Infant Formula as one of its three brands for CFDA registration, 2) New Times Asia to supply Bubs[®] and CapriLac[®] products to up to 20 e-Commerce platforms in China with a sales commitment for \$17m in FY19, and increasing to \$24M in FY20, and \$37M in FY21; and 3) the opening of a flagship store on Alibaba Group's Tmall Global platform.

The proceeds of the Placement will be used to enhance the Company's financial flexibility and provide working capital to support new strategic opportunities and growth momentum, particularly in relation to China market development. In addition, proceeds will be invested into brand marketing, new product development, capital expenditure to commence goat whey capture and processing, and subject to satisfaction of the KPIs, making deferred payments to the vendors of NuLac Foods agreed as part of the acquisition of NuLac Foods.

The Placement will result in the issue of 53,500,000 new shares in Bubs Australia which will rank equally with existing Bubs Australia shares. The new Bubs Australia shares are expected to be issued on 25 June 2018 and to commence trading on ASX on 26 June 2018. The Placement utilised Bubs Australia existing placement capacity under ASX Listing Rule 7.1.

Details of the Placement are also set out in an Investor Presentation lodged with the ASX today.

Dennis Lin, Chairman of Bubs Australia, said: "We are very pleased with the capital raising, which was considerably oversubscribed. We thank all who have made it such a success, both cornerstone and new professional investors.



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"The oversubscription is a terrific vote of continuing confidence in the Bubs vision and the progress we are making to realise our focus on the immense Asia market for premium goat milk infant formula, including servicing supply agreements with QianJiaWanPu, New Times Asia and Alibaba Group, and progressing our CFDA registration application, as well as satisfying continued growth in domestic demand and representation.

"Following the Placement, we will be well positioned to continue to build on the momentum established since acquiring NuLac Foods in December last year, making us the largest producer of goat dairy products in Australia with exclusive milk supply from the largest milking goat herd in Australia.

"Vertical integration has allowed Bubs to have appropriate insight into and influence over the supply chain from raw milk to retail ready products, and the proceeds from this capital raising will help further our 'pathway to provenance' premium positioning with investment in facilities for goat milk whey capture and processing, especially as it is a highly sought after raw ingredient for infant milk formula globally," said Mr Lin.

Following release of this announcement, Bubs Australia has requested that trading of its shares be reinstated.

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Media and Investor Inquiries

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About Bubs Australia Limited (ASX: BUB)

Bubs Australia is engaged in the business of inspiring new generations of happy, healthy consumers through its range of Australian made premium infant nutritional and goat dairy products.

Founded in 2006 in Sydney, Bubs Australia develops and markets innovative infant nutrition products for the first 1,000 days of life, that give parents and their bubs reason to 'smile from the inside®.'

In 2017, Bubs Australia acquired NuLac Foods giving the company a 'pathway to provenance' to become Australia's only vertically integrated producer of goat milk infant formula, and the largest producer of goat dairy products in the country.