



Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

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info@bubsaustralia.com

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ASX Disclosure Notice

BUBS AUSTRALIA COMPLETES \$30M PLACEMENT

A STRONG VOTE OF CONFIDENCE IN GROWTH PLANS

- *Successful Share Placement supported by new and existing investors to raise A\$30 million (before costs) at \$0.95 per share*
- *New institutional investors introduced*
- *Strong individual and cornerstone investor support*
- *Intention to offer a Share Purchase Plan to eligible shareholders to raise up to A\$5 million (before costs) at the same price as the Share Placement*
- *Proceeds to be used to accelerate opportunities across strategic growth engines*

Melbourne 6 December 2019: Bubs Australia Limited (ASX: **BUB**) is pleased to announce the successful completion of share placement, raising A\$30 million (before costs) at \$0.95 per share from institutional, professional and sophisticated investors in Australia and internationally (**Placement**). Settlement of the Placement is scheduled to occur on or around 11 December 2019. The New Shares issued under the Placement will rank equally with existing shares in Bubs.

Bubs Australia also announced the intention to offer the opportunity to each existing eligible shareholder of the Company to subscribe for up to a maximum of A\$30,000 of fully paid ordinary shares, subject to scale back, at an offer price of A\$0.95 per share, to raise up to A\$5 million under a Share Purchase Plan ("**SPP**"). See Appendix 1 for details.

Dennis Lin, Executive Chairman of Bubs Australia, said: "We are very pleased with the capital raising which investors share our vision, with a mix including our cornerstone and new institutional long-only investors.

"Funds raised through the Placement and SPP will be used to improve the Company's financial flexibility to take advantage of future growth opportunities, accelerate customer acquisition in existing and new markets, advance new product development and meet M&A commitments reflective of the scale we want to achieve and the surrounding market environment," he said.

"The strong level of support from new and existing investors is a terrific vote of confidence in the Bubs vision and we thank all who have made it such a success," he said.



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The Placement will result in the issue of 31,578,947 new shares in Bubs Australia which will rank equally with existing Bubs Australia shares. The new Bubs Australia shares are expected to be allotted and issued on 12 December 2019 and trading on ASX on 16 December 2019.

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

Bubs Founder and CEO Kristy Carr said: "Following the placement we will be well positioned to continue to build on the operational momentum established during the year.

"Key among these are the Beingmate Joint Venture in Shanghai serving Mother & Baby stores, and the launch of Bubs® organic cow's milk infant formula in Australia through the equity alliance with Chemist Warehouse and soon to be exported to China via the cross-border e-commerce channel.

"As well, we most recently upscaled our cross-border e-commerce partnership with Alibaba Group's *Centralised Import Procurement* unit, along with *The Land*, which will expand our O2O (Online to Offline) capability. Also, in collaboration with Alibaba we launched a range of innovative Deloraine® branded adult goat milk formulations designed for specialised dietary and health needs.

"We have also enhanced our drive into the South East Asia region with the launch of the Bubs® portfolio into the Vietnamese Mother & Baby Store channel including the leading chain Bibomart. In addition, we have plans of launching into other Asian markets including Hong Kong.

"Looking ahead, following the capital raising, we intend to take advantage of increased data driven marketing initiatives for the Bubs portfolio across our e-commerce and O2O channels, aligning ourselves with partners that are focused on data to maximise efficiency and targeting of key demographics.

We will also be developing an innovation pipeline to expand our reach into segments beyond infant formula and toddler nutritionals to the \$1 billion per annum Chinese junior 4 to 7 year-old nutritionals market, and into expanding goat dairy brands to cater for a growing market for science-based adult formulations," said Mrs Carr.



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Timetable

Indicative Timetable

Description	Date
Trading Halt	Thursday, 5 December 2019
Bookbuild conducted for the Placements	Thursday 5 December 2019
Record Date for SPP	Thursday, 5 December 2019, 7pm
Announcement of Placement and SPP	Friday, 6 December 2019
SPP Offer Opens	Monday, 9 December 2019
Settlement of Placement Shares	Wednesday, 11 December 2019
Allotment of Placement Shares	Thursday, 12 December 2019
SPP Offer Closes	Friday, 20 December 2019
Allotment of SPP Shares	Monday, 30 December 2019
Dispatch of holding statements	Tuesday, 31 December 2019

Following release of this announcement, the Company has requested of the Australian Securities Exchange that trading of its shares be reinstated.

Bubs released its *FY19 Preliminary Financial Results* with the ASX on 30 August 2019, and its *1Q20 4C (cashflow) Statement* on 31 October 2019.

END

Media and Investor Inquiries

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About Bubs Australia Limited (ASX: BUB)

Founded in 2006 in Sydney, Bubs Australia is engaged in the business of creating new generations of happy, healthy bubs through its range of premium infant nutrition products. Bubs® goat milk and organic grass-fed infant formula ranges, and organic baby food, cereals and toddler snacks cater for all feeding occasions and stages of development from newborn to preschool.

Based in Melbourne Australia, Bubs Australia is the leading producer of goat dairy products in Australia with exclusive milk supply from the largest milking goat herds in the country. Bubs® is proudly the only infant formula in the world to be based on 100% Australian goat milk.

Bubs products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to New Zealand, China, South East Asia, and the Middle East.



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Appendix 1: CAPITAL RAISING

The Company has received commitments from qualified institutional and sophisticated investors in Australia and in certain overseas jurisdictions raising approximately A\$30 million (before costs) at \$0.95 per share by way of an institutional share placement (**Placement**).

The Placement is to be followed by an offer to all existing eligible Australian and New Zealand shareholders to participate in a Share Purchase Plan to raise up to an additional A\$5 million (before costs) (**SPP**).

The proceeds of the Placement and SPP will be used to provide additional working capital to support investment in accelerating growth, product development and innovation and to meet M&A commitments.

Details of the Placement

The Placement of new fully paid ordinary shares (**New Shares**) to sophisticated and institutional investors in Australia raised \$30 million.

The Placement comprised an offer of approximately 31,578,947 fully paid ordinary shares at an issue price of A\$0.95 per share. The issue price represents a discount of c. 11.8% to the 5-day VWAP of A\$1.0767 prior to the trading halt on 5 December 2019. The offer was made to institutional and professional investors in Australia and New Zealand. The Placement has been made under the Company's capacity under LR 7.1.

Settlement of the Placement is scheduled to occur on or around 11 December 2019. The New Shares issued under the Placement will rank equally with existing shares in Bubs.

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

The Investor Presentation contains important information in relation to the Placement including the expected sources and uses of funds, risk factors and certain foreign selling restrictions with respect to the Placement.

Share purchase Plan (SPP)

The Company intends to offer eligible investors the opportunity to participate in a Share Purchase Plan (SPP) in connection with the Placement.

Under the SPP, each eligible Bubs shareholder being a registered holder of shares at the record date (7.00pm (Melbourne time) on 5 December 2019), and shown on the register to have an address in Australia or New Zealand (**Eligible Shareholders**) will have the



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opportunity to apply for up to \$30,000 of new fully paid ordinary shares (**SPP Shares**) without incurring brokerage or transaction costs.

The Company reserves the right to scale back applications under the SPP at its absolute discretion.

Should it receive demand above the target of approximately \$5 million Bubs may scale back applications. The scale back will occur based on the number of SPP Shares for which the Eligible Shareholder has applied, the number of shares held by the Eligible Shareholder at the Record Date, or a combination of both. In the event of a scale back occurring, (subject to rounding).

The issue price per SPP Share will be A\$0.95.

New Shares issued under the SPP will rank equally with existing shares in Bubs.

An SPP offer booklet with further details on the SPP is expected to be sent to Eligible Shareholders in accordance with their communications on or around 11 December 2019. For enquiries on the SPP, shareholders can call the Bubs SPP information line:

Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday.

Key dates

- Record date of SPP is 7pm, Thursday, 5 December 2019.
- Opening date of SPP is Monday, 9 December 2019.
- Closing date of SPP is Friday, 20 December 2019.

Important information

Refer to the attached investor presentation regarding the Offer for important information, including further details about the Offer and a description of the key risks.

Joint Lead Managers:

Bell Potter Securities Limited and PAC Partners Securities Limited

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 (the US Securities Act), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Bubs' securities.

For information:

Consumer Website: www.bubsaustralia.com

Investor Centre: investor.bubsaustralia.com