

A woman with long, wavy blonde hair, smiling, wearing a white off-the-shoulder, long-sleeved, floor-length dress. She is walking on a sandy beach with waves in the background under a clear blue sky.

bübs®

**LEAD CHALLENGER
IN GLOBAL GROWTH
THROUGHOUT
MACRO DISRUPTION**

ASX: BUB
Bubs Australia



Strategy Update to
12th Annual Australia &
New Zealand Investment
Conference

15th October 2020

Jennifer Hawkins
Bubs Global Brand Ambassador

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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.

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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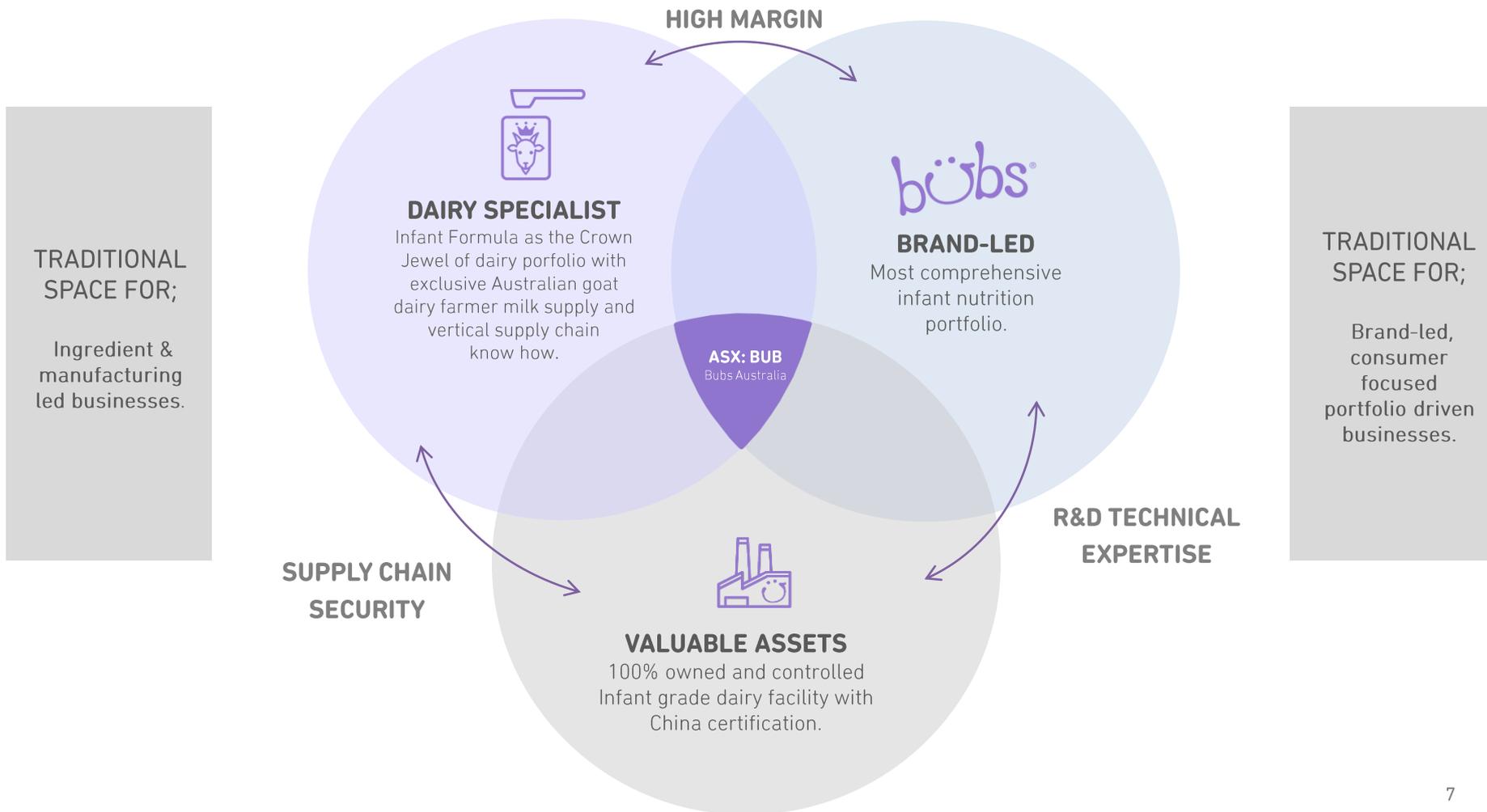
bübs

BUSINESS OVERVIEW



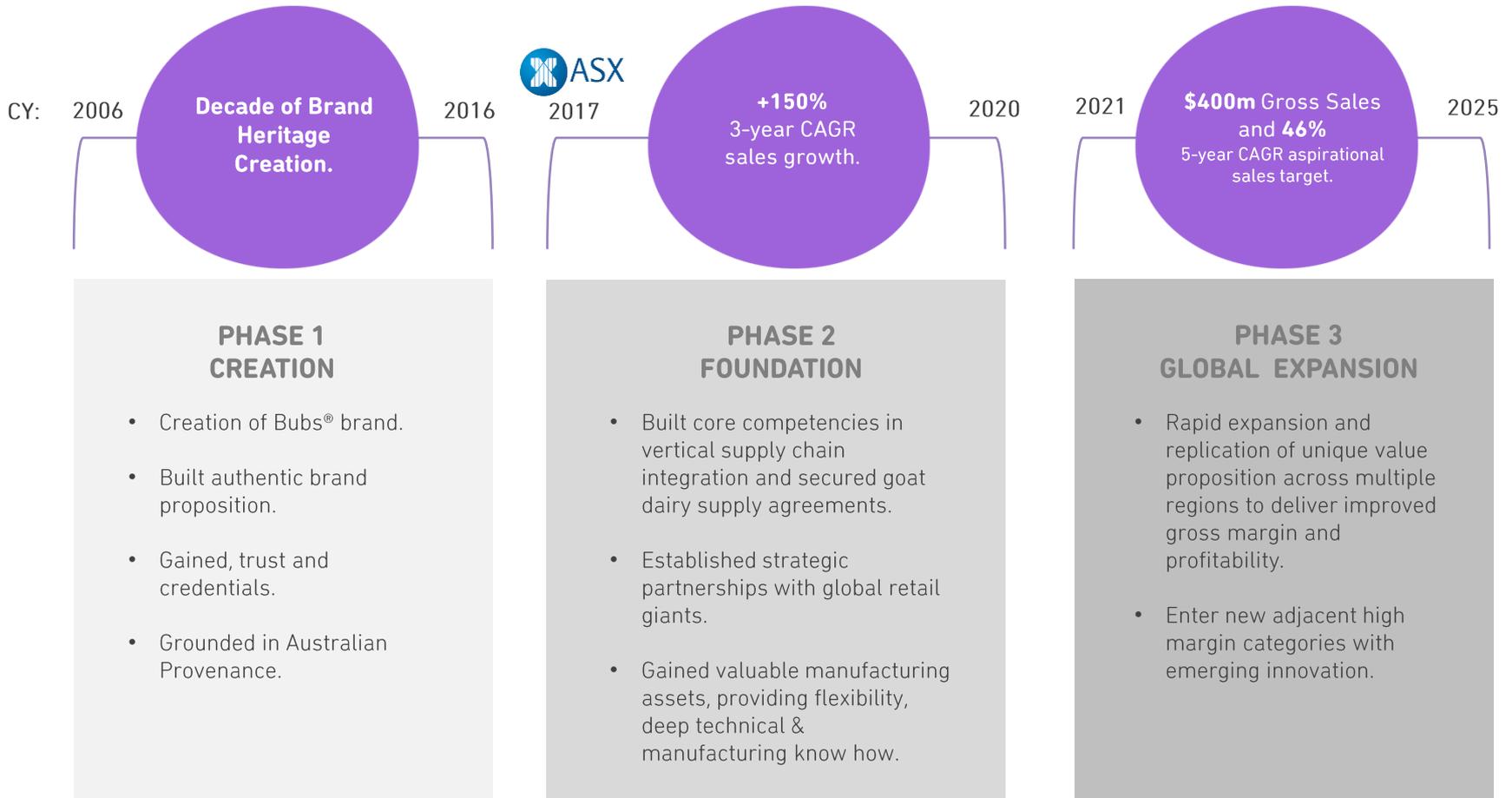
OUR UNIQUE VALUE PROPOSITION & INVESTMENT CASE

360° integrated business model, combining the best of an ingredient and manufacturing business, together with a brand-led and consumer focused portfolio driven business.



CAN ONLY BE ACQUIRED WITH EXPERIENCE **OVER THE LONG-TERM**

We are now entering the third phase of the Bubs Journey, with rapid global expansion built on brand trust, invaluable knowledge and intellectual property.



MACRO-ENVIRONMENT FORCES & IMMEDIATE TERM RESPONSE

COVID-19 border closures have negatively impacted short term Daigou channel sales.



CONSUMER BEHAVIOUR & CHANNEL SHIFTING

Domestic market share increasing. Despite initial decline after pantry stocking, now seeing recovery of consumption patterns from local Australian families returning to pre-COVID levels.

Temporary border closures negatively impact individual Daigou sales. Lack of students, tourists and passenger flights causing significant short-term sales disruption.

Shift towards online model for Corporate Daigou accelerated. Direct market sales to Corporate Daigou consumers in China, regaining momentum and growing confidence for upcoming FY21 Q2 sales events.



SUPPLY CHAIN RESILIENCE

As an essential service, there was no disruption to production or material impact to supply chain as a result of Covid-19 impact.

Fluctuating demand surges over this period, have been managed well at Deloraine. Vertical integration model and local procurement policy has provided control and flexibility to effectively manage supply chain.

Increase in logistic costs, particularly for air freight, further negatively impacted Daigou channel.



REGULATORY & MARKET ACCESS

China SAMR regulatory delays. Given lengthy delays, we have now withdrawn application and will re-submit with GB compliant ultra-premium Australian made approved formulation.

Market access for SAMR brands manufactured in China growing. Commenced due diligence with recent successful capital raise to gain exclusive access to Beingmate production facility for Bubs SAMR China manufactured product.



PEOPLE & CULTURE

Additional health & safety measures in place across production floor with flexible remote working.

Agile and responsive culture enabled quick redeployment of team responses to meet changing market dynamics. Examples of flexible response included, rapid pivot towards China based manufacture with access to Beingmate China production, as well as accelerated development and launch timings of vitamin and minerals range.

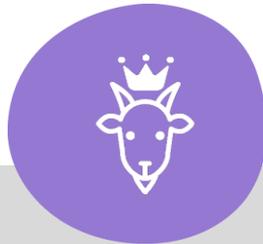
SUPPORTED BY OUR **CORE COMPETENCIES**

Our key foundational strengths will provide the ability to manage through disruption to unlock growth potential with economic recovery.



STRONG BRAND EQUITY

Investing to build brand DNA and awareness across group portfolio to drive further strengthening of brand equity and market share growth.



STRONG SUPPLY CHAIN SECURITY

Providing unparalleled Australian Goat Dairy supply chain integration as the Australian goat dairy leader, to drive efficiencies and reset the business for improved margins.



STRONG BALANCE SHEET

Successful share placement of \$28.3m and SPP of \$3.9m, with strong working capital position to support M&A and flexibility for market and product growth during volatile period.



STRONG AGILE CULTURE

Underlying culture supports flexibility and speed of response, with ability to quickly pivot towards new opportunities.

BENCH STRENGTH IN BOARD & EXECUTIVE LEADERSHIP

Solid track record of continually achieving new milestones and executing on M&A opportunities.

BOARD OF DIRECTORS



DENNIS LIN
Executive Chairman

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



KRISTY CARR
CEO & Managing Director

- Founder of company in 2006
- Driven business development and growth.
- Infant nutrition specialist.



STEVE LIN
Non-Executive Director

- Significant depth of investment, operations and management experience across Asia & North America.
- Managing Partner of C2 Capital (Alibaba).



MATTHEW REYNOLDS
Non-Executive Director

- Legal Counsel
- Specialist in capital markets and corporate governance
- Private equity and regulatory.

EXECUTIVE LEADERSHIP



IRIS REN
Chief Financial Officer

- Financial advisory & corporate transactions.
- Corporate financial performance.
- Audit and compliance.



RICHARD PAINE
General Manager Dairy Operations

- Dairy operational and end-to-end supply chain specialist
- Specialist nutritional and nutraceutical manufacturing.



DAVID ORTON
General Manager Commercial and Operations

- FMCG channel & sales strategy, commercial management.
- Export business development, S&OP supply chain planning.

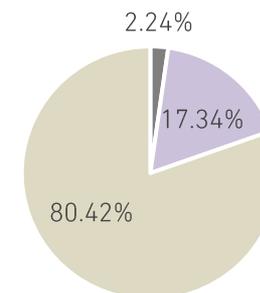


VIVIAN ZURLO
General Manager Marketing

- FMCG infant nutrition, functional wellness and vitamins category, brand strategy and product innovation specialist.
- Domestic and APAC marketing strategy.

SUPPORTIVE SHARE REGISTRY

% BUBS
ASX: BUBS Share Registry



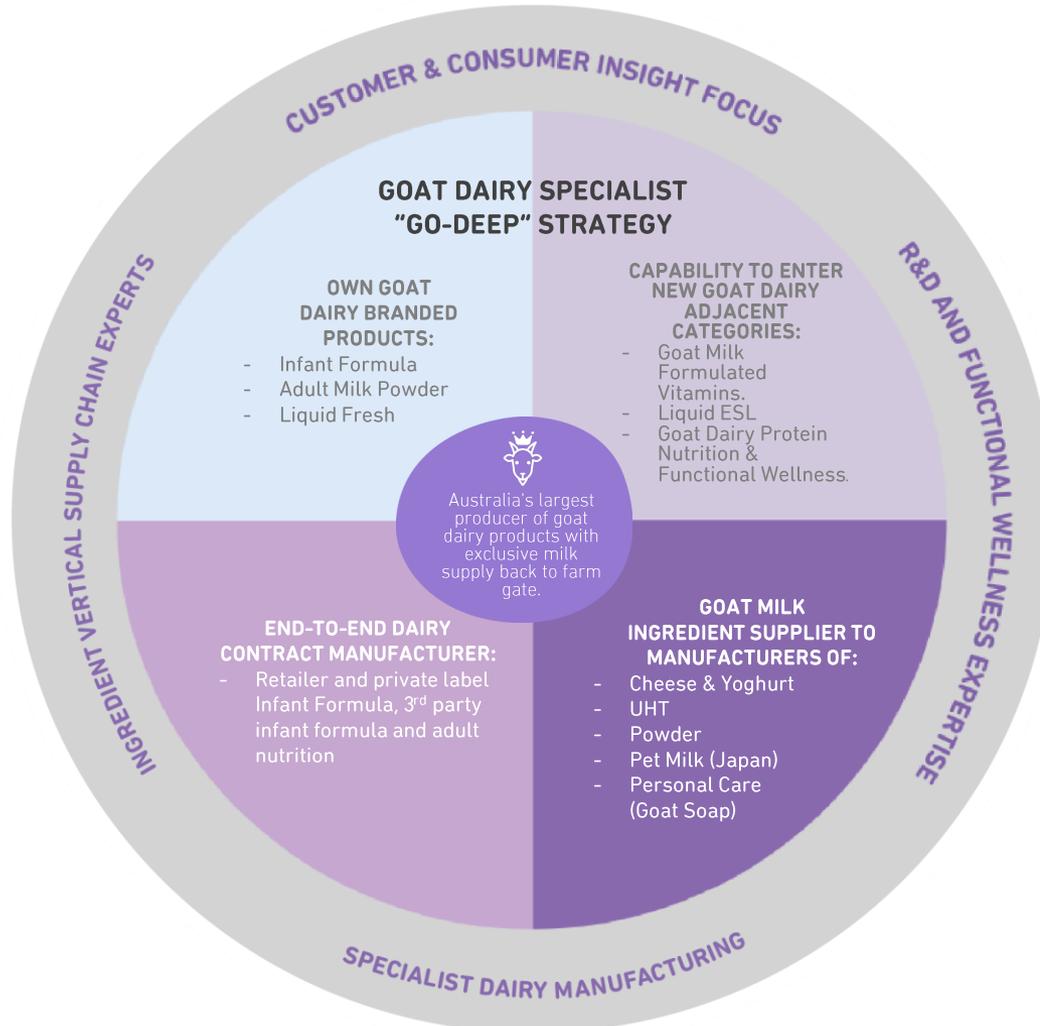
- Board & Management
- Strategic Partners
- Other Investors

Largest Single Shareholders:

Rank	Shareholder	Percentage
No.1	C2 Capital (Alibaba)	12.55%
No.2	Chemist Warehouse	4.06%
No.3	Kristy Carr (Founder)	2.24%

SPECIALIST LEADER IN AUSTRALIAN GOAT DAIRY

As Australia's largest goat dairy producer, we have now optimised the highest and best use of an exclusive milk source and gained valuable specialist dairy competencies.



UNPARALLELED VERTICAL SUPPLY CHAIN EXPERTISE

Provides a strong foundation for long-term “Created by Bubs®” localisation market entry strategy. Due Diligence for right to acquire a stakeholding in Beingmate production facility in progress.

Australia Deloraine Dairy
Dandenong South, Victoria

100% OWNERSHIP AUSTRALIAN ORGANIC CERTIFIED AND CHINA FULLY LICENSED DELORAINE MANUFACTURE WITH EXCLUSIVE AUSTRALIAN AND GOAT DAIRY MILK SOURCE.



Beingmate Beihai,
Guanxi, China

BEINGMATE INFANT FORMULA PLANT DUE DILIGENCE AND LEGAL DOCUMENTATION IN PROGRESS.



GLOBAL BRAND SPECIALIST & BRAND REACH

Significant global brand assets for regional expansion.

BRAND & MARKETING EXPERTISE

- Ability to develop scalable and uniquely ownable brand strategy and marketing assets across brand portfolio.
- Developed Global Brand Ambassador campaign, through to local key opinion leaders and influencers, distinctive brand propositions and marketing collateral across infant, junior, adult and new adjacent categories.
- Provides ability to leverage marketing investment with adaptable and scalabe marketing assets across range of product segments for extension into new international markets and new product categories.



GROUP BRAND PORTFOLIO

Our portfolio is led by Bubs®, our hero brand and the catalyst for value creation across the business.



Our goat dairy specialist brands, includes CapriLac®, Deloraine® and Capela® to optimise brand equity value conversion from our milk pool.

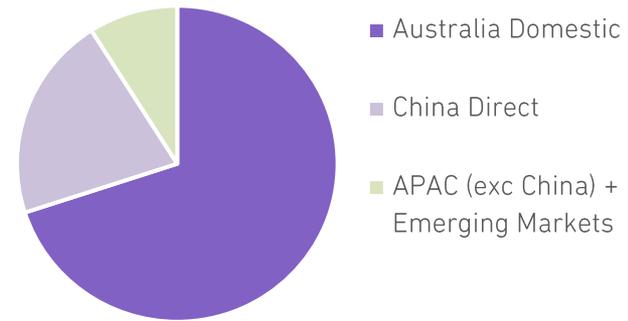


SIGNIFICANT LOCAL & GLOBAL DISTRIBUTION PARTNERS

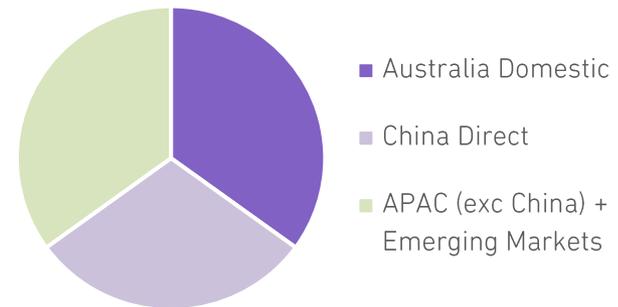
Domestic Market penetration at record levels. China direct distribution strength via Beingmate and Alibaba E-commerce alliance.

REGION	STRATEGIC PARTNER	CHANNEL
AUSTRALIA	     	Pharmacy
		Grocery
		Corporate Daigou
CHINA DIRECT		Cross Border E-Commerce
		China Online & General Trade
APAC (EXC CHINA)	   	China General Trade/MBS
		Retail
THE AMERICAS	TBC	Retail & E-Commerce

FY20 MARKET CHANNEL CONTRIBUTION



FY25 TARGET MARKET CHANNEL CONTRIBUTION



INCREASING DOMESTIC MARKET SHARE

Despite the major decline from individual Daigou retail sales, Bubs FY21 Q1 domestic retail sales for total Bubs infant formula is up 29% pcp (excluding Corporate Daigou sales). Goat RRP increase was also successfully implemented over this same period, up from \$35 to \$38.

coles

No.1 Goat Brand*
40.4% Goat market share.



Woolworths

No.2 Goat Brand*
19% Goat market share.



Woolworths

No.2 Organic Cow Brand*
17% Organic market share.



Launched in May 2020.

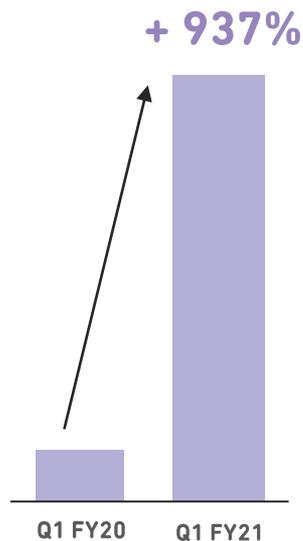
* Source: AC Nielsen Scan Units Sold last 13 weeks as at 30/8/2020.

ACCELERATING CBEC CHINA CONSUMER OFFTAKE SALES

Demonstrating CBEC channel shift & continued strength of brand connection with our end China consumer, as well as positive outcome from our China strategic partnerships.



Total China CBEC platform offtake sales to end consumer*.



*Source: Alibaba, total Tier 1 Platforms Bubs Infant Formula sales.
 ^Source: Alibaba, Tmall Global Sales Data as at 30 September 2020.
 **Source: JDI last 30 days total platform sales as at 8 October 2020.

No.3
Goat Brand on Tmall Global^



BUBS HOLDS 12% GOAT INFANT FORMULA MARKET SHARE ON Tmall GLOBAL^
 +100% market share growth pcp.

No.1
Goat Brand on JD.com**



MILESTONE ACHIEVEMENT
 Ahead of China's top selling Goat infant Nutrition Brand.

bübs

STRATEGY REVIEW



OUR CORE STRATEGIC PRIORITIES

Since listing, our core strategic focus remains unwavering and has been successfully strengthened in both our core business as well as via extensions into new markets and category growth opportunities.

FUTURE
STRATEGIC FOCUS



MAXIMISE BRAND EQUITY GROWTH

Building brand equity and awareness to increase market share in all key markets.



OPTIMISE GOAT DAIRY LEADERSHIP

Optimize supply chain integration and capability to drive efficiencies and improve margins.



DRIVE INNOVATION

Drive consumer led innovation in emerging and adjacent categories.



LEVERAGE STRATEGIC PARTNERSHIPS

Accelerate market access into China via localized manufacturing of SAMR product.



ACCELERATING GLOBAL GROWTH

Rapid growth of global expansion driving brand equity across all key markets.

FOUNDATIONAL
BUILDING BLOCKS

Bubs is an authentic trusted brand with unique proposition operating in an attractive high growth market.

Clear market leader in goat dairy production with supply chain security and scalability.

Ownership of registered manufacturing facility with impeccable R&D, QA and manufacturing capabilities.

Strategic collaborative partners with industry giants in key markets.

Domestic retail distribution strength across all major retailers.

BUBS® INFANT FORMULA CHINA PORTFOLIO STRATEGY

Infant Formula to remain our key growth engine and catalyst for maximizing China growth potential.



Concept in development

Segmentation:	PREMIUM	SUPER - PREMIUM	ULTRA - PREMIUM
Regulatory Framework:	FSANZ – English Label (Food Standards Australia New Zealand)	SAMR – China Label (State Administration for Market Regulation China)	SAMR – China Label (State Administration for Market Regulation China)
Channel:	Domestic Retail China CBEC Diagou Channel	General Trade Mother & Baby Stores (Lower Tier Cities)	General Trade Mother & Baby Stores (Tier 1 Cities)
Place of Manufacture:	Deloraine Victoria, Australia	Beingmate Beihai, China	Deloraine Victoria, Australia
Indicative Timing:	Existing	In Progress. Aiming for first production CY 2021	In Progress. TBC.

ADJACENT CATEGORY GROWTH STRATEGY

Organically extend into complementary adjacent categories which leverage existing core competencies and consumer audiences via new consumption occasions.

TARGET MARKET MOTHER & BABY

TARGET MARKET ADULT NUTRITION

VITAMIN & MINERAL SUPPLEMENTS (VMS)

PLANT BASED FOOD & BEVERAGE

LIQUID EXTENDED SHELF LIFE (ESL)

FUNCTIONAL WELLNESS – SPECIALTY GOAT DAIRY PROTEIN



KEY MARKETS



Alibaba.com

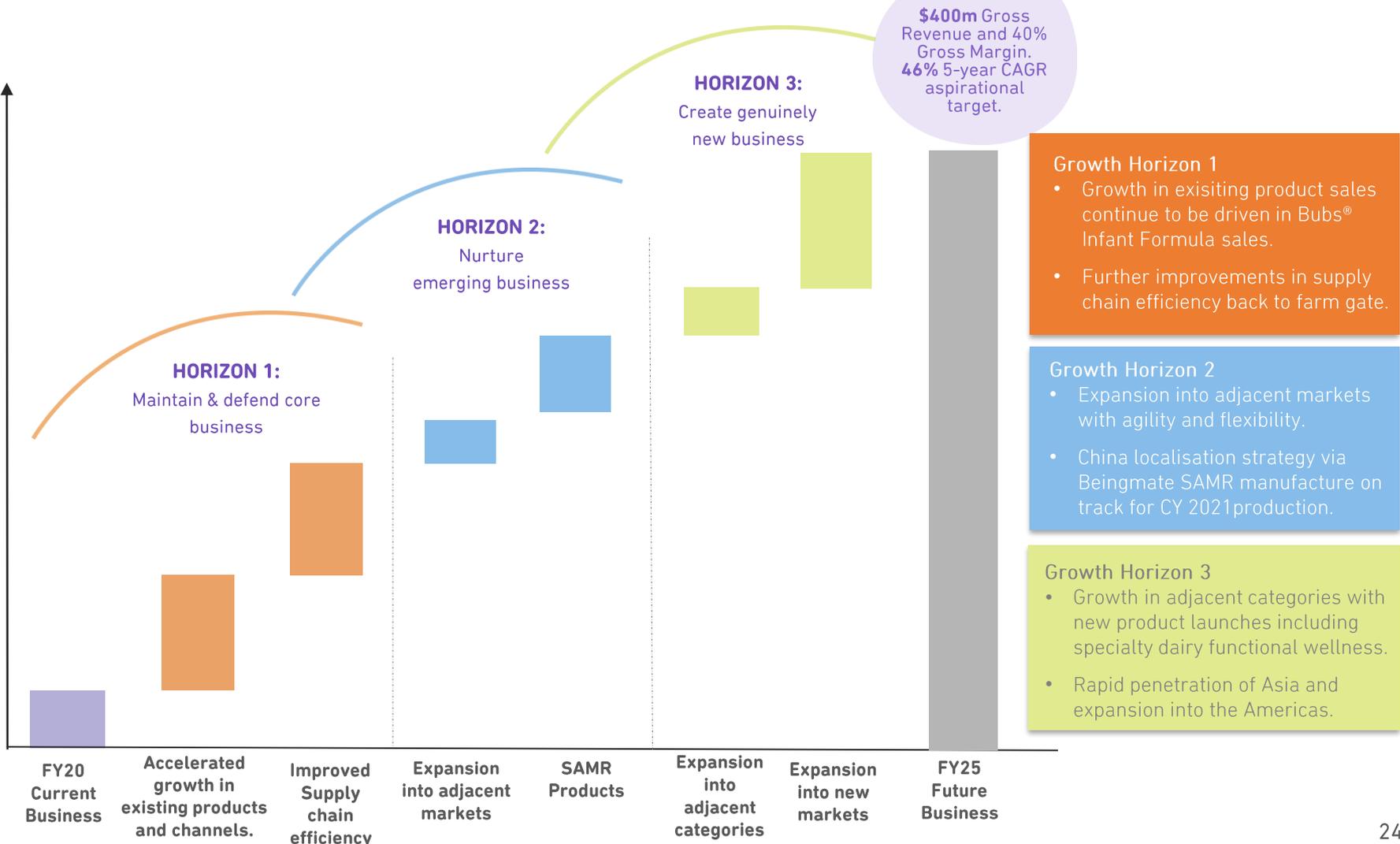
bubs

5-YEAR GROWTH PATHWAY



LONG TERM SUSTAINABLE GROWTH AGENDA

5-year profitable growth strategy towards \$400m target gross revenue.



ASX: BUB
Bubs Australia



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