



Bubs Australia Limited
ACN 060 094 742
1 Colin Street
West Perth
WA 6005 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

22 December 2016

STATEMENT OF COMMITMENTS
(BASED ON ACTUAL FUNDS RAISED – \$5,150,000)

Bubs Australia Limited (ACN 060 094 742) (formerly Hillcrest Litigation Services Limited (**Company**)) intends to apply funds raised from the Offer following re-admission of the Company to the official list of ASX as follows:

Allocation of funds	Notes	(\$)	%
Existing cash reserves		330,000	6.0
Funds raised from Prospectus offer		5,150,000	94.0
Total		5,480,000	100
Payments of amounts owing to existing creditors of the Company		260,490	4.75
Marketing and brand development costs	1	1,387,000	25.31
Business development and expansion	2	1,100,000	20.07
Trading partner costs	3	800,000	14.60
Working capital and corporate administration	4	1,532,510	27.97
Expenses of the Offer	5	400,000	7.30
Total		5,480,000	100

Notes:

1. This amount will cover the costs anticipated for the Company to implement its market penetration strategies, including marketing, consumer research and new product development
2. This expenditure is to be applied towards growing domestic sales and expanding BUBS from an Australian-focussed brand to a global brand, including setting up new infrastructure and resources in China, Hong Kong and elsewhere in south east Asia.



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3. This amount is to cover upfront and ongoing expenditure as BUBS broadens and deepens its distribution channels, cementing key retail and distribution partnerships, and upgrading its online presence.
4. Working capital expenditure is to be applied towards meeting the funding needs of a growing business, particularly inventory costs, and towards administration costs associated with BUBS. These costs include costs for head office, occupancy charges, professional consultants' fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs.
5. The Company will apply these funds towards the expenses of the Offer as set out in section 14.8 of the Company's Prospectus dated 14 November 2016.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.