



Bubs Australia Limited (ASX: BUB)
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BUBS FOUNDER AND MANAGING DIRECTOR NAMED CEO

Sydney 4 September 2018: Responding to market speculation, Bubs Australia (ASX: BUB) today confirmed that while a Deed of Arrangement has yet to be completed by the parties, Mr. Nicholas Simms is stepping down from his current role.

Mr. Simms will however be remaining with the Company until October 2018, when his contract ends, during which time he will be helping effect an orderly transition to Bubs Australia's Founder and Managing Director, Mrs. Kristy Carr, who is stepping into the role Chief Executive Officer.

The Board along with current CEO Nicholas Simms came to the view that the time was right to transition the leadership role to Mrs. Carr, following the successful repositioning of the business from a private entity to an ASX Top 500 All Ordinaries company.

Bubs Australia Chairman, Dennis Lin, said the appointment signaled that the business had entered into its next phase of development having achieved the establishment of its growth platforms well ahead of expectations.

"Kristy has been very much part of the leadership team responsible for the company's success and performed an integral role in advancing recent developments in our China route-to-market strategy. The Board is confident Kristy is well qualified to take the business to the next level," Mr. Lin said.

Strategic advances since listing in 2017:

- A 'pathway to provenance' via the acquisition of NuLac Foods to become the only vertically integrated producer of goat milk infant formula in Australia with an exclusive milk supply.
- More than doubling availability of Bubs® products domestically through ranging in excess of 2,000 stores, including Coles, Woolworths, Chemist Warehouse, Costco and Big W.
- Securing strategic alliances to build brand awareness and drive revenue via Chinese eCommerce platforms, including JD.com, Alibaba, Kaola, RED, Suning, Kidswant and VIP.
- Launched Bubs Organic® baby food products in 'Mother and Baby' stores in China.
- Nominated as one of three CFDA brand slots with CNCA licensed production facility.
- Established an office and cross functional team in Shanghai.
- Grown revenues 330% since FY17.



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Mrs. Carr said: "The company is poised for rapid expansion and I am very excited to be taking on this challenge and leading our talented team into the next phase of Bubs' journey. I'm grateful to Nick for his contribution to our strategy and growth at Bubs during his tenure as CEO."

Mr. Lin added: "We thank Nick for his leadership through what has been an incredible eighteen months of achievement. The business has seen impressive positive momentum under his guidance, performing strongly in Australia and is well positioned to take advantage of huge opportunities for growth in China and beyond."

Mr. Simms said: "The objectives set when I came into Bubs have now been fulfilled. The company is in excellent shape and has a terrific future ahead of it."

The Board confirmed that Mr. Simms would receive his statutory entitlements and the first tranche of 3,578,108 Options with an exercise price of 10 cents per Option, as set out in the Terms and Conditions of the Notice of Annual General Meeting. Mr. Simms agrees that these Options may not be exercised until 1 March 2019.

With the CEO appointment, Mrs. Carr's Employment Agreement will be renewed to include remuneration of \$300,000 per annum plus superannuation, and a Short-Term Incentive (STI) of \$150,000 based on the achievement of key performance indicators determined by the Board. In addition, Mrs. Carr will become entitled to the 2nd and 3rd tranches of the existing CEO Options, with an exercise price of 10 cents per Option, as ratified at the 2017 Annual General Meeting with the following Vesting Triggers:

- 2,385,405 Options on the achievement of \$30,000,000 in gross sales and \$2,000,000 EBIT
- 2,385,405 Options on the achievement of \$50,000,000 in gross sales and \$4,000,000 EBIT.

Mrs. Carr will retain her position as Executive Director on the Board.

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About Bubs Australia Limited (ASX: BUB)

Founded in 2006 in Sydney, Bubs Australia is engaged in the business of inspiring new generations of happy, healthy families through its range of Australian made premium infant nutrition and dairy products.

Bubs® speciality infant formula and organic baby food caters for a child's first 1,000 days of life. Other dairy brands in the Company's portfolio include CapriLac® and Coach House Dairy®. Products are widely ranged throughout Australia in Coles, Woolworths, Aldi, Chemist Warehouse, Costco and Big W, as well as exported to China, South East Asia, and Middle East.

Bubs Australia is the leading producer of goat dairy products in Australia with exclusive milk supply from the largest milking goat herd in the country, providing a 'pathway to provenance' to become Australia's only vertically integrated producer of goat milk infant formula.