

ASX: BUB
Bubs Australia

bübs®

STRATEGIC REVIEW UPDATE

6 July 2023



DISCLAIMER

This presentation is in summary form and is not necessarily complete. It should be read together with the Company's other announcements lodged with the Australian Securities Exchange.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. The Company cautions against reliance on any forward-looking statements, particularly in light of the current economic climate, the need for approvals from relevant regulators, changes in consumer shopping behavior and demand in the China market, the costs and implications of the extraordinary general meeting to be held on 27 July 2023 and any potential litigation

While the Company has prepared this information based on its current knowledge and understanding and in good faith, there are risks, uncertainties and factors beyond the Company's control which could cause results to differ from projections. The Company will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under applicable law and ASX listing rules.

This presentation is for information purposes only and is not a product disclosure statement or prospectus, financial product or investment advice or a recommendation to acquire securities.

The Company's results are reported under International Financial Reporting Standards (IFRS). However, this presentation contains non-IFRS financial measures to provide a more comprehensive understanding of the Company's performance. Non-IFRS measures are unaudited.

All currency referred to in this document is in Australian dollars, unless otherwise stated.

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BOARD OF DIRECTORS



Katrina Rathie

INDEPENDENT NON-EXECUTIVE CHAIR – CHAIR OF THE NOMINATIONS AND REMUNERATION COMMITTEE



Paul Jensen

INDEPENDENT NON-EXECUTIVE DIRECTOR – CHAIR OF THE AUDIT, RISK & TECHNOLOGY COMMITTEE



Reg Weine

INDEPENDENT NON-EXECUTIVE DIRECTOR – MEMBER OF THE NOMINATIONS AND REMUNERATION COMMITTEE, MEMBER OF THE AUDIT, RISK & TECHNOLOGY COMMITTEE



Steve Lin

NON-EXECUTIVE DIRECTOR – MEMBER OF THE NOMINATIONS AND REMUNERATION COMMITTEE, MEMBER OF THE AUDIT, RISK & TECHNOLOGY COMMITTEE



Jay Stephenson

COMPANY SECRETARY

EXECUTIVE LEADERSHIP TEAM



Richard Paine

CHIEF OPERATING OFFICER



Robin Johnston

CHIEF FINANCIAL OFFICER - INTERIM



Julia Baldock

MARKETING DIRECTOR – GLOBAL MARKETS



Chris Lotsaris

GENERAL MANAGER USA



Jackie Lin

GENERAL MANAGER CHINA



Peter Cope

GENERAL COUNSEL

For more information on the Bubs Board and Management please visit our investor [website](https://investor.bubsaustralia.com/) <https://investor.bubsaustralia.com/>



CURRENT STATE - SIGNIFICANT VALUE DESTRUCTION

In the three-year period to 3 July 2023, Bubs' share price **declined 80.7% from \$0.96 on 3 July 2020 to \$0.185 on 3 July 2023.**

Since the Company's IPO on 3 January 2017:

- the Company has accumulated losses of **\$240 million**; and
- raised capital seven times, with investors in each of those capital raisings suffering a material decline in the value of their investment, ranging from **-59% to -81%**.

Bubs 3-year Share Price Performance



STRATEGIC REVIEW

- Organisational Design Review - complete
- OPEX Review - complete
- USA Deep Dive & FDA Review - complete
- China Go-to-market, Partnership Model & China Manufacturing JV Review - complete
- IBP & S&OP Review - complete



BUBS STRATEGIC IMPERATIVES

Bubs 5-point plan to responsibly manage capital and maximize shareholder value



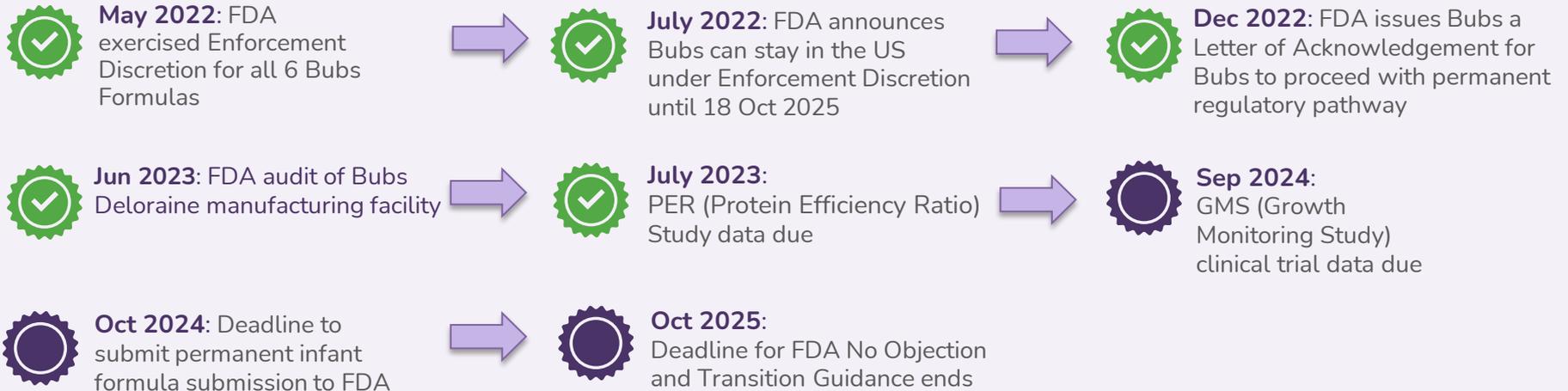
GROW & MAXIMISE SHAREHOLDER VALUE

USA GROWTH ENGINE

Grow ranging in major retailers, scale e-commerce, & secure FDA permanent access to US market



US FDA PERMANENT PATHWAY

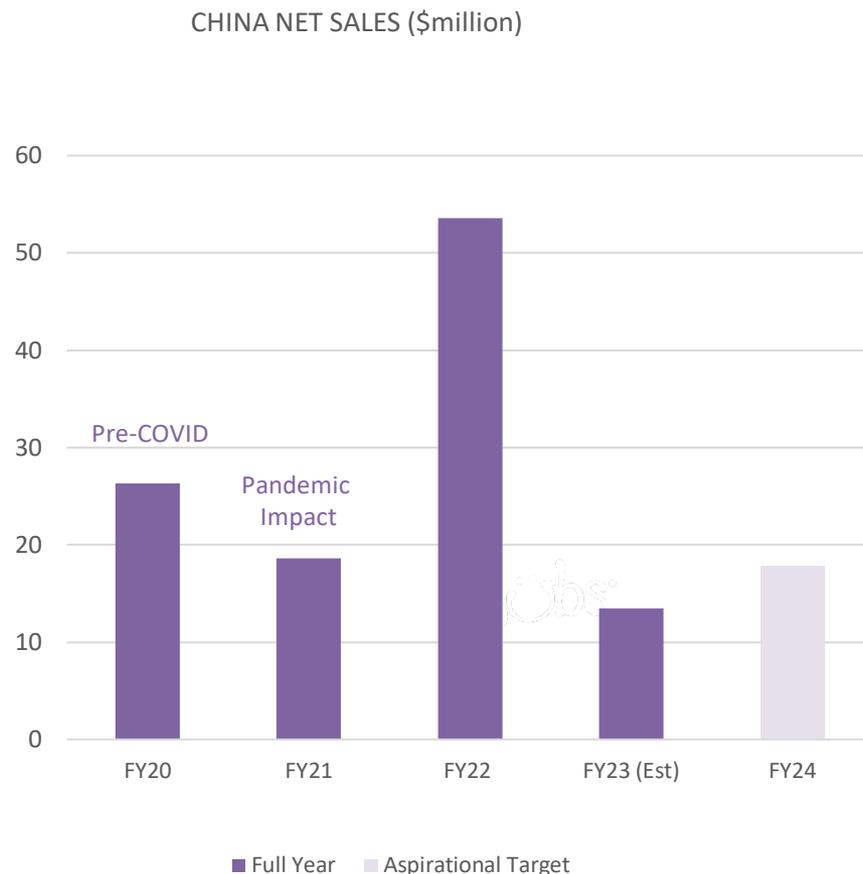


GROW & MAXIMISE SHAREHOLDER VALUE

CHINA RESET

Bubs has commenced its China reset, a multi-channel go-to-market strategy with new leadership, new trade partners and focused where Bubs has a competitive advantage – goat IMF & goat adult milk powder

- New Leadership Jackie Lin
- GM China
- Willis agreement ended June 30, 2023, and the Alice agreement is subject to ongoing legal review
- Appoint new Distributors and Trade Partners for CBEC
- Review China JV Agreements and revisit SAMR registration for Deloraine
- Trade spend and pricing discipline
- Tighter Inventory Management
- Refocus Brand Portfolio on goat (Bubs/Caprilac)



GROW & MAXIMISE SHAREHOLDER VALUE

PORTFOLIO OPTIMISATION

Bubs is a clear market leader in its hero goat product segment, pioneering the IMF category in the USA & China. The global total addressable market for goat IMF, goat adult milk powder and fresh goat milk is estimated to be AUD \$4.5Billion*

- Global leader in infant & adult goat nutrition
- Hero Brands - Bubs & Caprilac
- Premiumisation opportunity
- Reposition bovine IMF products and Bubs A2 Supreme
- Tighter range of food products at better margins, SKU rationalisation
- NPD and innovation
- Invest in our core brands



*Source: Goat Milk Powder – Global Outlook & Forecast 2022 – 2027 – Arizton Advisory & Intelligence

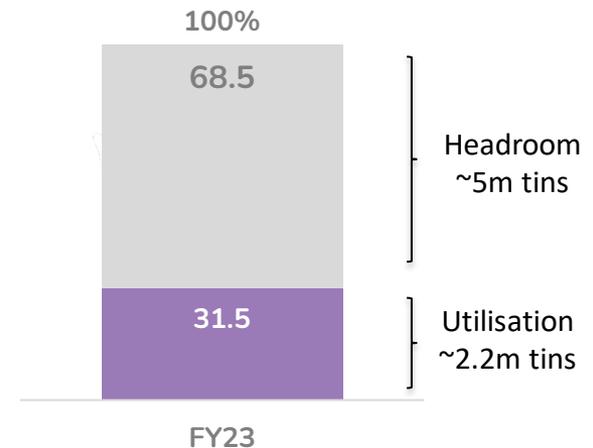
SWEAT THE ASSETS



Bubs state-of-art manufacturing facility is underutilised ~ 31% utilisation



- Revisit SAMR registration
- Toll manufacturing
- Selective Private Label (Bovine only)



GROW & MAXIMISE SHAREHOLDER VALUE

WORKING CAPITAL

Disciplined approach to capital management - operating expenses, inventory & cash flow

HIGHLIGHTS

- ✔ Current growth plans fully funded
- ✔ Annual OPEX reduced by ~\$10M
- ✔ Monthly cash burn reduced from ~\$5M to ~\$2M*
- ✔ 12 months of cash flow funding available
- ✔ Plan to liquidate excess inventory
- ✔ CAPEX < \$500K
- ✔ Advertising investment 15% of Net Sales

*Excluding legal and EGM costs and from FY24 Q2 onwards

GROW & MAXIMISE SHAREHOLDER VALUE

FY24 OUTLOOK & WHAT TO EXPECT FROM US



- ✓ Net Sales Revenue \$80M (+35% YOY*)
- ✓ Gross Margin @ 40%
- ✓ Continued FDA Progress
- ✓ Renewed Focus on Infant and Adult Goat Nutrition
- ✓ Working Capital Improvements
- ✓ Improved Transparency & Governance
- ✓ Cash Flow Positive in FY25

*Based on unadjusted & unaudited FY23 Net Sales

GROW & MAXIMISE SHAREHOLDER VALUE

UPCOMING SHAREHOLDER MEETING – YOUR VOTE COUNTS

Notice of Meeting

The Bubs Australia Limited Extraordinary General Meeting will be held on **Thursday, 27 July 2023 at 10:00am (AEST)**. You are encouraged to participate in the meeting using the following options:

HOW TO VOTE

The Board unanimously recommends that shareholders vote against each resolution.

1

Appoint a proxy

To appoint a proxy, access the Notice of Meeting and other meeting documentation, click the link below.

[APPOINT A PROXY](#)

Proxy appointments must be received by 10:00am (AEST) on Tuesday, 25 July 2023.

2

Vote Online

Don't wait until the EGM

[VOTE NOW](#)

The easiest way to vote is online.

3

Attend in person

Thursday, 27 July 2023 at 10:00am (AEST)

The meeting will be held at
Radisson Blu Plaza Hotel
27 O'Connell Street
Sydney
NSW 2000

See links below for more information

NOTICE OF MEETING	PROXY FORM	FAQ's
BOARD OF DIRECTORS PROFILES		
ANNOUNCEMENTS		
MEDIA		

Should you wish to discuss the matters in the Notice of Meeting please do not hesitate to contact the Shareholder Information Line on 1300 038 212 (within Australia) or (+61) 2 9066 4052 (outside Australia).

Steps on **How to Vote** are on our [Investor website](#) now.

Any queries or questions, please contact:

Shareholder Enquiries

1 300 038 212 (within Australia) or
(02) 9066 4052 (outside Australia)

Monday to Friday
between 9am and 5pm (AEST)

The Board unanimously recommends that shareholders **vote against each resolution**



THANK YOU

