



Bubs Australia Limited
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BUBS #4 PLANE TO LAND IN USA ON 6 JULY 2022 WITH ALL STOCK PRESOLD

BUBS INFANT FORMULA IS AUTHORISED FOR WIC PROGRAM AND TARIFF CONCESSION

- **Plane #4 under Operation Fly Formula holds around 90,000 tins with a total gross revenue of circa. \$3.0 million.**
- **Bubs enters into supply agreements with 2 new retail groups; Meijer and HEB.**
- **USA agencies approves Bubs Infant Formula products as suitable for WIC program in 22 States.**
- **Bubs® Infant Formula products receive benefit of tariff concession under AUSFTA Agreement.**

Melbourne, 4 July 2022: Infant nutrition and dairy specialist Bubs Australia (ASX: **BUB**), advises the Company has, in anticipation of arrival of Plane #4 under Operation Fly Formula, entered into new supply agreements with two new retailer banner groups in the United States, including:

H-E-B Grocery Company

H-E-B is a supermarket chain based in Texas with 340 stores. There were over 365,000 births in Texas in 2020¹, compared to around 300,000 in all of Australia. Similar to others, the State has experienced stock shortage and is a primary focus for the distribution roll-out.

Meijer

Meijer is an American supercentre chain with 259 stores located in predominantly in the Midwest, including Michigan, Illinois, Indiana, Kentucky, Ohio and Wisconsin.

The remainder of the goods in the air shipment will be distributed to replenish existing stockists including Walmart, Kroger and ABSCO. The total gross revenue generated from Plane #4 is circa. \$3.0 million.

WIC Program

The U.S. Government administers a Special Supplement Nutrition Program for Women, Infants and Children (**WIC Program**), which accounts for over 50% of formula consumption in the USA.² The WIC Program provides subsidy for American families that require assistance to ensure the women, infants and children receive appropriate nutrition.

Under the FDA enforcement discretion, each State agency is able to consider and authorise Bubs® Infant Formula products for its WIC Program Participants.

As of 29 June 2022, 22 State agencies have authorised Bubs® Infant Formula products under the WIC Program including California, which had the highest total number of births of over 419,000 in 2020.³

Bubs Founder and CEO, Kristy Carr said, "We are grateful for the opportunity to assist parents under the WIC Program. As Bubs continues to replenish retailer shelves with up to six Bubs® Infant Formula products, it is

¹ US National Center for Health Statistics, National Vital Statistics System, Natality.

² See U.S. Department of Agriculture Economic Research Service "Infants in USDA's WIC Program consumed an estimated 56 percent of U.S. Infant Formula in 2018," 23 May 2022, <https://www.ers.usda.gov/data-products/charts-gallery/gallery/chart-detail/?chartId+103970>

³ US National Center for Health Statistics, National Vital Statistics System, Natality.



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comforting that many more American parents will have the opportunity to access our clean nutrition that is and will continue to be available on shelves."

AUSFTA Agreement Tariff Concession

Since commencement of market entry into the USA, Bubs has also been seeking clarity with authorities regarding the most appropriate tariff classification of Bubs® Infant Formula products.

Following discussions between various stakeholders including U.S. and Australian Governments, it has been agreed that importation of Bubs® Infant Formula products will receive tariff concession under the Australia United-States Free Trade Agreement (**AUSFTA Agreement**).

Bubs Founder and CEO, Kristy Carr said. "We are thankful to the U.S. and Australian Government for their assistance in helping us understand our tariff obligations. It is great to see that the strong trade relations and reciprocal recognition of food standards between the two countries have reflected in greater market access for our category, particularly during this time of crisis for American families."

This announcement was authorised by the Board of Directors.



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About Bubs Australia

Founded in 2006 in Australia, Bubs' purpose is to grow happy, healthy families through clean nutrition. Bubs® A2 Beta-Casein Protein, Bubs Organic® Grass-fed, and Easy-Digest Goat Milk Infant Formula, along with Bubs Organic® baby food range, cater for all feeding occasions and stages of a child's development during their first 1,000 days of life.

Bubs® products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to ten markets across China, Southeast Asia, the Middle East and USA.

Consumer Website: bubsaustralia.com

Investor Centre: investor.bubsaustralia.com