



29 November 2019

Annual General Meeting **Presentation**



ASX: BUB
Bubs Australia



Goodness



Very Best



Creating new generations of
happy, healthy bubs



Honesty



Playfulness



EXECUTIVE CHAIR & CEO ADDRESS



YOUR BOARD OF DIRECTORS



**DENNIS
LIN**

Executive Chairman
Appointed 22 October 2019.
Non-Executive Chairman
Appointed 18 August 2017.
Non-Executive Director
Appointed 22 December 2016.
GradDipAppFin, CA, Solicitor of the
Supreme Court of Queensland

Mr. Lin was a partner of a major accounting firm for ten years, and is a Chartered Accountant and Solicitor. Dennis has been closely involved in cross-border transactions between China and Australia, particularly in food and agribusiness sectors. He is also a non-executive Director of consumer goods company Buderim Group (ASX:BUD) and engineering company Synertec Corporation (ASX:SOP).



**KRISTY
CARR**

Executive Director
Appointed 22 December 2016.
BBus (Bachelor Degree of Business)

Kristy Carr has an in-depth knowledge of the infant nutrition category and retail sector, with a proven track record of leading and building successful brands and businesses over the past 20 years. Prior to Bubs®, Kristy held international marketing and business development roles based in Hong Kong. It is with this expertise that Kristy founded Bubs® in 2006 and continues to lead a talented team in delivering on her original vision to make Bubs® a successful global brand.

Ms Carr has not held any other Directorships in publicly listed companies in the past three years.



**MATTHEW
REYNOLDS**

Non-Executive Director
Appointed 22 December 2016.
B.Sc (Hons), LLB (Hons), MQLS

Matthew Reynolds is a Partner at Thomson Geer lawyers who specialises in capital markets and mergers and acquisitions. He holds a Bachelor of Political Science and Economics (Hons) and a Bachelor of Laws (Hons) and is a member of the Queensland Law Society.

Mr Reynolds was a non-executive director on the ASX listed Axesstoday Limited (ASX: AXL), and was the non-executive Chairman of P2P Transport Limited (ASX: P2P), retiring from those offices on 15th April 2019. Mr Reynolds also held directorships in unlisted companies including local subsidiaries of Thai-listed Minor International PLC and Ignite Energy Limited.



**STEVE
LIN**

Non-Executive Director
Appointed 18 April 2019
B.A. in Economics

Mr. Lin has over 25 years of investment, operations and management experience in Asia. He started his career in investment banking at Morgan Stanley in New York. He then joined Goldman Sachs' Merchant Banking Division in Hong Kong and Tokyo and invested in private equity, real estate and special situations opportunities. Mr. Lin became the President and CEO - Asia of GMAC Commercial Holding Corp., managing a multi-billion dollar portfolio of real estate investments and loans. Mr. Lin has a B.A. in Economics from Harvard College.

Mr Lin has not held any other Directorships in publicly listed companies in Australia in the past three years.



**JAY
STEPHENSON**

Company Secretary
Appointed 1 September 2015.
MBA, FCPA, FGIA, MAICD, CPA
(Canada), CMA (Canada)

Jay Stephenson has been involved in business development for over 30 years including approximately 24 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, IT, manufacturing, food, wine, hotels and property. Mr Stephenson has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Mr Stephenson has not held any other directorships in publicly listed companies in the past three years.

FINANCIAL HIGHLIGHTS

Record Growth Year

FY19 results are characterised by our exceptional revenue trajectory. The Company has continued to focus on building scale through channel development, gross margin improvements and further enhancing the integration of our end-to-end supply value chain.

\$46.8m

FY19 Gross Revenue Up 154% pcg

+153%

Domestic Net Revenue Growth Up pcg

+209%

China Net Revenue Growth Up pcg

ASX 300

c.\$560m

Market Capitalisation Value
as at 28/11/19

Bubs Australia was added to the ASX300 index, as part of S&P's quarterly rebalance on 23 September 2019.

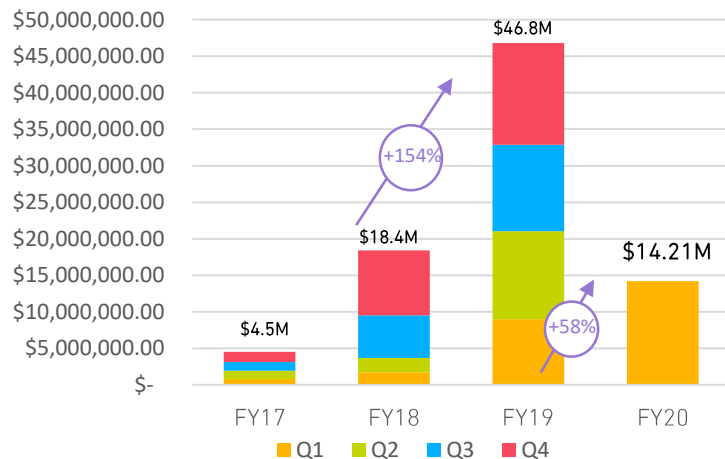


F20 Q1 GROUP FINANCIAL REVIEW



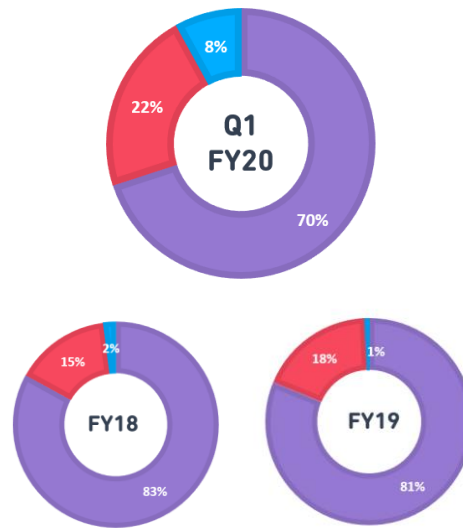
GROUP REVENUE GROWTH

Q1 FY20 delivered highest Gross Sales Revenue on record.



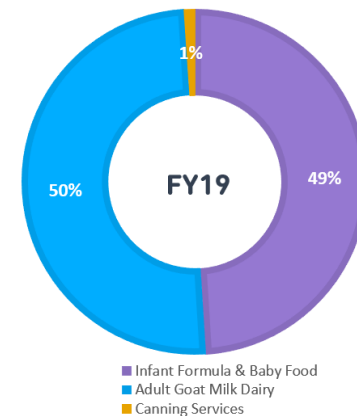
REGIONAL CHANNEL MIX

Direct export sales to China now represent 22% of Group Revenue.



BALANCED PRODUCT MIX

Ability to allocate milk flow into multiple brands, product categories and consumer segments.



■ Australia ■ China ■ Other International

GOAT DAIRY MARKET LEADER

Bubs owns exclusive access to Australia's largest goat milk pool, providing supply chain security, traceability and scalability.



Milk Pool Strength

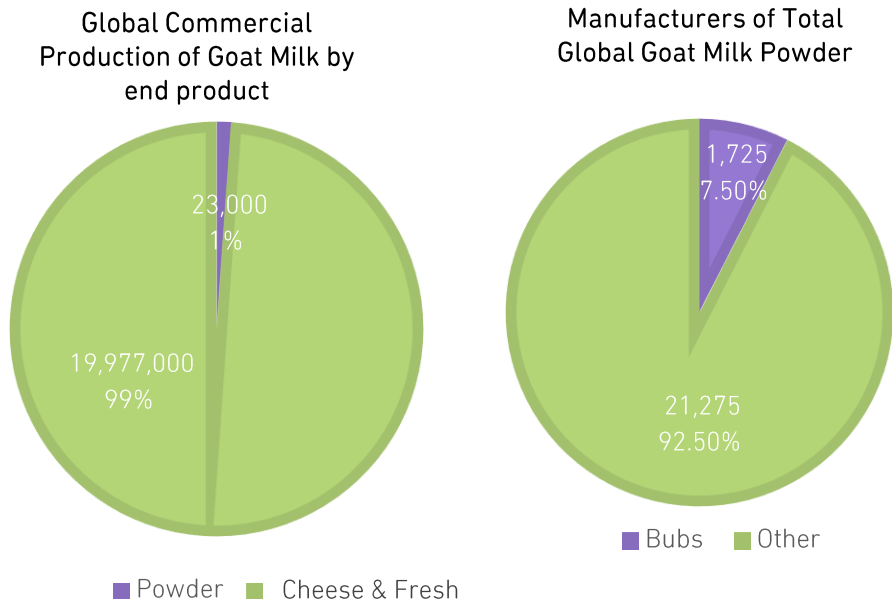
- ➔ Bubs is the market leader in goat dairy, producing >65% of all Australian goat milk products. Our herd has grown to c.20,000 milking goats across both Australia and New Zealand, now producing in excess of 20 million litres of fresh goat milk.



SUSTAINABLE MILK POOL GROWTH RATES



Bubs currently produces around 7.5% of the world's Goat Milk Powder*.



Key Highlights

- Goat industry has now rapidly transformed from niche production into an emerging commodity that sees a surge in consumer demand across demographics.
- Only 1% of the world's 20 million tonnes of goat milk is converted to Goat Milk powder and Bubs currently produces around 1750mt, or 7.5% of the world output of Goat Milk Powder (c. 23,000 tonnes).
- There is significant upside for continued expansion of Bubs Australian and New Zealand goat milk supply.
- Improved milking growth potential; through optimal nutrition and continued improvement in health & wellbeing, there is theoretical potential for 50% increase in milk supply with natural reproduction and gestation milk extraction, all within the Bubs production systems.
- Bubs Australia plans to continue to support producers in Australia and New Zealand in a sustainable manner and to continue to look for highest and best use of goat milk.

**Beth A Miller and Christopher P Lu, "Current Status of global dairy goat production: an overview", Asian- Australasian Journal of Animal Sciences, 2019*

GROWING TO BENEFIT ALL AUSTRALIANS



Conversion from goat milk supply, to goat milk powder into infant formula.

Key Highlights

- ➔ With Bubs market leading access to an Australian goat milk supply, our ability to directly convert fresh milk into infant formula creates the **world's only brand with 100% Australian sourced milk, Australian made goat milk infant formula.**
- ➔ Our existing pool represents 7 million tins of Australian Sourced Milk per annum, with clear visibility all the way back to production. This gives us flexibility to scale when required, creating a sustainable supply chain system for all stakeholders, regional jobs and opportunities.
- ➔ Infant formula provides Bubs with the highest and best use margin. As the business evolves, we will continue to search for the next horizons of best opportunities for goat dairy.



7.5% of the
world's Goat Milk
Powder Supply.



1 of only 15
CNCA accredited
facilities.



STRATEGIC FOCUS



OUR BUILDING BLOCKS REMAIN VALID



Bubs ability to leverage our foundation building blocks is what sets us apart. We have unrivalled strategic equity-linked partnerships and end-to-end vertical integration of our value chain.



FY20 FOCUS ON 3 GROWTH ENGINES



For the remainder of FY20 our focus will be directed on three fundamental drivers for our long-term growth.

Sustainable leadership in vertical supply chain value creation.



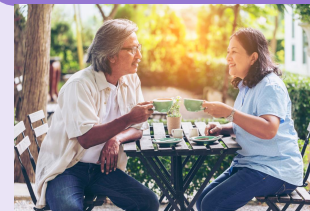
- + Our current existing pool alone represents 7 million tins of Australian Sourced Milk per annum.
- + With this visibility and flexibility, we can ensure our products are always available for Australian parents, babies and consumers.
- + We will continue to work with leaders in the industry to further systemize and create a sustainable supply chain that promotes best in class practices.

Deepening consumer brand connection to drive scale & improved margin.



- + We will leverage data insights and offer a different product solution across key consumer needs and feeding occasions.
- + Goat infant formula is our key focus, and Organic cow's milk formula provides a compelling choice for mothers wanting the Bubs quality in the remaining 95% of the category.
- + Organic Baby Food is critical to extending brand reach and recruitment from non-IMF feeding occasions.

Expansion into new non-infant growth segments & new geographical markets.



- + We will continue to drive our value creation and margin improvement by developing new premium adult goat dairy products to respond to changing consumer insights and new need states.
- + Expansion into key countries within APAC has commenced, driving scale and reach for future product expansion.

NEW RETAIL - DATA DRIVEN MARKETING



Directing marketing spend with precision through consumer insight and data analytics.
Increasing consumer offtake with precision, while maintaining brand premium positioning.

Key Highlights

- Working with our partners, Bubs is focused on ensuring sales reflect genuine consumer offtake, and the premium brand is maintained in the markets.
- Global Shopping Festival ("Double 11") was an opportunity for Bubs to focus on gaining consumer insights to direct future marketing spend with better precision, yet we still achieved pleasing growth.
- Bubs will expand consumer engagement and offtake through community awareness (Daigou and domestic channels), efficient campaigns maximising agility and strengths of different CBEC platforms, as well as building our brand equity in China, including non-infant formula products in offline channels, and all products through CBEC or O2O channels.
- Bubs will focus on genuine consumer engagement to ensure long-term brand equity and positioning and avoid deep discounts to drive sales.



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EXPAND NEW APAC MARKETS



Our recent expansion into the Vietnam market provides a clear example of the market growth potential by accessing markets with secure supply and multiple routes to market.



Key Highlights

- The value of the Southeast Asian baby food market is expected to grow to \$US8bn (3.8% CAGR growth) over the next 5 years. *(Source: Euromonitor & Expert Interviews)*
- Vietnam is a huge opportunity for Bubs, and Infant nutritionals market is estimated to be worth VDN 33.6 trillion (A\$2.2 billion) annually and is growing at a compound average growth rate of 7.7 percent annually over the past five-year period. Infant milk formula category is valued at VND 28 trillion (AUD \$1.8 billion).
- Secured ranging in BiboMart - the largest Mother & Baby store with over 135 stores, predominantly located in major metropolitan areas. Entered a Master Distribution Agreement with Viet Nam TVV Service and Trading Company Limited (TVV). TVV is one of the largest Vietnamese owned distributors in Vietnam's infant nutrition industry, distributing to an extensive network of ~20,000 retail outlets.

EXPAND BRAND LIFECYCLE - JUNIOR NUTRITION



CCIC preliminary review complete and approval in progress for new Junior Nutrition China label.
English label also in development for multi-channel launch during the first half of 2020 calendar year.

The Junior category (age 3-6) in China, is worth an estimated \$1 billion and has double digit growth since 2017. The market size of age 3-15 in total is worth an estimated \$1.2 billion.



Junior China Label (concept)



Junior English Label (concept)

Key Highlights

- ➔ Specific formulation tailored to nutritional needs for key health benefits supporting healthy growth and development. Includes key ingredients important for functional health.
- ➔ Development of China compliant formulation provides important opportunity to obtain ranging across General Trade, with Beingmate Kids Want relationship and potential for further ranging across 30,000 stores.
- ➔ Development of multi-channel, integrated marketing investment to support both China and Australia market sales.

ENTER ADULT PREMIUM FORMULA MARKET



Recent launch of our Deloraine adult nutrition proposition across China CBEC and General Trade.



Key Highlights

- ➔ Previously, goat milk power was an important source of cashflow as Bubs built up demand for its IMF products.
- ➔ Demographically, China adult milk formula market size is expected to grow 5-10% CAGR to 2023F and this creates a genuine opportunity for better utilization of goat milk powder in non-infant formula products.
(Source: Euromonitor & expert interviews)
- ➔ Active singles and couples are seeking nutritious products to help create greater balance in health and wellbeing.
- ➔ Internal research has indicated strong opportunity to build on super premium, science-based core proposition and extend into growing consumer nutritional needs.
- ➔ Significant future product pipeline potential for expansion into extended science-based formulations for a modern millennial core target audience.

EXTEND INTO GROWING AGEING MARKET



We have researched and developed a new brand proposition to enable future growth into ageing health concerns.

Key Highlights

- We are currently developing a new modern, authentic product range targeting the 50+ population.
- The majority of adult milk is consumed by ages 50+ and the size of this cohort in China, for example, is expected to increase by 50m people through to 2023 to over 200 million. *(Source: Euromonitor & expert interviews)*
- Our research indicates premiumisation is being driven by senior market seeking preventative nutritious products with formulations to address specific health concerns.



IN CONCLUSION



Bubs is in a strategically strong position to navigate through dynamic environments.

Key Highlights

- ➔ China is experiencing declining birth rates, and industry players are looking to compete in the category of specialist ultra-premium infant formula.
- ➔ As a trusted authentic brand with transparent supply chain visibility, Bubs has a compelling claim to continue to grow in China and command a premium for provenance.
- ➔ Our material market position in Goat Milk Powder, a scarce resource and emerging commodity, provides us an important base to assess potential options in maximizing powder utilization.
- ➔ Through data-driven marketing and consumer insights, Bubs will continue to invest in first priority markets (Australia and China Mainland), emerging markets (Vietnam, Hong Kong) and nurture innovation to maintain a healthy new product pipeline.
- ➔ To stay ahead and execute our strategic outlook with confidence, we will accelerate investments in marketing in chosen markets and new products to maximise shareholder returns, reflective of the scale we want to achieve and the surrounding market environment.

RESOLUTIONS **UPDATE**



RESOLUTION 1:



Adoption of Remuneration Report

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2019."

VOTE TYPE	VOTED	% VOTED
For	51,958,836	94.94
Against	1,217,835	2.23
Open-usable	1,546,073	2.83
Abstained	76,692,635	N/A
Total	131,415,379	100.00

RESOLUTION 2:



Re-election of Matthew Reynolds as Independent Director

"That for the purpose of Clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Matthew Reynolds, who retires as a Director by rotation, and being eligible, is re-elected as a Director."

VOTE TYPE	VOTED	% VOTED
For	155,824,497	98.70
Against	676,166	0.43
Open-usable	1,373,806	0.87
Abstained	302,510	N/A
Total	158,176,979	100.00

RESOLUTION 3:



Election of Steve Lin (C2 Capital Partners] as non-executive director

"That for the purpose of Clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Steve Lin, a director who was appointed by the Board on 18 April 2019, retires, and being eligible, is elected as a Director."

VOTE TYPE	VOTED	% VOTED
For	147,748,516	93.55
Against	8,802,519	5.57
Open-usable	1,386,606	0.88
Abstained	239,338	N/A
Total	158,176,979	100.00

RESOLUTION 4:



Ratification of prior issue of 43,866,888 shares to C2 Capital Global Export-to-China fund LP

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 48,366,888 Shares to C2 Capital Global Export-to-China Fund, L.P., on the terms and conditions set out in the Explanatory Statement."

VOTE TYPE	VOTED	% VOTED
For	68,699,161	84.26
Against	1,350,439	1.66
Open-usable	11,479,426	14.08
Abstained	76,647,953	N/A
Total	158,176,979	100.00

RESOLUTION 5:



Ratification of prior issue of 15,384,615 shares to Dynamic Best group, Stable Charter and Succeed Venture, together the Vendors of Australian Deloraine Dairy

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 15,384,615 Shares to Dynamic Best Group Limited, Stable Charter Limited, and Succeed Venture Limited, on the terms and conditions set out in the Explanatory Statement."

VOTE TYPE	VOTED	% VOTED
For	139,734,112	98.14
Against	1,261,995	0.88
Open-usable	1,386,944	0.98
Abstained	409,313	N/A
Total	142,792,364	100.00

RESOLUTION 6:



Ratification of prior issue of 9,382,355 shares to CW Retail Services (Chemist Warehouse) as Tranche 1 under the strategic sales and promotion agreement

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,974,272 Shares to CW Retail Services Pty Ltd, on the terms and conditions set out in the Explanatory Statement."

VOTE TYPE	VOTED	% VOTED
For	151,958,494	98.18
Against	1,411,752	0.91
Open-usable	1,412,643	0.91
Abstained	419,818	N/A
Total	155,202,707	100.00

RESOLUTION 7:



Approval of proposed Issue of 9,382,355 shares within 3 months to Chemist Warehouse (CW Retail Services) as Tranche 2 under the same agreement

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 9,382,355 Shares to CW Retail Services Pty Ltd (or its nominee/s), on the terms and conditions set out in the Explanatory Statement."

VOTE TYPE	VOTED	% VOTED
For	152,282,354	98.31
Against	1,231,659	0.79
Open-usable	1,395,952	0.90
Abstained	292,742	N/A
Total	155,202,707	100.00

RESOLUTION 8:



Replacement of Constitution by way of special resolution

"That, for the purposes of section 136(2) and section 648G of the Corporations Act and for all other purposes, the constitution in the form tabled at the meeting and signed by the chairman of the Annual General Meeting for identification, be approved and adopted as the Company's constitution in substitution for and to the exclusion of the Company's current constitution, with effect from the close of the Annual General Meeting."

VOTE TYPE	VOTED	% VOTED
For	155,149,954	98.57
Against	840,534	0.53
Open-usable	1,424,877	0.90
Abstained	761,614	N/A
Total	158,176,979	100.00

RESOLUTION 9:



Approval of issue of options to Dennis Lin on appointment as Executive Chair

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,770,810 Options to Dennis Lin (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

VOTE TYPE	VOTED	% VOTED
For	149,848,201	95.04
Against	6,445,671	4.09
Open-usable	1,372,354	0.87
Abstained	510,753	N/A
Total	158,176,979	100.00

RESOLUTION 10:



Adoption of an Incentive Option Plan [max 0.5% of shares on issue at date of offer]

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, the Company's Option Plan, the terms out of which are summarised in the Explanatory Statement accompanying this Notice of Meeting, and all issues of securities under that Option Plan, be approved."

VOTE TYPE	VOTED	% VOTED
For	59,974,966	92.61
Against	3,421,503	5.28
Open-usable	1,370,439	2.11
Abstained	93,410,071	N/A
Total	158,176,979	100.00

RESOLUTION 11:



Appointment of Auditor (Deloitte)

"That, for the purpose of Section 327B of the Corporations Act and for all other purposes, Deloitte Touche Tohmatsu, having been nominated by a Shareholder and having consented in writing to act, be appointed as auditor of the Company."

VOTE TYPE	VOTED	% VOTED
For	156,327,887	99.01
Against	170,159	0.11
Open-usable	1,393,206	0.88
Abstained	285,727	N/A
Total	158,176,979	100.00

CONCLUSION & QUESTIONS



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Growing **Generation Joy**