

2024 ANNUAL GENERAL MEETING MELBOURNE

CHAIR ADDRESS

Good morning shareholders, ladies and gentlemen. On behalf of the Bubs Australia Board, I would like to acknowledge the people of the Wurundjeri Nation as the Traditional Custodians of the lands upon which we gather today, and I pay my respects to the Elders; past and present. I also pay my respects to all First Nations people in the Bubs Australia community including any Indigenous and Torres Strait Islander people here today.

I'm Katrina Rathie, Chair of Bubs Australia Limited.

It is my pleasure to welcome you to the Bubs Australia 2024 Annual General Meeting. It is the appointed time of 11.00am and we have a quorum present, therefore I now declare the meeting open.

I would like to introduce to you my fellow directors who are all present today:

- Steve Lin
- Paul Jensen
- Reg Weine who is also our CEO and Managing Director.

I would also like to introduce our Company Secretary, Jay Stephenson.

Also in attendance is our General Counsel Peter Cope, as well as members of the Bubs Executive Leadership Team.

I would also like to welcome Julie Carey and Pradeep de Silva from our Auditors KPMG who are in attendance today, along with representatives of the Company's share registry, Computershare.

And of course, I am especially pleased to welcome all shareholders who are here in person and shareholders attending online.

Procedural Matters

The notice for this Annual General Meeting was circulated to shareholders within the required period, and copies of the notice are available from the registration desk. If there are no objections, I would like to move that the notice be taken as read.

I would like to describe the voting procedures that will apply to this meeting. As recommended by the ASX and ASIC, votes on each resolution will be taken by way of a Poll.

Only Bubs Australia shareholders, or their duly appointed representatives or proxies, are eligible to vote at this meeting.

Shareholders and proxy holders present today would have received, on registration, a voting card that provides for the holding of a poll on resolutions put to shareholders. You will need to complete this card in order for your vote to be counted.

If you have any questions, please speak to a representative of the Company or the share registry before lodging your completed poll card.

During consideration of the items of business of the meeting, you will be given time to complete your poll voting card. The poll voting cards will be collected at the end of the meeting and counted by the share registry. The results of the poll will be notified to the ASX and published on the Company's Investor website following the meeting.

Shareholders were asked to submit questions in advance of the AGM on matters relevant to the business of the AGM to be received no later than 5:00pm AEDT time on Thursday 14 November 2024.

I will endeavour to address any relevant questions from shareholders, or ask one of my colleagues to do so. However, kindly note that there may not be sufficient time available at the Meeting to address all the questions raised. Please note that individual responses will not be sent to shareholders.

If time permits, I will offer shareholders present, the opportunity to ask questions before the resolutions are put and time permitting, at the end of the meeting.

At this meeting there will be six items of business, including 5 shareholder resolutions, with resolution 5 withdrawn.

Each resolution will be proposed and voted on as a simple majority to be carried by way of a Poll.

There have been proxies received in respect of today's resolutions, which I will disclose when the resolutions are considered.

As mentioned in the Notice of Meeting, it is intended that any undirected proxies given to the Chair will be voted in favour of the relevant resolution.

Slide 2 - Agenda

Before we move on to the formal business of today's meeting, I would like to address shareholders in relation to the Company's progress in 2024, and our strategic objectives going forward, after which our CEO & Managing Director, Reg Weine, will address the meeting.

After the meeting, there will be an opportunity to meet with directors in a more informal atmosphere over refreshments in the foyer, and I hope that you will join us.

A copy of my Address and the CEO's Presentation have been lodged with the ASX and will be published in the Bubs Investor section of the Company's website.

Slide 3 - Chair's Address

In my **Chair's address** today, I would like to provide shareholders with an update on our 3-year strategic plan & turnaround including the short and medium-term activities we are implementing to improve revenue and earnings and to fully realise the potential of the Company and its assets.

In FY24 we embarked on the first year of our three-year strategic plan and turnaround, focused on a 5-point plan to responsibly managing capital and to grow and maximise shareholder value.

This first year in our turnaround strategy was a pivotal one and an important step in the right direction. We achieved very strong growth in our two key strategic export markets, with USA revenue up 46% and China revenue up 27% on FY23. We also grew strongly in our home market and our rest of world markets including Japan and Vietnam. Pleasingly, we achieved revenue of \$80m during the year in line with our revenue guidance.

Over the past year we have focused on delivering against each one of our strategic pillars that we announced in August 2023. Pleasingly we have made solid progress against each strategic pillar, and we are on track to achieve our medium term financial and non-financial objectives.

FY24 was a significant year for the Company as we continued to build on our momentum in the US, reset our China business, upgraded and refreshed our master brand, introduced new packaging and tin sizes, reformulated products, implemented a new ERP system – SAP, and moved to a second shift at our state-of-the-art Deloraine canning facility in Victoria. This significant program of operational activities implemented over the past year, required careful planning and seamless execution to ensure Bubs high quality clean label nutrition products remained competitive, available and accessible to customers and consumers in our local and global markets.

USA Growth Engine

The USA delivered record growth in FY24, with revenue of \$35.0m, up 46% on the prior corresponding period. Bubs revenue growth in the US market has been fuelled by strong consumer demand, endorsement from healthcare professionals, social media advocacy, and robust trial and repeat purchases. Now available in more than 5,500 brick & mortar retailers, major e-commerce platforms such as Amazon and Walmart.com, and with a first mover advantage in the goat sector, Bubs is well placed to capture the expected growth in premium speciality infant formulas for years to come.

FDA

Post balance date, Bubs enrolled its 400th infant in the Growth Monitoring Study (GMS) and today we are sitting at 452 infants enrolled with a revised target of 475 infants required to complete the study. This clinical trial is being conducted as part of the regulatory requirement and guidelines set by the U.S Food and Drug Administration (FDA), for permanent access to the United States infant formula market. Bubs now intends to formally submit the completed GMS and clinical trial documentation in mid 2025, with the FDA's regulatory approval expected in October 2025. The costs of the upsized FDA trial have not been inconsiderable but are an important investment in our future.

Bubs first began importing our infant formula into the United States in May 2022 as a response to the infant formula shortage that year. Bubs was the first company to offer assistance from abroad, participating in the US government's 'Operation Fly Formula' program and Bubs was the 2nd company in the world to be granted 'temporary enforcement discretion'.

Since then, Bubs has been steadily building our premium branded infant formula portfolio of evidence based clean label nutrition for American families, caregivers and paediatricians and has now cemented our position as a leading goat milk formula brand in the United States.

China Reset

Bubs China reset strategy has also progressed well, with Bubs achieving 27% revenue growth over FY23. In addition to the demand for Bubs core infant product portfolio, there was also strong demand for Bubs' adult goat formula in China, with sales of adult goat products up 79% over FY23.

Importantly, the Bubs premium brand positioning and pricing architecture has now been restored with the average selling price or RRP increasing 15% year on year.

Bubs brands continue to perform strongly in the CBEC channel and Bubs' Online to Offline (O2O) sales strategy is gaining traction, with Bubs products now stocked in 705, O2O stores across China.

The Bubs Board of Directors visited China this year, meeting with employees, suppliers, online platforms such as Alibaba's Tmall, social media operators and retailers, including MomTime, China's leading O2O mother and baby stores based in Chongqing, Hema Fresh and Sam's Club in Shanghai and Hangzhou. In our observation, the China consumer market has modernised post Covid and birth rates in the Year of the Wood Dragon, signifying prosperity and abundance, have remained steady.

With the Bubs Supreme inventory overhang from the previous distributor having now been cleared in the marketplace, combined with new product development and further penetration of the O2O channel, Bubs is anticipating significant revenue growth in China in FY25.



Australia & Rest of World (ROW)

Last year Bubs achieved \$21.6m of revenue domestically, representing 24% growth on pcp (FY23: \$17.3m). Bubs is the largest player in the Australian goat IMF market, with 55%³ market share. Bubs is the fastest growing MAT supplier in Australian major retailers, growing at 13.5%³, or 5x faster than the market growth of 2.4%³ and demand for Bubs' branded goat IMF remains very strong.

In FY24 Bubs achieved \$5.9m and 12% revenue growth in other international markets compared to FY23). Growth in Bubs' ROW operating segment has been driven by Japan and Vietnam and revenue for Rest Of World has grown at a CAGR of 20% from FY20 to FY24, highlighting both the opportunity and strong momentum in these markets.

Portfolio Optimisation

Bubs recently launched new product variants, including new look labels and new pack formats with key US retailers at the end of FY24. Although the transition to the new products has not been straightforward, the consumer acceptance has been strong, and the new tins (now in USA standard size) are expected to perform strongly in FY25. It was a thrill for one of Bubs new variants – Essential – to win one of the most prestigious American consumer awards – the *Good Housekeeping Parenting Award*, and Essential is expected to contribute strongly to Bubs' continued USA revenue growth in FY25. A recent NY Times *Wirecutter* "The best baby formula" review, also heroed two of Bubs infant formula products.

Sweat Existing Assets

Bubs' state of the art manufacturing facility in Victoria is now operating at approximately 84% of capacity (up from 65%) in FY23 on a 2-shift basis. Bubs Deloraine canning facility has been operating on a double shift, five days per week, since January 2024 and in June successfully passed the US FDA annual site audit.

Deloraine was designed and built for SAMR registration and whilst Bubs is not currently pursuing a SAMR registration, obtaining access to additional China label SAMR registrations may provide an additional future pathway for sustained growth.

Working Capital

In December 2023 Bubs raised funds in a Placement and Share Purchase Plan which was supported by investors. The proceeds of around \$14 million (after costs) raised were used to invest in working capital including commencing a second production shift at Deloraine, expanding capacity, building inventory levels to mitigate stock shortages, and important funding for regulatory costs in the USA to obtain FDA approval.

During the year, management continued to focus on cost reduction and greater efficiency in working capital, delivering a reduction in net operating cash flow. Your Board, who are all shareholders, acknowledge there still remains more to do on this front – we continue to reduce costs while investing responsibly in ingredients and the supply chain needed to supply growth markets in the USA, China and ROW.

Litigation

During the year Bubs settled all outstanding proceedings other than the dispute with Alice & Willis. Bubs has commenced arbitration proceedings against Alice and Willis for the recovery of an alleged \$5.6 million debt, damages and costs.

Outlook

Bubs is currently forecasting Group revenue growth of ~28% in FY25, targeting revenue of \$102m, including significant revenue growth in both USA and China. Bubs is targeting a gross margin >40% in FY25 with positive EBITDA.

While the impact of the non-recurring costs impacted our statutory loss for FY24, their absence in FY25 when coupled with the continued strong momentum in all markets and a steadfast focus on cost out initiatives, provides a clear pathway to positive trading EBITDA (before shared based payments) in FY25. The Board is committed to oversee profitable growth and hopefully, a restoration in our share price.

We are excited about the future of our Company given the significant progress we have made in the first year of our three-year strategic plan. Our award-winning, clean label certified, infant nutrition continues to grow in popularity in all of our key global markets and with a first-class management team, this gives us confidence in Bubs future and the delivery of our strategic plan and turnaround.

I am privileged to be your Chair and let me assure you, the board and management remain very focused on achieving break-even in FY25 and delivering medium to long term sustainable value creation for Bubs shareholders.

On behalf of the board, I want to thank our people, customers, suppliers, and our shareholders for your continued support of Bubs.

I will now hand over to Reg to provide his CEO address.

CEO Address

Thank you Katrina, and good morning everyone and it's wonderful to see some familiar faces in the room today as well as our shareholders who are joining the AGM online.

My name is Reg Weine and I am the CEO and Managing Director of Bubs and I have been in the role for 14 months leading the turnaround and I am supported by an incredibly passionate, committed and capable team of executives and managers.

Before we move onto the business of the meeting, I would like to share a presentation that includes a quick recap of the FY24 results, I'll then touch on Bubs performance by region and then I'll bring it all together with the FY25 outlook and path to profitability.

Slide 5 - Disclaimer

Noting the Disclaimer on screen I will move to the FY24 Results & Highlights

Slide 6 – FY24 Results and Highlights

Before we dive into the FY24 results I would like to remind shareholders of our Bubs strategy and what our focus has been on, during the first year of our 3-year turnaround.

Slide 7 – Bubs Strategy

Our 5-point plan to responsibly manage capital and maximise shareholder value was based around 5 key pillars; to continue to maximise the opportunity in the USA and our growth engine under the FDA's temporary enforcement discretion whilst pursuing permanent access, reset our China business for long term sustainable and profitable growth, optimise and enhance our portfolio, sweat our assets and increase the utilisation at our state-of-the-art canning facility here in Melbourne and finally to improve or working capital efficiency and avoid any material product obsolescence or write offs that have plagued this company for many years.

Slide 8 – FY24 Highlights

Turning to our FY24 Highlights I am pleased to say we have successfully executed on our strategy in the past year.

Firstly, we achieved net revenue of \$80m in line with guidance and 33% up on last year.

We exceeded our gross margin target of greater than 40% in line with guidance and we believe we can build on this gross margin improvement in the coming years.

Our US growth engine is delivering, which will provide a sustainable and profitable runway for growth for many years to come



We continue to make meaningful progress on the US FDA clinical trial, and we remain on track for permanent FDA approval in October 2025 with more than 95% of the revised target patients now enrolled in our Growth Monitoring Study

Our China reset is gaining traction with YOY revenue growth of 27% and we exited the year strongly with H2 growing 38% over H1.

Our normalised cash burn of \$1.2m per month was in line with guidance and despite the lumpiness of our cashflows we are confident in our cash flow forecast for FY25.

Bubs new higher margin tins, new variants and packaging have been successfully launched in the US and more on that later.

And we have been running a 2nd shift or double shift 5 days a week since the beginning of this calendar year with our asset utilisation now up to 84%.

Slide 9 – Financial Highlights

Looking at Financial Highlights for last year:

Revenue was up 33% to \$80M.

Our EBITDA loss reduced from \$105m to \$20m.

Gross Margin was up 11 points on FY23 to a healthy 41%.

USA revenue was up 46%, China revenue up 27%, Australian revenue was up 24% and Rest of World markets revenue was up 12%.

As I have already mentioned our canning facility is now running at 85% utilisation and our monthly cash burn has reduced from \$4.3m per month to \$2.3m per month but with more work to do

Slide 10 – Income Statement

A quick re-cap on the P&L for last year. Our revenue and gross margin were both significantly up on prior year, however Bubs distribution costs were higher than FY23 due to airfreight costs, which we don't expect to incur in FY25. Operating expense as a % of revenue dropped from 92% to 74% and will reduce further in FY25. As we mentioned in the full year results presentation, we had approximately \$11m of one off non-recurring costs last year including FDA costs, ERP implementation costs, and legal costs.

Slide 11 – Balance Sheet

Moving to the balance sheet, you'll notice a slight increase in receivables on the back of our strong sales growth but I will point out that our collections days are improving all the time. You'll also notice that our inventory balance increased by \$7m, reflecting our investment in working capital to fund the

33% growth in revenue and to build sufficient safety stock to avoid having to airfreight product in FY25. We had \$5m in borrowings at balance date – which is our trade finance facility and that facility is currently drawn to \$5m after we repaid \$2m this month. Other than that, the balance sheet is clean and has been de-risked from prior years.

Slide 12 – Cash Flow

Looking at Cash Flow. This time last year Bubs raised \$17.4m via a Placement and share purchase plan to fund future strategic growth. The proceeds raised have been used to invest in working capital including commencing a second production shift at Deloraine, expanding capacity, inventory build to mitigate stock shortages, and funding for regulatory costs in the USA to obtain FDA approval.

Our average monthly cash burn for FY24 was \$2.3m, which includes \$12.4m of one-off non-recurring costs such as FDA regulatory costs and consulting fees (\$5.6m), litigation (\$2.7m), capital raising costs (\$1.7m), and ERP implementation costs (\$1.0m). Excluding these one-off non-recurring costs, normalised cash burn was \$1.2m per month

Slide 13 – Working Capital

Working Capital remains our biggest challenge and opportunity and whilst we have made progress there is more to do. We remain very focused on optimising our supply chain, minimising stock obsolescence and write offs, and ensuring we have the right level of raw material and finished goods inventory to meet customer demand, in each of our markets

Slide 14 – Bubs Performance by Region

I will now move to Bubs performance by region.

Slide 15 – USA Update

Starting with our growth engine and largest market, the USA.

Slide 16 – 3 Year Revenue Performance

The USA is one of our key target markets and growth engine and we have grown revenue 108% CAGR over the past three years. Our strong momentum continued in FY24 with the US net revenue seeing an impressive 46% growth, reaching \$35 million. We achieved a record Q4 scan revenue of US\$11.2 million, with over 280,000 tins sold. In June of 2024, we also set new records with over US\$1 million in weekly scan sales and more than 27,000 tins sold in a single week. This significant sales growth has been fuelled by strong consumer demand, endorsements from healthcare professionals, social media advocacy, and robust trial and repeat purchases

Slide 18 – Portfolio Optimisation

As I mentioned at last years AGM we were about to embark on a very significant upgrade of our portfolio. This decision was partly driven by the US FDA who required Bubs to meet the mandatory label requirements in the USA as part of our temporary enforcement discretion and market access and it was also informed by our consumer research, customer feedback and shopper insights.

Slide 17 – Portfolio Optimisation

In the US we replaced Bubs Supreme because the brand wasn't performing as strongly as the rest of our portfolio in the US market and replaced it with Bubs essential.

Our Goat stage 1 (0-6 months) & stage 2 (6-12 months) were merged into one Goat SKU (0-12 months) because US customers are not familiar with Stage 1 and Stage 2, causing customer confusion and a potential barrier to purchase.

And we were forced to change our Bubs Organic to Bubs 365 day grass fed because the US Department of Agriculture does not recognise the Australian Organic Certification. We then wrapped them all up in a modern, contemporary new look label which has much greater shelf appeal and is much easier to navigate in-store.

And finally, we reduced the tin size to 20 ounces or 567 grams, which is the market standard in the US and a lower price point for consumers which we know will help with product trial.

Slide 18 – USA New Product, New Tin Size and New Labels

Our US based marketing team are doing a wonderful job helping moms and caregivers understand the changes to the Bubs products that they have grown to love.

Slide 19 – USA New Product, New Tin Size and New Labels

At the same time appealing to a whole new audience who have not trialled the Bubs infant formula range.

Slide 21 – Launch of Essential

We feel the launch of Bubs Essential could be a game changer as this product is our first infant formula offered at a lower price point approximately \$26 tin and will appeal to a value conscious consumer who still wants a clean label, whole milk formulation with all of the essential ingredients pardon the pun and a formulation free from nasties, to help little babies grow.

Slide 22 – Launch of Essential

We think Essential is ideally suited to US retailers like Walmart and their shopper demographic.

Slide 23 – Good House Keeping Award

As Katrina said, we are thrilled to have already won the Good Housekeeping award for Essential and it is further evidence of the power of our clean label certification and better for baby formulations.

Slide 24 – Good House Keeping Award

In Target USA our focus is on Goat. Target USA is an upscale retailer and a real destination for the mother & baby category. We have been making steady progress with Target over the past two years, with our velocity steadily improving and we are now looking to increase our store penetration at each range review.

Slide 25 – Health Care Professional Sampling Program

The US is not just all about Amazon and Brick and Mortar retailers, we also have to build our brand, increase brand awareness and encourage consumer trial of the Bubs portfolio of products.

During October Bubs exhibited at the American Academy of Paediatrics conference in Florida, the largest Paediatric conference in the United States which this year was wedged between two hurricanes.

The reason we exhibit there is because health care professionals are an important cohort, that influences US Mums looking to bottle feed or supplementary feed their infants and toddlers.

Many paediatricians mentioned the strong interest in our hero goat formula and that our clean label nutrition and purity award was a strong differentiator, and our enhanced formulations are welcomed by American moms and families.

We now have more than 1500 paediatric clinics in the USA recommending and giving out samples of Bubs infant formula to their patients.

Slide 26 – Bubs USA Product & Pack Transition By Week (scan sales)

So, how has the product, pack and tin size launch or transition in the US gone?

Well as you can see from this amazing slide of Bubs total scan sales (scan sales are sales through the checkouts at major retailers or cart sales in an on-line environment, so they represent “true demand”) and as you can see they have been growing very consistently since Bubs first entered the US in June of 2022.

If you look to the right hand side of the graph and the shaded area, that is the period in which we launched and started transitioning into the new products and selling out of the old products in a staggered fashion.

You can see that the scan results dipped initially before rebounding strongly in the past month and returning to the medium-term growth rates.

The reason for the initial dip is that the transition to the new tins in Amazon and some brick & mortar retailers has not been straight forward with customer reviews not migrating from the old to the new tins despite the formula being the same, as well as fulfilment and replenishment issues and other administrative issues impacting our sales potential.

If you look at the bottom table below the graph, the good news is that week ending 3rd of November, 75% of all scan sales in the US were the Bubs new tins, and we are almost through the transition

Slide 27 – Regulatory Update

Moving now to our US regulatory update

Slide 28 – Regulatory Pathway

Bubs remains on track for permanent FDA approval and access to the 2nd largest infant formula market in the world.

Bubs clinical trial involves a nationwide growth, tolerance and safety study of healthy term infants consuming Bubs' infant formulas monitored by healthcare professionals.

The study evaluates all three Stage 1 formulas in the market including goat milk and two cow milk products as well as a commercially available formula as the control sample.

Having met the initial target of 400 infants enrolled in our trial, we have now extended the patient recruitment target to 475 infants with 452 already enrolled as of this week. The additional 75 patients are required to ensure we have a statistical margin of safety before we close of the trial, deactivate clinics and review the data prior to our FDA submission.

Our last infant will be enrolled in our trial in December 2024. We continue to make meaningful progress and meet the regulatory milestones, and we remain on track for permanent access to the USA market in October 2025

Slide 29 – Regulatory Pathway

Now turning to China.

Slide 30 – 3 Year Revenue Performance

After a difficult reset in FY23, our Bubs China business demonstrated strong performance across key financial metrics in FY24 delivering sales growth of 27% YOY to \$17m dollars.

Led by our Country General Manager Jackie Lin, the China team were also able to restore our premium price architecture and healthy value chain in the market with our core Goat range.

In the 2nd half, sales grew 38% over the 1st half, driven by the business reset and restoration of confidence from both customers and distributors in our network.

China delivered an impressive Gross Merchandise Value or GMV growth of over 90% from the CBEC channel in the 2nd half compared to the first half of FY24.

Bubs China profitability improved dramatically in FY24 through the optimization of the product portfolio, our focused marketing strategy, along with rigorous sales management to ensure sustainable sales performance.

Slide 31 – Demand and Confidence From Customers Has Improved Over FY23 and Continues to Grow

With confidence restored in the Bubs brand and demand increasing, our China team remain laser focussed on two key go-to-market channels, Cross Border E-Commerce or CBEC and Online to Offline or Mother & Baby Stores.

We continue to enjoy exceptional growth in CBEC and we have more recently begun our push into O2O.

As Katrina mentioned the Board visited China earlier this year which included a signing ceremony with one of China's largest and progressive mother & baby retailers - Momtime

Slide 32 – China Channel Strategy

In July 2024, Bubs refocused its efforts on China's O2O channel. Store numbers have grown from 500 in (September) to 705 by the end of October 2024. In the last month Goat IMF monthly sales increased by 148% over pcp, while Supreme IMF monthly sales increased by 89% over pcp.

In the coming years, we expect that O2O store numbers will expand to ~5,000, increasing our coverage from 61 cities in 20 provinces to 99 cities in 33 provinces. The number of provinces with more than 100 stores is expected to grow from 1 to 11 by FY29.

Slide 33 – China Marketing Activation & Events to Support Significant Retail and Distribution Growth

Our China marketing team based in Shanghai continue to stretch our marketing dollars, driving a strong return on investment. And we remain focused on the major mother and baby expo's as well as running educational workshops and seminars for mother & baby store owners

Slide 34 – Significant Social Media Engagement and Conversion on Chinese Digital Platforms

We continue to use social media engagement and content to build awareness and drive conversion on various Chinese digital platforms where we have seen measurable success.



Slide 35 – Singles' Day Promotion Update

Always a good barometer of brand strength is Bubs performance in last week's double 11 or singles day promotion which is China's biggest sales event of the year. Bubs total sales were up 41% on last year, with Goat up 34% and our Caprilac sales up 69%. Caprilac was again the number 1 adult goat milk product sold on Tmall Global. And our Goat average selling price was 24% higher than last year demonstrating the restored pricing architecture in the market and the China team are doing a fabulous job to rapidly grow our branded sales whilst maintaining our premium brand positioning

Slide 36 – China Update

Bubs is forecast to continue to grow strongly and profitably in China within its premium niche. We have a strong brand portfolio to build on: Goat, Supreme & Caprilac. A healthy portfolio gross profit margin. A trusted and specialist distribution network. We have upgraded our formulations specifically for the China market. We remain disciplined on our marketing and trade investment. And our O2O strategy is really starting to take off and gain traction with 705 stores and with healthy velocity within each outlet

Slide 37 – Australia Update

Moving from China to our home market of Australia

Slide 38 – 3 Year Revenue Performance

You have already heard today that we are growing strongly in our two strategic markets USA and China and we are really pleased to say that domestically we are also doing incredibly well with 22% revenue CAGR growth over the past three years.

Slide 39 – Australia

Bubs remains the clear market leader in the domestic goat infant formula market, holding a record 55% market share¹. Bubs is one of the fastest growing brands in Australian major retailers, growing at 13.5% or 5x faster than the market growth of 2.4%¹. Demand for Bubs' goat milk remains strong, growing at 23% on a MAT basis. (moving annual total)¹. For context Bubs is a bigger brand than Bellamy's in the Australian market, and Bellamy's was acquired by Mengniu Dairy for \$1.5 billion in 2019

Slide 40 – Sweat the Assets

Our state-of-the-art facility here in Melbourne has been running at 84% utilisation on a 2 shift basis, 5 days per week since the start of this year and is running very smoothly. Our second shift increased daily production from 11,000 tins to 22,000 tins and at the same time has improved plant efficiencies, overhead absorption, and our COGs. We will close the factory for a few weeks over

Christmas for our annual planned shutdown and routine maintenance and we did have a few weeks of down time during the past few months due to supply interruptions from one of Bubs' key suppliers.

And pleasingly we successfully passed our second FDA audit in July of this year. The key message is that we have a wonderful canning or manufacturing asset and it is really starting to hum.

Slide 41 – ROW Update

Okay so I have covered the US, China, and Australia, and I will now turn to the rest of world markets.

Slide 42 – 3 Year Revenue Performance

We are very excited about our growth prospects in Rest of World Markets where we see an abundance of opportunity for the Bubs portfolio and where we have been growing revenue 20% CAGR for the past three years, albeit off a low base.

Slide 43 – Bubs New Market Entry Model and Success as Demonstrated by Japan, Can Be Replicated in Other Markets

Japan has really been the quiet achiever for Bubs and revenue has grown at a CAGR of 78% over the past five years. Japan contributed 51% of the total rest of world revenue in FY24, with revenue of \$3.1m, with Vietnam contributing 25% of rest of world revenue with \$1.5m in sales. We have a healthy gross margin >40% in Japan and our ROW markets are profitable before corporate overheads.

Slide 44 – Vietnam

Vietnam is the 5th largest infant formula market in the world, with a growing birth rate and a strong economy. Bubs is experiencing good growth and Vietnam and in FY24 revenue grew more than 100% over the prior year. Bubs has up until this point only really sold in one Mother & Baby store chain – Concung who are a very premium and sophisticated retailer predominantly in the South with more than 800 stores and we have been supplying Concung directly.

In FY24 we employed our first Vietnamese employee Loan Tran who is our new country manager and we are now looking to expand our distribution footprint in Vietnam, and we will push further into the modern trade and we will expand into North Vietnam.

We expect our business in Vietnam to grow very strongly in the next few years

Slide 45 – Canada

Bubs is fortunate to have a number of new market opportunities including Canada, where Bubs has now obtained authorisation to sell Bubs Goat and Bubs Essential Infant Formulas under Health Canada's Interim Policy for Infant Formula. On August 16 this year, Bubs was added to the enforcement discretion official list, published by Health Canada. The Interim Policy process remains in place until December 31st 2025, with a permanent access regulatory process running in parallel, and one where Bubs can utilise the USA based clinical trial in its application and submission in the Canadian permanent pathway process.

We are currently planning for a soft market entry in 2025 which will leverage learnings from our USA market success and to take advantage of the demand for Goat Infant Milk Formula in this market.

Slide 46 – FY25 Outlook & Pathway to Profitability

That completes the regional updates and I'll now move to the FY25 outlook and path to profitability

Slide 47 – FY25 Outlook

I'm pleased to say we delivered on what we said we would do in FY24 and in the first year of our turnaround, as we track towards a positive EBITDA result in FY25, before share based payments.

In terms of what to expect in FY25:

- Revenue of \$102m (up ~28% YOY)
- Gross margin of >40%
- We are now expecting our Clinical study patient enrollment to be completed by end of December this year, with FDA approval anticipated in October next year, 2025
- New market launch in Canada in H2 FY25
- Cash Flow Positive in Q4 FY25
- EBITDA positive before share based payments

We remain on track for our guidance and are highly confident in our business model

Slide 48 – FY24 Revenue by Region

One of the reasons we are confident in our business model is that we are growing in all of our regions and markets around the world and we see that growth accelerating this year. We are expecting very significant growth in our two key markets the USA & China, and also in the rest of world markets, and we expect continued strong growth in our domestic business where we will grow ahead of the market.

Slide 49 – FY24 Underlying Gross Margin

Last year significantly improved our delivered gross margin and we exceeded our gross margin target of greater than 40% in line with guidance.

We are on track for this year to be >40% and believe we can build this out in the coming years and we are targeting 45% by FY29

Slide 50 – Operating Expenses

It's fair to say, Bubs operating expenses have historically been too high based on the revenue the business generated. For the past year we have vigorously pursued cost out opportunities and efficiencies to improve our profitability and preserve cash. We have seen good improvement year on year and we expect FY25 operating expense as a % of revenue to be in the mid 50 percentage range, down from 74% in FY24

Slide 51 – Bridge to FY25 EBITDA Positive

To illustrate how we transition from a circa \$20m loss to break even, this bridge highlights the key drivers of the expected improved profit delivery from FY24 to FY25. As you can see, the additional \$22m of revenue forecast in FY25 will provide \$9m of gross profit at a 40% gross margin. I mentioned cost discipline and the team, and I have a very good fix on our operating expenses and known costs. So please don't take prior year expenses and extrapolate them, as there are far too many one offs including \$7m of FDA regulatory costs incurred in FY24 to obtain permanent access to the USA IMF market, along with \$5m of FY24 litigation costs which are non-recurring.

The way we are modelling our internal forecast EBITDA in FY25, is that we are assuming some product margin improvements, further cost-out initiatives, continued revenue growth and when considered in combination with the above one-off non-recurring costs, it provides a clear pathway to a positive EBITDA number before share-based payments in FY25.

Slide 52 – Business of the Meeting

Thank you and that completes my CEO presentation, and I will now hand you back to our Chair Katrina for the business of the meeting.

Thanks Reg. And now to the formal part of the meeting.

Slide 53 – Company Financial Statements

I now turn to the first item of business of the meeting, which is consideration of the audited financial statements and related reports for the year ended 30 June 2024.

requires that the audited financial statements and related reports for the 2024 financial year be considered at the meeting; I confirm that these reports were made available to shareholders on 28 August 2024.

As I mentioned previously, the Company's auditors are KPMG, and Julie Carey, the Partner responsible for the Company's FY24 audit, is at the meeting today and is willing and able to answer any questions on the conduct of the audit or the content of the Auditor's report.

I am advised by the Auditors that no relevant questions for their attention were received prior to the meeting.

Are there any questions or comments on the Company's financial and related reports for the year ended 30 June 2024?

If there are no further questions, I ask the Company Secretary to record that the audited FY24 financial and related reports have been received and considered by shareholders.

Slide 54 – Adoption of Remuneration Report

The next item of business, Resolution 1, is a non-binding resolution to adopt the Company's Remuneration Report, which is set out in the Company's 2024 Annual Report. The vote on this resolution is advisory only, however, the Board will take into account any discussion on this resolution and the outcome of the vote when considering the future remuneration policies and practices of the Company.

The resolution appears on the screen, and I will take it as being read.

Details of the valid proxy votes on the resolution also appear on the screen.

Are there any questions on this resolution?

I now put the resolution to the meeting and ask that you complete your poll voting card for Resolution 1.

We will now move to Resolution 2, and I will ask my fellow Director Mr Paul Jensen to put this resolution to the meeting

Thank you Chair...

Slide 55 – Re-election of Director – Ms Katrina Rathie

The next item of business, Resolution 2, relates to the re-election of Ms Katrina Rathie, who retires as a director by rotation in accordance with the constitution of the Company, and being eligible, is re-elected as a non-executive Director of the Company."

The resolution appears on the screen, and I will take it as being read. Ms Rathie has been an independent non-executive Director of Bubs since July 2021 and became Chair in April 2023. Her profile and background are contained in the Notice of Meeting at page 7.

Details of the valid proxy votes on the resolution also appear on the screen.

I now put the resolution to the meeting and ask that you complete your poll voting card for Resolution 2.

Are there any questions on this resolution?

I will now hand back to the Chair – Katrina Rathie who will move to Resolution 3.

Thank you Paul.

Slide 56 – Approval Of The Bubs Australia Ltd Rights Plan

The next item of business, Resolution 3, relates to the Bubs Australia Limited Rights Plan. In accordance with ASX Listing Rule 7.2 exception 13, the Company is seeking to preserve the 15% limit on the issue of new equity securities that may be made by the Company during any 12-month period without Shareholder approval, excluding employee Rights issued under the plan.

The resolution appears on the screen, and I will take it as being read.

Details of the valid proxy votes on the resolution also appear on the screen.

Are there any questions on this resolution?

I now put the resolution to the meeting and ask that you complete your poll voting card for Resolution 3.

I will now move to Resolution 4.

Slide 57 – Approval For The Granting Of Rights To A Director - Mr Reginald Weine, CEO & Managing Director

The next item of business, Resolution 4, relates to the grant of performance share rights to Mr Reg Weine, "That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of Performance Rights to the Company's Chief Executive Officer and Managing Director, Mr Reg Weine, as his long-term incentive on the terms and conditions set out in the Explanatory Statement."

The resolution appears on the screen, and I will take it as being read.

Details of the valid proxy votes on the resolution also appear on the screen.

Are there any questions on this resolution?

I now put the resolution to the meeting and ask that you complete your poll voting card for Resolution 4.

Slide 58 – Increase in Non-Executive Directors Fee Pool

Resolution 5 has been withdrawn and I will now move to Resolution 6.

Slide 59 – Approval of Additional 10% Placement Capacity

The next item of business, Resolution 6, relates to the approval of an additional 10% placement capacity in accordance with ASX Listing Rule 7.1 & 7.1A as set out in the Explanatory Statement.”

The resolution appears on the screen, and I will take it as being read.

Details of the valid proxy votes on the resolution also appear on the screen.

Are there any questions on this resolution?

I now put the resolution to the meeting and ask that you complete your poll voting card for Resolution 6.

Slide 60 – Shareholder Q&A

Before we move to the Poll Procedure, I will address any pre-registered questions.

Company Secretary, are there any pre-registered questions from our Shareholders?

Chair to deal with several pre-registered questions using Q&A sheet.

Thank you Jay

Slide 61 – Poll Procedure

As all resolutions at this Meeting have now been put to shareholders, we will move on to the Poll procedure. I now appoint and request a representative of the Company’s share registry, Computershare, who has examined, and prepared summaries of the proxy forms received, to act as Returning Officer and to conduct the Poll.

Once you have completed your poll voting card, please place your card in the poll box which will be brought around by staff.

If you have any questions, please speak to a representative of the Company or the share registry before lodging your completed poll card.

Have all persons who intend to vote now voted?

It appears as though the voting process has been completed. I therefore declare the Poll closed.



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The results of the Poll will be notified to the ASX and published on Company's Investor website following the meeting.

Slide 62 – Thank You

That concludes the business of the meeting, and I now declare the meeting closed.

I would like to thank shareholders in person and online for your attendance and ongoing support of the Company. My fellow Directors and Bubs leadership team and I are happy to talk with you and answer any questions you may have over refreshments in the foyer

MEDIA INQUIRIES

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ABOUT BUBS AUSTRALIA LIMITED (ASX: BUB)

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