



Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

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BUBS AUSTRALIA RAISES \$28.3 MILLION IN PLACEMENT TO ACCELERATE GLOBAL GROWTH

- **Successful Share Placement raising A\$28.3 million (before costs) at \$0.80 per share**
- **Strong support from new institutional and sophisticated investors, as well as from existing shareholders**
- **Intention to offer a Share Purchase Plan to eligible shareholders to raise up to A\$10 million (before costs) at the same price as the Share Placement**
- **Proceeds to be used to support global growth initiatives including: acquisition of ownership interest in Beingmate manufacturing facility in China and in-market SAMR application for Bubs® Infant Formula products; international market expansion; and enhanced balance sheet flexibility and growth capital.**

Melbourne, 3 September 2020: Bubs Australia Limited (**ASX: BUB**) (**Bubs Australia** or the **Company**) is pleased to announce the successful completion of a share placement. The placement raised A\$28.3 million (before costs) at A\$0.80 per share¹ (**Placement**).

The Placement was strongly supported by the Company's existing institutional shareholders as well as several new institutional and sophisticated investors in Australia and in certain overseas jurisdictions. The new shares to be issued under the Placement will rank equally with existing shares in Bubs Australia and are scheduled to be issued on Thursday 10 September 2020.

Bubs Australia is also pleased to announce that the Placement will be followed by a share purchase plan (**SPP**) open to eligible shareholders of the Company who had a registered address in Australia or New Zealand on the Company's register at 7.00pm (Sydney time) on Wednesday, 2 September 2020 (**Eligible Shareholders**). The SPP generally allows Eligible Shareholders to apply for up to \$30,000 of new fully paid ordinary shares (**SPP Shares**) at an offer price of \$0.80 per SPP Share, without incurring brokerage or other transaction costs.

The SPP aims to raise up to \$10 million, with absolute discretion retained to increase this amount up to a maximum of \$11.7 million. The SPP is not underwritten. Bubs also reserves the right to scale back applications under the SPP at its discretion on a pro rata basis and Eligible Shareholders may be allocated fewer SPP Shares than the number for which they applied. In such a case, Eligible Shareholders will receive a proportionate refund of their application monies.

¹ The issue price represents a discount of 15.8% to the 5-day VWAP of \$0.95 prior to the trading halt on 28 August 2020.



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Dennis Lin, Executive Chairman of Bubs Australia, said: "We are very pleased with the successful outcome of the Placement. This shows institutional and sophisticated investors continue to strongly support our vision. It is a terrific vote of confidence in Bubs and we thank all who have made it such a success."

Bubs Founder and CEO Kristy Carr said: "Our first priority will be to progress our announced strategy to accelerate SAMR registration for China manufacture of Bubs® Goat Infant Formula made from 100 percent Australian goat milk. This 'Created by Bubs®' localisation strategy is capable of replication into other markets with similar barriers to entry.

"We are now well positioned to maintain the operational momentum, strength and agility established during the year, to execute on strategy, and capture new opportunities while ensuring we continue to implement key marketing strategies that respond to the challenges of the current macro environment, including consequences of COVID-19," said Mrs Carr.

The proceeds of the Placement and SPP will also be used to support the launch Vita Bubs™ into the high margin adjacent Vitamin and Mineral Supplements category; accelerate brand equity build leveraging Jennifer Hawkins, Bubs® Global Brand Ambassador; new product innovation in emerging high value goat dairy segments, extending production capability to include a production line for single-serve sachets; and global market expansion into new markets.

Further details of the Placement and SPP are set out below in this announcement and in the Investor Presentation lodged with the ASX today.

Indicative Timetable*

Event	Date
Trading Halt Announcement of Bubs FY20 results	31 August 2020
Bookbuild conducted for the Placement	1 September 2020
Record Date for SPP	2 September 2020, 7.00pm (Sydney time)
Trading halt lifted Announcement of Placement and SPP	3 September 2020, 9.30am (Sydney time)
Settlement of Placement shares	9 September 2020
SPP offer Opens	9 September 2020
Allotment of Placement shares	10 September 2020
SPP offer Closes	23 September 2020, 5.00pm (Sydney time)
Announcement of results of SPP	28 September 2020
Allotment of SPP Shares	30 September 2020
Dispatch of holding statements	1 October 2020

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*The timetable for the Placement and the SPP is indicative and remains subject to change at the Company's discretion, subject to compliance with applicable laws and ASX Listing Rules. Any changes will be advised to ASX.

Following release of this announcement, the Company has requested of the Australian Securities Exchange that trading of its shares be reinstated.

This announcement is authorised by the Board of Bubs Australia.

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Media and Investor Inquiries

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About Bubs Australia Limited (ASX: BUB)

Founded in 2006 in Sydney, Bubs Australia's vision is to create new generations of happy, healthy bubs through its range of super-premium infant nutrition and health products.

Bubs® Goat Milk Infant Formula and Bubs Organic® Grass-fed Cow's Milk Infant Formula, along with their organic baby food, cereals, toddler snacks, and Vita Bubs® infant and children's vitamin and mineral supplements, cater for all feeding occasions and stages of development from newborn through to childhood.

Bubs Australia is the leading producer of goat dairy products in Australia with their own exclusive milk supply. Bubs® is proudly the only Infant Formula in the world to be based on Australian goat milk.

Products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to China, Vietnam, South East Asia and the Middle East.

For more information:

Consumer Website: bubsaustralia.com

Investor Centre: investor.bubsaustralia.com

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **US Securities Act**) or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities described in this announcement may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Bubs Australia's securities.

Appendix 1: Capital Raising

Details of Placement

The Placement of new fully paid ordinary shares (**Placement Shares**) to sophisticated and institutional investors in Australia and certain overseas jurisdictions raised approximately \$28.3 million.

The Placement comprised an offer of approximately 35.37 million fully paid ordinary shares at an issue price of \$0.80 per share. The issue price represents a discount of c.15.8% to the 5-day VWAP of \$0.95 prior to the trading halt on 31 August 2020. The Placement was made under the Company's placement capacity under ASX Listing Rule 7.1.

Settlement of the Placement is scheduled to occur on or around 9 September 2020. The Placement issued under the Placement will rank equally with existing shares in the Company.

Details of the Placement are also set out in the Investor Presentation that the Company has lodged with ASX today. The Investor Presentation contains important information in relation to the Placement, including the expected sources and use of funds, risk factors and certain foreign selling restrictions with respect to the Placement.

Details of SPP

The Company intends to offer Eligible Shareholders an opportunity to apply for up to \$30,000 of SPP Shares at an offer price of \$0.80 per SPP Share. The SPP aims to raise up to \$10 million with absolute discretion retained to increase this amount up to a maximum of \$11.7 million. The SPP is not underwritten. The SPP will be the second share purchase plan the Company has undertaken in a 12 month period as the Company previously raised \$5 million (before costs) under a separate share purchase plan which completed on 30 December 2019 (**December 2019 SPP**).

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On 2 September 2020, ASX provided written confirmation that Bubs Australia is entitled to the benefit of the ASX Class Waiver Decision titled 'Temporary Extra Placement Capacity' dated 9 July 2020 (as amended) (**Class Waiver**). For the purposes of the Class Waiver, Bubs Australia confirms that it is relying on the Class Waiver and that the SPP is within Bubs Australia's placement capacity under the Class Waiver. Accordingly, no shareholder approval is required in connection with the SPP.

The SPP offer is proposed to open on 9 September 2020 and is scheduled to close at 5.00pm (Sydney time) on 23 September 2020. The date that eligibility to participate in the SPP is determined is 7.00pm (Sydney time) on 2 September 2020 (**Record Date**).

The Company determined the SPP amount of \$10 million after having regard to the outcome of the December 2019 SPP (which was significantly oversubscribed by eligible shareholders), Bubs' funding requirements and market and operating conditions. The Company reserves the right to scale back applications under the SPP on a pro rata basis in its absolute discretion. If the total value of applications received under the SPP is more than \$10 million, the Company will scale back the number of SPP Shares that will be allotted on a pro rata basis having regard to the number of shares held by the Eligible Shareholders as at the Record Date and the number of SPP Shares applied for, or a combination of both. If a scale back occurs, Eligible Shareholders may be allocated fewer SPP Shares than the number for which they applied and will receive a proportionate refund of their application monies.

Importantly, the value of shares in the Company that Eligible Shareholders are entitled to acquire under a share purchase plan or similar arrangement is capped at \$30,000 in any 12-month period. Therefore, if an Eligible Shareholder participated in the December 2019 SPP, the value of SPP Shares that the Eligible Shareholder may be allotted under the current SPP will be capped at \$30,000 less the value of shares in the Company issued to the Eligible Shareholder under the December 2019 SPP.

The SPP Shares will rank equally with the Company's existing fully paid ordinary shares on issue. No brokerage or commissions are payable in respect of subscribing for SPP Shares.

Further details of the SPP will be set out in the SPP Offer Booklet, which will be dispatched to Eligible Shareholders on or around 9 September 2020.

Joint Lead Managers

Bell Potter Securities Limited and PAC Partners Securities Limited.

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