



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

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

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COMPLETION OF INSTITUTIONAL PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

- ***Bubs has completed the institutional component of its underwritten¹ \$63.0 million (before costs) Equity Raising at \$0.52 per share***
- ***The institutional component comprised an Institutional Placement to raise \$32.4 million and the Institutional Entitlement Offer to raise \$7.7 million***
- ***The Retail Entitlement Offer opens Tuesday, 12 July, 2022 and is expected to raise an additional \$22.9 million at the same price as the Institutional Entitlement Offer***
- ***Proceeds to be used to fund working capital to assist with the immediate scale up of group activities given the additional accelerated and rapid market expansion, to fund inventory build given the current logistics environment, to fund USA market operating expenses (including marketing, administration, employment costs and consultancy fees), to fund capital expenditure required to expand canning capability to include the second high-speed canning line at Deloraine facility to triple capacity in order to meet the growth in demand and to fund the costs associated with the Equity Raising.***

Melbourne, Wednesday, 6 July, 2022: Bubs Australia Limited (ASX: BUB) ("**Bubs**" or the "**Company**") is pleased to announce the completion of the underwritten² institutional component of the \$63.0 million Equity Raising (the Institutional Offer and the Retail Entitlement Offer, defined below, are together known as the "**Equity Raising**") at \$0.52 per fully paid ordinary share ("**New Share**") announced on Tuesday, 5 July, 2022. The Institutional Offer was supported by new and existing institutional investors from Australia and in certain overseas jurisdictions.

Dennis Lin, Executive Chairman of Bubs, said: "We are pleased with the support shown by institutional investors in the Equity Raising. We are delighted to welcome new shareholders to the register and are always grateful for the participation from our existing shareholders. Both have displayed confidence in Bubs and our commitment to deliver on future opportunities."

Bubs Founder and CEO Kristy Carr said: "As the business continues its rapid growth and expansion with the new capital, we look forward to keeping our new and existing investors informed and making the business stronger and better."

¹ Refer to slides 41-44 of the investor presentation dated Tuesday, 5 July, 2022 for a description of the terms and conditions of the underwriting arrangements.

² As above.



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The institutional component consisted of a placement of approximately 62.4 million New Shares to institutional investors ("**Institutional Placement**") raising \$32.4 million and a 1 for 10.42 pro-rata accelerated non-renounceable entitlement offer ("**Institutional Entitlement Offer**") raising \$7.7 million (together the "**Institutional Offer**"). The Institutional Offer of New Shares was made at \$0.52 per New Share ("**Offer Price**"), representing a 18.8% discount to the last traded price of \$0.64 on Monday, 4 July, 2022 and a 16.2% discount to the theoretical ex-rights price ("**TERP**")³.

New Shares offered under the Institutional Offer and New Shares equivalent to the entitlements not taken up by institutional shareholders were offered via an institutional bookbuild process ("**Institutional Bookbuild**").

Approximately 77.2 million New Shares are expected to be issued under the Institutional Offer (comprising approximately 12.6% of Bubs' existing issued capital). New Shares will rank equally in all respects with existing shares in Bubs. Settlement of the Institutional Offer is scheduled for Wednesday, 13 July, 2022, with New Shares expected to be allotted on Thursday, 14 July, 2022 and trading expected to commence on a normal settlement basis on the Australian Securities Exchange ("**ASX**") on the same day.

Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer is expected to raise the balance of the Equity Raising of approximately \$22.9 million ("**Retail Entitlement Offer**"). The Retail Entitlement Offer is underwritten⁴ by Citigroup Global Markets Australia Pty Limited and Bell Potter Securities Limited (together, the "**Joint Lead Managers**"). The Equity Raising is also co-managed by PAC Partners Securities Pty Ltd ("**PAC Partners**").

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00pm (AEST) on Thursday, 7 July, 2022 ("**Eligible Retail Shareholders**") will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 10.00am (AEST) on Tuesday, 12 July, 2022 and close at 5.00pm (AEST) on Tuesday, 26 July, 2022.

³ The Theoretical Ex Rights Price ("**TERP**") of \$0.620 per Share is calculated by reference to Bubs' closing price on Monday, 4 July, 2022, being the last trading date prior to the announcement of the Equity Raising. TERP is a theoretical calculation only and the actual price at which Bubs' Shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not approximate TERP. TERP includes the new Shares under the Placement.

⁴ Refer to slides 41-44 of the investor presentation dated Tuesday, 5 July, 2022 for a description of the terms and conditions of the underwriting arrangements



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If Eligible Retail Shareholders take no action they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which Eligible Retail Shareholders may apply will be outlined in the Retail Offer Booklet, which is expected to be available to Eligible Retail Shareholders on Tuesday, 12 July, 2022. The Retail Offer Booklet is expected to be available on the ASX website beginning Tuesday, 12 July, 2022.

Existing retail shareholders with a registered address outside Australia and or New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer. Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Bubs and the Joint Lead Managers.

Indicative timetable

Event	Time and Date
Trading halt lifted – Securities recommence trading on ASX on an “ex-entitlement” basis	Wednesday, 6 July, 2022
Record Date for determining entitlement to subscribe for New Securities	7.00pm on Thursday, 7 July, 2022
Retail Entitlement Offer opens	Tuesday, 12 July, 2022
Settlement of Institutional Entitlement Offer and Placement	Wednesday, 13 July, 2022
Allotment and normal settlement trading of New Securities issued under the Institutional Entitlement Offer and Placement on ASX	Thursday, 14 July, 2022
Retail Entitlement Offer closes	Tuesday, 26 July, 2022
Settlement of the Retail Entitlement Offer	Monday, 1 August, 2022
Allotment of New Securities under the Retail Entitlement Offer	Tuesday, 2 August, 2022
New Securities issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 3 August, 2022



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This timetable is indicative only and may be subject to change without notice to, or consultation with, you. Bubs reserves the right to amend any or all of these dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Bubs reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Institutional Offer or the Retail Entitlement Offer without prior notice. Any extension of the closing date for the Retail Entitlement Offer will have a consequential effect on the allotment date of New Shares. Bubs also reserves the right not to proceed with the Institutional Placement or the Entitlement Offer in whole or in part at any time prior to allotment and issue of the relevant New Shares. In that event, the relevant application monies (without interest) must be returned in full to applicants.

Enquiries

For further information on the Entitlement Offer please visit <https://bubsretailentitlementoffer.thereachagency.com> or call the Bubs Offer Information Line: 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEST) on Monday to Friday, before the Retail Entitlement Offer closes at 5:00pm (AEST) on Tuesday, 26 July, 2022. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

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.

END

Media and Investor Inquiries

Grace McCarthy: Ph +61 422 558 112 media@bubsaustralia.com

Deanne Curry: Ph. +61 414 388 997 investors@bubsaustralia.com



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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**



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DISCLAIMER

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Bubs, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Bubs' business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Bubs, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Bubs as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Bubs, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

No offers in breach of foreign securities law

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.



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Own enquiries

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

Involvement of Joint Lead Managers

None of the Joint Lead Managers and their related bodies corporate and affiliates, and each of their respective officers, directors, partners, employees, consultants, contractors, agents and advisers ("**Beneficiaries**"), nor any of PAC Partners and their related bodies corporate and affiliates, and each of their officers, directors, partners, employees, consultants, contractors, agents and advisers have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and there is no statement in this announcement which is based on any statement made by the Joint Lead Managers or any of their Beneficiaries, nor do they make any recommendation as to whether any potential investor should participate in the Equity Raising. There is no statement in this announcement which is based on any statement made by the Joint Lead Managers or any other Beneficiary. To the maximum extent permitted by law, the Joint Lead Managers and the Beneficiaries expressly disclaim all liabilities (including for fault, negligence, or negligent misstatement) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the fairness, currency, accuracy, timeliness, reliability or completeness of any information in this announcement (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Bubs or which a prospective investor may require in evaluating a possible investment in Bubs).

Neither the Joint Lead Managers nor the Beneficiaries make any recommendation as to whether any potential investor should participate in the Equity Raising. Further, none of the Joint Lead Managers, the Beneficiaries nor PAC Partners accept any fiduciary obligations to or duty of care to or relationship with any investor or potential investor in connection with the Equity Raising or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Equity Raising and any other transaction or other matter arising in connection with this announcement.

The Joint Lead Managers and the Beneficiaries may, from time to time, have interests in the new securities under the Institutional Placement or other securities of Bubs, including providing corporate advisory or other financial advisory services to Bubs and/or managing the offering of such New Shares under the Equity Raising. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Beneficiary may act as a lender and/or counterparty to Bubs or its affiliates and may or now in the future provide financial accommodation or services to Bubs or its affiliates.



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Determination of eligibility of investors

Determination of eligibility of investors for the purposes of the Equity Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Bubs and/or the Joint Lead Managers. To the maximum extent permitted by law, Bubs, the Joint Lead Managers, and the Beneficiaries each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise. The Joint Lead Managers may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Equity Raising without the Joint Lead Managers or the Beneficiaries having independently verified that information and the Joint Lead Managers and the Beneficiaries do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Bubs or which a prospective investor may require in evaluating a possible investment in Bubs).