



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

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24 November 2023

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COMPLETION OF \$14M PLACEMENT TO ACCELERATE USA GROWTH AND LAUNCHES SPP

KEY HIGHLIGHTS

- Bubs has received binding commitments for \$14.0 million via a Placement at \$0.125 per share
- Placement was strongly supported by Australian and international institutional and sophisticated investors
- Bubs has experienced strong growth and consumer demand in the USA. The USA market expansion is the medium-term strategic priority
 - USA Q1 FY24 gross revenue of \$11.6 million, up c.24% versus pcp (Q1 FY23: \$9.3m)
 - #1 goat milk in the U.S, with over 280,000 tins sold financial year to date by the end of October 2023¹ compared to 400,000 in full year FY23
 - Bubs® ranged in over 5,900 stores across the USA
- Funds raised under the Placement and SPP will enable Bubs to accelerate growth in the USA, invest to expand production to pursue growth, and seek permanent access to the USA infant formula market
- The Company will also offer a Share Purchase Plan (SPP) to eligible shareholders to raise up to an additional \$14.0 million at the same price as the Placement
- The SPP will provide all eligible shareholders the opportunity to participate in the transaction

24 November 2023, Melbourne: Bubs Australia Limited (ASX:BUB) (“**Bubs**” or “**the Company**”) is pleased to announce that it has received binding commitments for \$14.0 million via a placement of 112 million new fully paid ordinary shares in the Company (“**Shares**”) to sophisticated, institutional and professional investors (“**Placement**”), showing strong support for the Company’s strategic growth plans in the USA.

Bubs will also offer eligible shareholders in Australia and New Zealand the opportunity to participate in a Share Purchase Plan (“**SPP**”), targeting an additional \$14.0 million in gross proceeds.

Both the Placement and the SPP are being issued at a price of \$0.125 per new Share (“**Offer Price**”). The Offer Price represents a:

- 24.2% discount to the last closing price of \$0.165 per share as at 21 November 2023; and
- 25.5% discount to the 5-day VWAP² of \$0.168 per share as at 21 November 2023.

¹ Circana Weekly To 08/11/2023 Value Sales \$'s Total US Multi-Outlet (Nb Excludes Online) Powder, RTD's, Electrolytes & Liquid Concentrates, AMAZON Unit Sales Scan Data To W/E 11/05 - Currency USD \$'s

² Volume weighted average price



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Reg Weine, Bubs Chief Executive Officer (CEO) and Managing Director (MD), said:

“We are delighted to have successfully completed the Placement. On the back of the strong customer demand in USA, these funds are expected to accelerate our growth in the region. We intend to commence our second production shift at Deloraine in January 2024, invest in sales and marketing, and progress our FDA approval. We thank our existing shareholders who participated and welcome the new shareholders to Bubs. We are grateful to our shareholders for their continued support, and are pleased to offer shareholders the opportunity to participate in the capital raising via our SPP.”

Placement

Bubs has successfully raised \$14.0 million (before costs) through the placement of 112 million Shares to institutional, sophisticated and professional investors, including existing shareholders, at the Offer Price of \$0.125 per Share.

The Shares to be issued under the Placement (“**Placement Shares**”) will rank equally with existing shares on issue. The Placement Shares are being issued under the Company’s available placement capacity as per ASX Listing Rules 7.1.

The Placement Shares are expected to commence trading on ASX on 30 November 2023.

Bell Potter Securities Limited acted as sole lead manager to the Placement.

The Placement was not underwritten.

SPP

Bubs recognises the ongoing support of its large existing retail shareholder base and, in addition to the Placement, Bubs is pleased to announce that it will also be offering an SPP to raise up to an additional \$14.0 million.

The SPP will be offered to shareholders who were registered as a holder of Shares as at 7.00pm (AEDT) on 23 November 2023 (“**Record Date**”) and whose registered address is in Australia or New Zealand (“**Eligible Shareholders**”) the opportunity to subscribe for a maximum of \$30,000 worth of new Shares (“**SPP Shares**”) at the Offer Price, and free of any brokerage, commission and transaction costs.

Terms and conditions of the SPP, are set out in the SPP offer booklet to be sent to Eligible Shareholders in relation to the SPP (“**SPP Offer Booklet**”). The SPP Offer Booklet will contain instructions on how to participate in the SPP.

Bubs has applied to ASX for a waiver of Listing Rule 7.1 to the extent required to permit Bubs to issue SPP Shares under the SPP, without shareholder approval, at an issue price of \$0.125 per SPP Share to Eligible Shareholders, being the same price per share as institutional investors paid under the Placement (“**Waiver**”). In the event that the Waiver is not granted, Bubs intends to seek Shareholder approval to issue SPP Shares under the SPP. Accordingly, the issue of SPP Shares is conditional on receipt of the Waiver or, if the Waiver is not granted, shareholder approval.

The SPP is not underwritten.

Use of Funds

Funds raised from the Placement and SPP will enable Bubs to accelerate growth in the USA, invest to expand production to pursue growth, and seek permanent access to the USA infant formula market.

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Indicative Timetable*

Item	Date
Record date for SPP	7:00pm (AEDT) Thursday, 23 November 2023
Announcement of Placement result and SPP announcement	Friday, 24 November 2023
Settlement of Placement shares	Wednesday, 29 November 2023
Allotment and trading of Placement shares	Thursday, 30 November 2023
SPP Offer opens and booklet made available	Friday, 1 December 2023
SPP Offer closes	5:00pm (AEDT) Friday, 15 December 2023
SPP results announced	Thursday, 21 December 2023
Settlement of SPP shares	Thursday, 21 December 2023
Issue and Allotment of SPP shares	Friday, 22 December 2023
SPP Shares commence trading on normal basis	Wednesday, 27 December 2023

*The timetable above is indicative only and remains subject to change at Bubs' discretion, subject to compliance with applicable laws and ASX Listing Rules. Any changes will be advised to ASX. To the extent that the Waiver is not granted, shareholder approval will be required which will mean that the issue of SPP Shares under the SPP Offer and the commencement of trading of the Shares under the Offer will be delayed.

Further information

Further details of the Placement and SPP are set out in the Investor Presentation provided to the ASX on 24 November 2023 and in the SPP Offer Booklet which is expected to be made available on ASX on Friday, 1 December 2023. The Investor Presentation contains important information including key risks and foreign selling restrictions.

Kidder Williams Limited are the Company's corporate advisors and Herbert Smith Freehills are the Company's legal advisors.

This release is approved by the Board of Directors.

MEDIA INQUIRIES

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SHAREHOLDER ENQUIRIES

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Monday to Friday between 9am and 5pm (AEDT)

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About Bubs Australia Limited (ASX: BUB)

Bubs Australia is on a mission to nourish new generations of happy Bubs, with clean label nutritional products that provide the foundation for setting up a lifetime of good eating habits. Founded in 2005 and long trusted by families throughout APAC, Bubs entered the U.S. market first with its toddler formulas in 2021 and then with its infant formulas in 2022 at the height of the U.S. formula crisis. Today, Bubs is the #1 Goat Milk Infant and Toddler Formula in the U.S. Other products include Bubs 365 Day Organic Grass Fed Cow Milk Formula and Bubs Supreme Infant Formula. Bubs can be purchased at aussiebubs.com and major retailers including Target, Amazon and Walmart. Visit aussiebubs.com for more information.

FORWARD LOOKING STATEMENTS

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect', 'anticipate', 'estimate', 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

UNITED STATES OF AMERICA

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal.

The Shares to be offered and sold in the Placement and the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States.

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