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All currency referred to in this document is in Australian dollars, unless otherwise stated.

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Today's Presentation

About Bubs

• Investment Proposition, Thesis, Moat

Bubs Strategy & Strategic Pillars

Progress To Date & Outlook







About Bubs

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- Founded in 2006
- Listed on the ASX in 2017
- Market Cap: ~\$125M¹
- Gross Revenue: ~\$100M²
- Employees: 75
- Key Markets: USA, China, Australia
- Product Categories: Infant Nutrition & Adult Nutrition
- Brands: Bubs, Caprilac, JBY











Key Infant Formula Markets





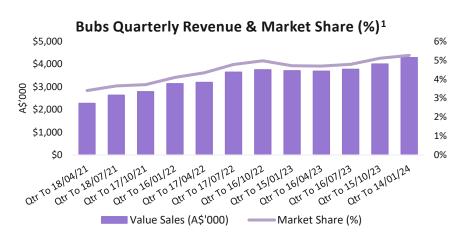
¹ Circana Weekly To 29/10/2023 Value Sales \$'s Total US Multi-Outlet (Nb Excludes Online) Powder, RTD's, Electrolytes & Liquid Concentrates

² Furomonito

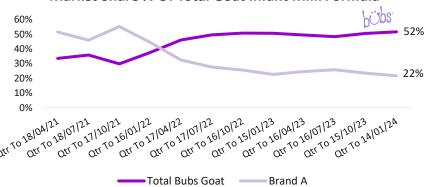
³ Circana MAT To 22/10/2023 Value Sales \$'s Woolworths, Coles & Chemist Warehouse Combined



Market Leader in Goat IMF in Australia



Market Share % Of Total Goat Infant Milk Formula¹



5.3% market share of AU IMF¹ **52%**market share of goat IMF¹

1 GOAT FORMULA

Market leader across Coles, Woolworths & Chemist Warehouse¹





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Investment Proposition, Thesis, Moat



The Bubs Investment Proposition



US \$100B+ global addressable market with a 5-10% CAGR



Differentiated premium goatbased product offering supported by growing bovine range in both IMF and Adult Nutrition



Bubs has a capital light asset base with significant operating leverage and scope to sweat the assets



Bubs is growing rapidly in the US market where penetration is low, providing a long runway for sustained growth



Australian provenance, reputation and access to high quality dairy ingredients



The only US FDA approved infant formula manufacturing facility in Australia, with permanent regulatory approval expected in 2025





Bubs Strategy



Bubs Strategy

Bubs' 5-point plan to responsibly manage capital and maximise shareholder value







H1 FY24 Performance

Delivering on FY24 strategic priorities

GROSS REVENUE

\$49.2m

+30% vs. H1 FY231

USA \$24.5m + 102% pcp AUS \$11.2m +15% pcp CHINA \$8.0m -30% pcp ROW \$2.6m -7% pcp

GROSS MARGIN

38%

+3% vs. H1 FY232

Improvement driven by stronger inventory management, together with geographic and channel optimisation

OPEX ratio

53%

53% vs. 78% in H1 FY23³

Effective cost controls in place providing a pathway to profitability in FY25

PORTFOLIO

\$29.5m IMF

+12% VS. pcp⁴

IMF 75% of revenue Goat 47% of revenue

BALANCE SHEET

\$27.4m cash

+\$9.8m undrawn debt

Net cash used in Operating activities \$12.2m (including nonrecurring items), 42% lower than pcp

⁴ Excluding Supreme sales

Gross revenue is a non-IFRS term, non-IFRS measures have not been subject to audit or review. Gross revenue represents the revenue recognised without trade spend.

² Underlying gross margin is a non-IFRS measure, non-IFRS measures have not been subject to audit or review. Underlying gross margin is excluding net inventories provision for raw materials / b

³ Operating expenses to revenue ratio decreased to 53% from 78% in H1FY23, this excludes depreciation and amortisation, and non-recurring costs including FDA, litigation costs and ERP



USA Growth Engine





MANGE DOUGLAS ELBERT JEFFERSON SUMMIT ROULDER ADAMS WELD LARIMER DENVER ARAPANDE DOUG

















US Penetration

Bubs products are ranged in over 5,800 physical stores across 42 states, in addition to e-commerce channels







US Retailers





meijer





















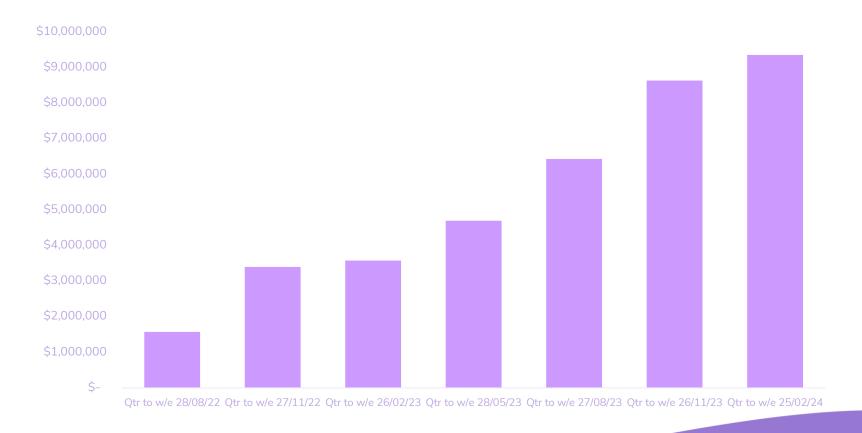






Bubs US sales by quarter since launch in 2022

Total Scan USD\$'s AMAZON & Bricks & Mortar Combined1







Amazon Product Rankings¹







Regulatory Pathway



May 2022: FDA exercised Enforcement Discretion for all 6 Bubs Formulas





July 2022: FDA announces Bubs can stay in the US under Enforcement Discretion until 18 Oct 2025





Dec 2022: FDA issues Bubs a Letter of Acknowledgement for Bubs to proceed with permanent regulatory pathway



Jun 2023: FDA audit of Bubs Deloraine manufacturing facility





July 2023: PER (Protein Efficiency Ratio) Study data complete





Sep 2024: GMS (Growth Monitoring Study) clinical trial



Oct 2024: Guideline to submit clinical data and infant formula submission to FDA





Oct 2025: Guideline for FDA approval. No Objection and Transition Guidance ends





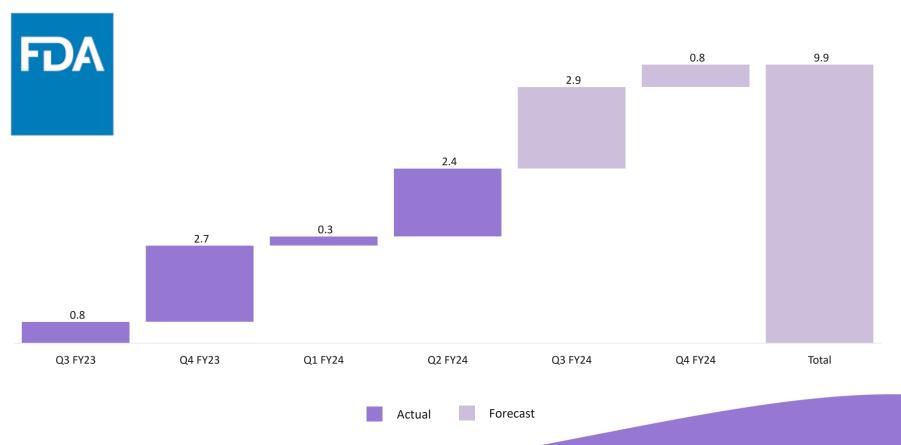
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Regulatory Costs

End to end costs associated with obtaining FDA regulatory approval estimated at c. \$9.9M







China Reset



China Reset

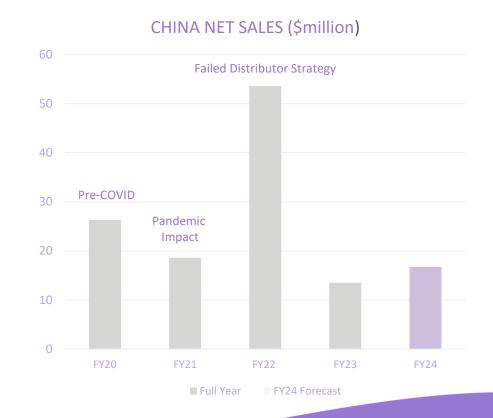






Despite a slow start to the year, we expect China to grow strongly in H2

- New Leadership Jackie Lin GM China
- Terminated Willis and Alice distribution agreements
- Terminated China JV (SAMR)
- Appoint new Distributors and Trade Partners for CBEC & O2O
- Trade spend and pricing discipline – pricing architecture
- Tighter Inventory Management
- NPD and new formulations Q4 FY24







Portfolio Optimisation



Portfolio Optimisation

Bubs is a global leader in infant & adult goat nutrition, with an estimated market size of A\$4.5bn¹

Update
New look packaging for US and China in Q4
Essential to replace A2 Supreme in US market, and Organic transitioning to Grass Fed
New smaller 567gm tin size for US market Q4
20% reduction in SKU count (cereals, rusks, bars)
New products ready for launch in Q4 and global innovation specialist appointed in January 2024
Marketing investment at c. 13% of revenue vs. target of 15%











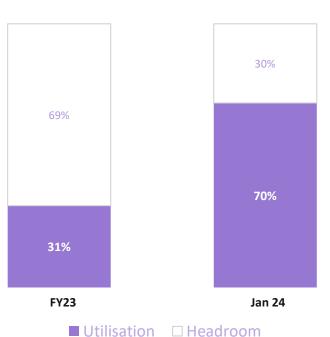
Sweat the Assets



böbs Sweat The Assets

2nd shift commenced to meet US demand.

Deloraine Utilisation











Working Capital



Working Capital & Cash Flow

Bubs expects it will be cash flow positive with positive trading EBIT in FY25



Cash Burn in H1 FY24

- Management target cash burn is \$2.0m per month from Q2 FY24¹ for FY24.
- Actual average monthly cash burn was \$2.1m for Jul-23 to Dec-23, noting this includes non-recurring costs such as FDA regulatory costs (\$2.7m), litigation costs (\$1.9m), ERP implementation costs (\$0.6m) and airfreight (\$1.3m).
- Excluding the above non-recurring costs, normalised cash burn was \$1.0m per month.
- Broadly in line with target despite significant one-off costs, expected to fluctuate for remainder of FY24 given the working capital investment involved in commencing a second production shift at Deloraine.
- Inventory build in the USA will also impact timing of future cash flows.



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Progress To Date & Outlook



FY24 Progress To Date & Outlook

FY24 will see Bubs continue to work towards its strategic priorities outlined in the 5-point strategic plan, and target cash flow breakeven in FY25

	Strategic Priority	Update	
1	Forecast net revenue of \$80m	Tracking above forecast	
2	Gross margin at 40%	Broadly in line on an underlying basis ¹	
3	Continued FDA progress	On track with final stage clinical trial underway	
4	Target cash burn of \$2.0m per month from Q2 FY24	On track (c. \$2.1m per month actual YTD) ²	
5	Maximise opportunities for whole of product portfolio	New products and packaging launching during Q4 FY24	
6	Targeting EBITDA and cash flow positive in FY25	On track to be EBITDA and cash flow positive in FY25)



¹ Underlying excludes one-off, non-recurring items

² Expected to fluctuate for remainder of FY24 given the working capital investment in commencing 2nd production shift at Deloraine, plus inventory build in USA

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Thank you

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