

5 November 2020

ASX Market Announcements Office Australian Securities Exchange

Baby Bunting Group Limited (ASX: BBN)

Operational update

Baby Bunting Group Limited (Baby Bunting or the Company) today advises that it is working closely with the Federal Department of Agriculture, Water and the Environment (DAWE) since the interception of insects in an imported shipping container which then affected the packaging of goods being imported. The shipping container held 320 units of Peg Perego Prima Pappa Follow Me highchairs.

The Khapra beetle is common to many parts of the world. The beetle can travel in shipping containers and is attracted to cardboard packaging such as that used to transport the highchairs, not the product itself.

Baby Bunting's Dandenong South Distribution Centre has been closed temporarily for inspection and treatment, which has affected the distribution of stock to retail stores. Normal operations are expected to progressively recommence from early next week.

While the product with affected packaging was also distributed to stores, it remained in the storerooms (not on the shop floor) and Baby Bunting has acted quickly to intercept and quarantine the items. A process of inspection by DAWE officers and treatment is underway in all Baby Bunting storerooms. All retail stores remain open and continue to trade, although there may be some minor disruption at some stores over the coming weeks. Baby Bunting will incur some costs associated with the containment and treatment plans that are being put in place in respect of these products. The Company is currently assessing its options for cost recovery.

Before interception, Baby Bunting had already sold 260 units and is contacting customers who have purchased the Peg Perego Prima Pappa Follow Me highchair between 9 September and 28 October. Baby Bunting is providing customers with a replacement product if they have purchased a highchair that was in affected packaging. If customers have any questions, they should contact Baby Bunting's hotline on 1300 034 794.

At this initial stage, the Company is not able to quantify the impact of this matter on the Company's performance but it does not consider it to be material.

P 03 8795 8100

The release of this announcement was authorised by the Board.



For further information, please contact:

Investors

Darin Hoekman Chief Financial Officer Ph: 03 8795 8100

Media

Jenny Littlewood Ph: 0403 359 864 jenny.littlewood@communicado.com.au

Tailah Warr

Ph: 0438 658 270

tailah@communicado.com.au