



Bubs Australia Limited
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BUBS AUSTRALIA ENTERS STRATEGIC PARTNERSHIP WITH NETEASE KAOLA IN CHINA

- *Official signing ceremony formalising direct partnership with NetEase Kaola.com*
- *Bubs live stream event with Kaola CEO attracts over 1.3 million views*
- *Kaola has the highest market share among China's cross-border retail import e-commerce business*
- *Bubs products now accessible to 15 million targeted and affluent customers on Kaola's platform*
- *Bubs featured in Kaola's '6.18' event, the 2nd largest shopping festival on China's e-commerce calendar*

Sydney 19 June 2017: Bubs Australia Limited (ASX: BUB) has further expanded its access to Chinese consumers with the signing of a strategic partnership with NetEase Kaola.com. Bubs infant formula and organic baby food products are now available for sale on Kaola's cross-border e-commerce platform [<http://bit.ly/2to9RTv>]. Under the Agreement, Bubs products will be accessible to 15 million targeted customers seeking quality international brands through their e-commerce platform [kaola.com].

Bubs Australia management attended the official signing ceremony to formalise the new partnership, held at Pier One in Sydney. The signed Memorandum of Understanding outlines the terms for Kaola to purchase Bubs products and sell directly to Chinese consumers via their trusted e-commerce platform. Both companies have been working together to develop a long-term plan with integrated marketing initiatives to promote Bubs brand to Kaola's consumers and forecasted sales and inventory management scheduled around key events.

NetEase Kaola CEO, Ms Zhang Lei, commented on the new partnership, "Bubs is a very good global partner of NetEase Kaola.com. Their goat milk infant formula and organic baby food will be in great demand in the high-end oriented and diversified Chinese market. Kaola is looking forward to the deeper collaboration with Bubs Australia to offer Bubs high quality Australian made products to our Chinese customers."

Following the ceremony, Ms Zhang Lei participated in a livestream event with Bubs Founder, Kristy Carr, showcasing Bubs infant formula and organic baby food products, which has been viewed more than 1,300,000 times by Kaola's consumers and generated a high level of engagement throughout the event.

Maternal and baby products make up Kaola's second largest product category, falling just behind beauty and cosmetics, with 42% of their 15 million loyal customer base having purchased baby related products. Kaola's consumers are predominantly female, aged 18-35, highly educated with above average household



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incomes, and willing to pay a premium for high quality international products. On average, Kaola's customers spend twice as much as the cross-border e-commerce industry average per transaction, making them prime consumers for Bubs premium range of infant nutrition products.

Bubs Australia Chief Executive, Nicholas Simms said "We consider this strategic partnership with NetEase Kaola to be an important development in progressing our cross-border e-commerce strategy. By establishing long-term agreements directly with leading platforms, we can reinforce Bubs premium positioning and Australian provenance in a controlled environment, whilst remaining highly scalable and appropriately manage our inventory."

Bubs products continued to be actively promoted on Kaola.com over the weekend during the '6.18' promotion, the second largest shopping event on China's e-commerce calendar.

Kaola is owned by NetEase (Nasdaq: NTES, Mkt cap USD37.5b), a leading internet technology company with 800 million loyal users, providing online services focused on content, social networking, communication, gaming and commerce.

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About Bubs Australia Limited

Bubs Australia is engaged in the business of inspiring new generations of happy, healthy bubs through its premium range of Australian made organic baby food and infant milk formula products.

Based in Sydney Australia, Bubs Australia develops and markets 'innovative infant products that give mums and their bubs reason to 'smile from the inside™.'

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