



Bubs Australia Limited (ASX: BUB)
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BUBS AUSTRALIA PARTNERS WITH HIPAC IN CHINA'S ONLINE-TO-OFFLINE (O2O) CHANNEL

- ***RMB 12 million (~A\$2.4M) sales forecasted in Y1.***
- ***Hipac is China's leading supplier to Mother and Baby stores via the O2O channel.***
- ***Allows Bubs® infant formula to be sold in physical stores with home delivery via the cross-border bonded warehouse prior to SAMR (CFDA) registration.***

Sydney 31 August 2018: Bubs Australia (ASX: BUB) today announced the Company has entered into an Agreement with Hipac to supply Bubs® infant formula and organic baby food products to its distribution network of 83,000 stores throughout China.

Online-to-offline (O2O) shopping has become commonplace in China's emerging retail landscape. Parents are able to view products displayed in-store, order online from an in-store shopping terminal, and then have the product delivered to their home. International products are dispatched from Hipac's cross-border warehouse in the free trade zone, meaning SAMR (CFDA) registration for infant formula is not required.

Hipac is a total solutions provider with over 1,000 employees, managing logistics, finance, store account management and retail marketing. Their average monthly gross sales are RMB 600 million (~A\$120 million), with approximately 70% of total sales generated from infant formula.

Bubs Australia and HiPac have agreed on a sales and marketing strategy to deliver at least RMB 12 million (~A\$2.4M) in the next 12 months.

Bubs Founder and CEO, Kristy Carr, attended the official signing ceremony in Hangzhou yesterday to formalise the strategic partnership with Hipac, which was followed by a broadcast event with over 1,000 of their retail customers to celebrate the launch of Bubs® products on the Hipac distribution platform and to educate store owners about Bubs® unique product benefits.

"Hipac has pioneered China's O2O channel in the baby category with their expertise in real time data visibility and advanced supply chain logistics. We consider this new partnership an important milestone in expanding our brand presence and distribution coverage in the Mother and Baby store channel," Mrs Carr said.

END



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About Bubs Australia Limited (ASX: BUB)

Founded in 2006 in Sydney, Bubs Australia is engaged in the business of inspiring new generations of happy, healthy families through its range of Australian made premium infant nutrition and dairy products.

Bubs[®] speciality infant formula and organic baby food caters for a child's first 1,000 days of life. Other dairy brands in the Company's portfolio include CapriLac[®] and Coach House Dairy[®]. Products are widely ranged throughout Australia in Coles, Woolworths, Aldi, Chemist Warehouse, Costco and Big W, as well as exported to China, South East Asia, and Middle East.

Bubs Australia is the leading producer of goat dairy products in Australia with exclusive milk supply from the largest milking goat herd in the country, providing a 'pathway to provenance' to become Australia's only vertically integrated producer of goat milk infant formula.