



MASTER DISTRIBUTION AGREEMENT WITH ALIBABA CIP NEW BRAND LAUNCH FOR ADULT GOAT DAIRY RANGE

- *New brand 'Deloraine' to tap into RMB 10bn (AUD 2bn) China goat dairy market.*
- *Master Distribution Agreement with Alibaba CIP to import adult goat dairy products for mainland China.*
- *Agreement sales volume worth RMB50m (AUD 10m) in first year.*
- *Access to 700 million active users on Alibaba platforms through Alibaba's Centralised Import Procurement (CIP) initiative.*
- *Appointed key distributor 'The Land' to supply eCommerce and General Trade channels.*

Shanghai, 6 November 2019: Bubs Australia (ASX: **BUB**) today has announced a strategic agreement with Alibaba CIP to capitalise on the growth of China's RMB10bn / AUD 2b goat dairy market including the launch of new brand 'Deloraine,' which will be produced at the Bubs Australia manufacturing hub, *Australia Deloraine Dairy* in Victoria. Under the Agreement, Bubs Australia and key channel partner, Alibaba CIP expect to ship adult goat dairy products, including *CapriLac*® and *Deloraine*® brand portfolios, worth RMB 50m (AUD 10m) in Year 1.

The announcement coincides with the signing today of a Master Distribution Agreement between Bubs Australia and Alibaba Centralised Import Procurement (CIP) during an official ceremony at the China International Import Expo (CIIE) in Shanghai. Alibaba CIP and their appointed distributor, The Land, will be responsible for promoting and distributing the adult goat dairy range across the entire Alibaba online and offline ecosystem, as well as other external General Trade and Cross-border eCommerce channels.

Announcing the Agreement, Bubs Founder and CEO Mrs. Kristy Carr said: "This collaboration with Alibaba CIP is a very meaningful and exciting development for Bubs. There is a huge and growing market for premium adult goat-based dairy products. Now, with the experience of marketing our current adult product, *CapriLac*® we are confident in launching an expanded *Deloraine*® adult goat dairy range in conjunction with Alibaba CIP that will cater to the premium end of the segment with science based functional benefits, including being a high source of calcium, containing naturally A2 goat protein, EGF (Epidermal Growth Factor), and Tryptophan - which aids sleep.

"Clearly the Alibaba CIP program and related platforms have unique reach into the China adult nutrition market – some 700 million active users. At the same time, we are the only Australian vertically integrated producer of goat milk formula and so are uniquely positioned to offer Alibaba's platform-wide customers the comfort that we have complete control of the supply chain right back to the farm gate," said Mrs Carr.

Dennis Lin, Executive Chairman of Bubs said: "It has long been a privilege to work in partnership with Alibaba across our infant nutrition products, and the opportunity to now develop the market for our adult goat dairy range through this Master Distribution Agreement is another step in the growing acceptance of the maturity of our business."

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BUBS AUSTRALIA OFFICIAL SIGNING WITH CCIC

Bubs Australia will also be conducting an official signing ceremony at CIIE in Shanghai to formalise a Strategic Cooperation Memorandum of Understanding (MOU) with CCIC Australia, the largest international China Inspection Institute accredited by CNCA, to express mutual intention to partner on various projects related to the testing, inspection and certification of Bubs® infant nutrition products required to meet Chinese import requirements.

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About Alibaba CIP:

In March 2019, Alibaba's Tmall Global unveiled two key initiatives to further Alibaba's plans to bring \$200 billion worth of international goods into China over the next five years and help businesses of all sizes enter the China market.

The first initiative, Centralised Import Procurement (CIP) is an import solution offered by Tmall Global, to help international brands accelerate their entry into China and capitalise on the high demand for high-quality products.

About The Land:

The Land was founded in October 2015 and is a distribution group with access to more than 30 online channels, as well as 5,000 local key account offline stores. With Alibaba now holding majority shareholding as a cornerstone investor, The Land is well placed to access the leading offline and online channels across the Alibaba ecosystem.

In addition, The Land also has a strong presence in retail Dairy, across existing as well as emerging channels, including TV shopping.



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About CCIC Australia:

The China Certification & Inspection (Group) Co (CCIC) is authorized by the Certification and Accreditation Administration of the People's Republic of China (CNCA) Pty Ltd and is an independent third-party certification and inspection organization, providing verification, certification and testing services for products requiring importation to China. The CCIC currently has approximately 300 offices around the globe in over 30 countries and regions. CCIC Australia Pty Ltd was established in 1989 and is the sole CNCA accredited representative of the CCIC in Australia. CCIC Australia are widely recognised as providing high quality inspection, surveying and certification services to support international trade with China.

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 bubs through its range of premium infant nutrition products. Bubs® goat milk and organic grass-fed infant formula ranges, and organic baby food, cereals and toddler snacks cater for all feeding occasions and stages of development from newborn to preschool.

Bubs Australia is the leading producer of goat dairy products in Australia with exclusive milk supply from the largest milking goat herds in the country. Bubs® is proudly the only infant formula in the world to be based on Australian goat milk.

Products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to China, South East Asia, and the Middle East.

Consumer Website: bubsaustralia.com

Investor Centre: investor.bubsaustralia.com