



Bubs Australia Limited
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BUBS AUSTRALIA TO AT LEAST DOUBLE TOTAL REVENUE WITH \$17M NEW TIMES ASIA (CHINA) DEAL

- *Long-term Supply Agreement with China based supply chain and service provider New Times Asia, to supply Bubs® and CapriLac® products to up to 20 e-commerce platforms in China.*
- *\$17M sales commitment for FY19 represents at least 100% increase to total business sales revenue.*
- *Minimum sales commitment increases to \$24M in FY20, and \$37M in FY21.*
- *Opens up new vertical platforms, including Suning, Jumei, Mia, BeiBei, Baby Tree, and MamaGo, in addition to enhancing existing supply agreements with JD.com, Kaola.com, VIP.com, and RED.*

Sydney, 4 June 2018: Bubs Australia Limited (ASX: BUB) today announced the Company has entered a Supply Agreement with New Times Asia with a total sales commitment for purchase orders valued at \$17M in FY19, and increasing to \$24M in FY20, and \$37M in FY21.

Mrs Kristy Carr, Founder Managing Director of Bubs Australia said: "The agreement with New Times Asia is a major step forward in our China expansion strategy, and shows the investment we have been making and continue to make in building our China presence is bearing fruit.

"Based on our annualised run rate of Bubs and CapriLac combined trading, the committed FY19 offtake by New Times Asia will be at least double our total company net sales revenue. We will now be well positioned to reach and suitably manage many new e-commerce channels in China," Mrs Carr said.

New Times Asia is a professional service provider specialising in e-commerce sales and fulfilment in China servicing all major and second tier e-commerce platforms, and already represents many leading global brands, including numerous imported infant formula and milk powder brands. Services provided by New Times Asia will include sales, account management, operations, fulfilment, logistics, payment, cash flow management, customer service, digital content production, promotional and marketing activities, such as Key Opinion Leader and product review campaigns.

Both Bubs® and CapriLac® entire product portfolios will be supplied to New Times Asia via the cross-border channel and sold on up to 20 e-commerce platforms, including major platforms already partnered with Bubs Australia; JD.com, Kaola.com VIP.com, and RED, as well as new vertical platforms, such as Suning (Red Baby), Jumei, Mia, BeiBei, Baby Tree (Meitun) and MamaGo.

At the formal signing of the Supply Agreement with Bubs Australia, Mr. Michael Deng, Founder and CEO of New Times Asia said: "We are very pleased to partner with Bubs Australia. Bubs and CapriLac are very strong and trusted Australian brands. We are confident we can quickly build brand awareness and consumer demand for Bubs in China given the trend for premiumisation as reflected in the rapid growth of specialised formula, goat milk and organics."

Mrs Carr said that under the agreement, while New Times Asia has committed to purchasing minimum volumes of Bubs® and CapriLac® products, Bubs Australia maintains flexibility should New Times Asia not meet agreed performance measures.

END



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About Bubs Australia Limited (ASX: BUB)

Bubs Australia is engaged in the business of inspiring new generations of happy, healthy consumers through its range of Australian made premium infant nutritional and goat dairy products.

Founded in 2006 in Sydney, Bubs Australia develops and markets innovative infant nutrition products for the first 1,000 days of life, that give parents and their bubs reason to 'smile from the inside®.'

In 2017, Bubs Australia acquired NuLac Foods giving the company a 'pathway to provenance' to become Australia's only vertically integrated producer of goat milk infant formula, and the largest producer of goat dairy products in the country.