Appendix 4E
Preliminary Final Report

Name of Entity: Bubs Australia Limited
ACN: 060 094 742

1. Reporting Period (current period): 30 June 2026
Previous corresponding period: 30 June 2025

2. Results for announcement to the market

Revenue from ordinary activities	Increase	9%	To	$111,857,863
Loss from ordinary activities after tax attributable to members	Decrease[1]	183%	To	$4,624,673
Loss for the period attributable to members	Decrease[1]	183%	To	$4,624,673
Underlying EBITDA[2,3]	Increase	338%	To	$5,303,772

Dividends	Amount per share cents	Franked Amount per share cents
Final	–	–
Interim	–	–

	Current period	Previous corresponding period
Net tangible assets per share (cents)	4.15	4.62

1. FY26 Loss compared to Profit in FY25.
2. Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS measure, not been subject to audit or review
3. Underlying EBITDA excludes one-off items (proceeds from insurance claim, credit recoveries & legal settlements, regulatory reset, restructuring costs, USA airfreight and USA non-AU tariffs).

Record date for determining entitlements to dividends: N/A

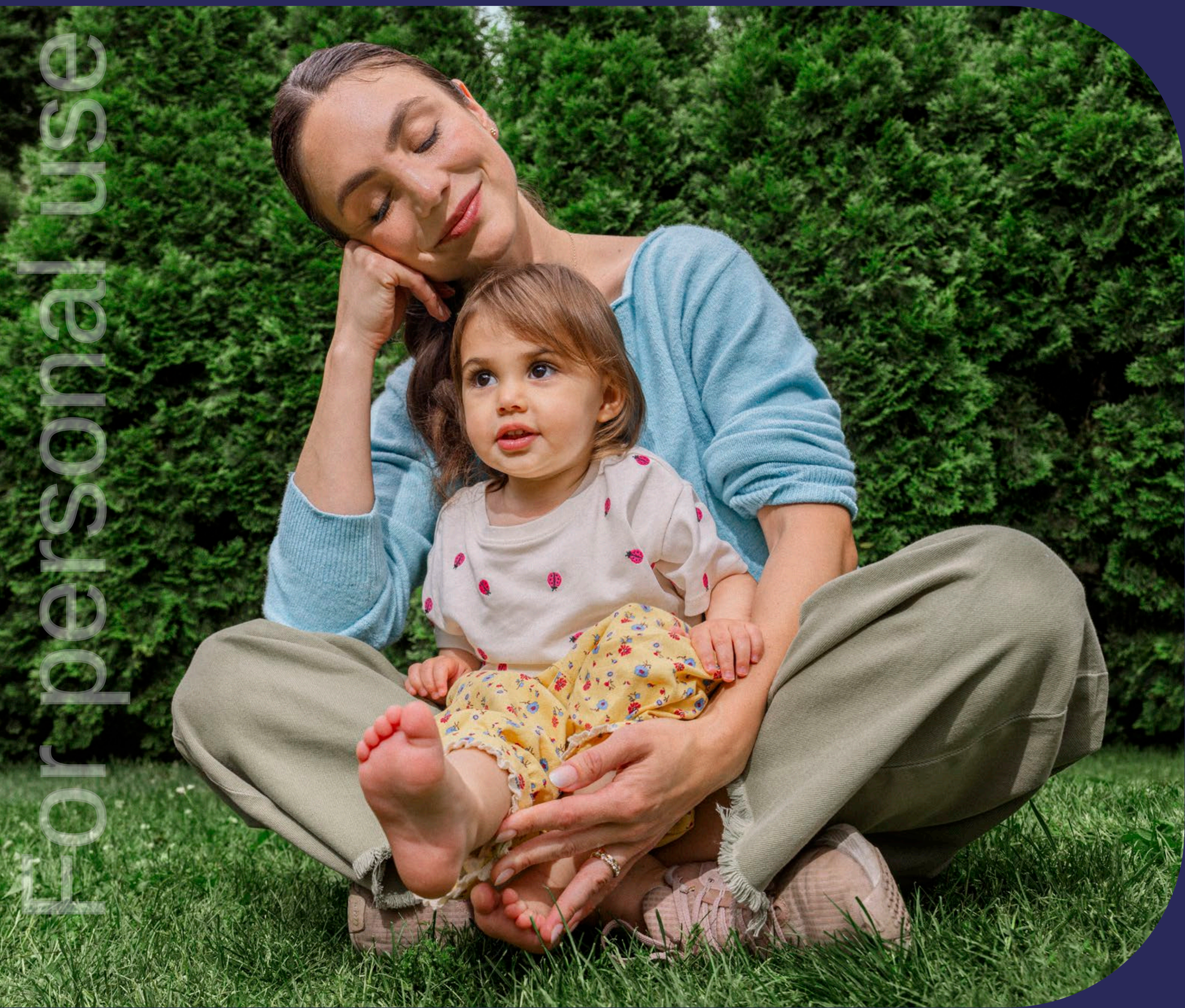
Additional information supporting the Appendix 4E disclosure requirements can be found in the Financial Report which contains the Directors' Report and the 30 June 2026 Financial Statements and accompanying notes.

This report is based on consolidated financial statements for the year ended 30 June 2026 which have been audited by KPMG.

This page has been left intentionally blank.

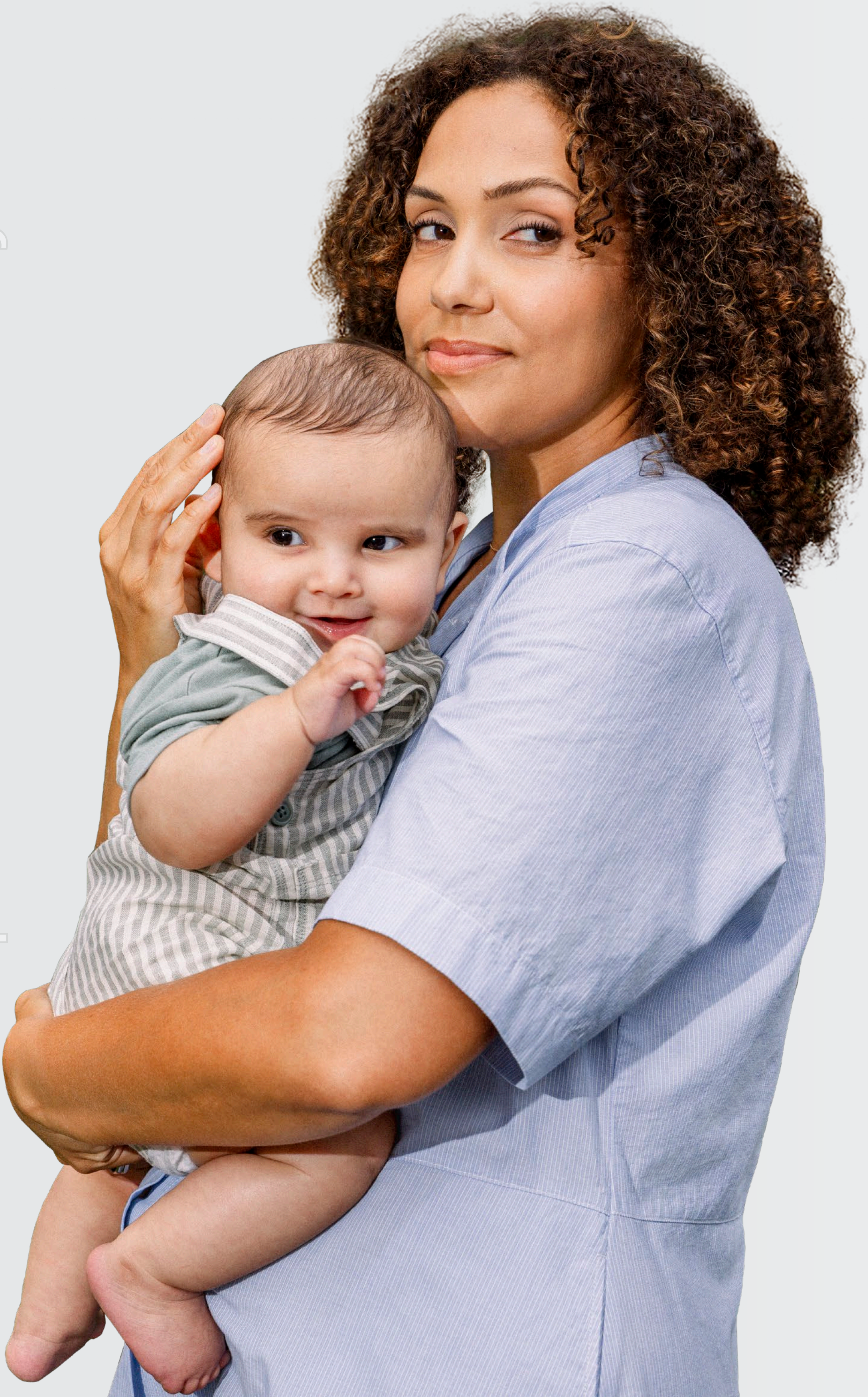
2026 Preliminary Final Report

BUBS AUSTRALIA LIMITED



bubs®

bubsaustralia.com



Contents

Review of Operations and Financial Results

Revenue

Bubs Australia Limited and its subsidiaries (referred to as Bubs or the Group) delivered revenue of $111.9 million in FY26, up 9.2% year on year (yoy).

United States

The best performing market, USA, delivered revenue of $65.8 million, an increase of 24% (FY25: $53.1 million), driven by expanded distribution, continuity of supply and continued growth in the premium infant formula segment.

China

China revenue was $21.4 million, flat yoy, with growth in consumer demand (sell-out) offset by lower customer orders (sell-in) as excess inventory carried over from FY25 was consumed. Inventory levels have now normalised with sell-in and sell-out rebalanced. China was also impacted by regulatory changes that delayed product availability.

Australia

Australia delivered revenue of $18.3 million, down 7% YoY (FY25: $19.8 million) as reduced brand visibility, consumer pressures and temporary supply constraints impacted performance. These factors included brand repositioning challenges, Stage 2 Goat supply disruption and intensified competition. In response, second half marketing investment increased to rebuild brand visibility, with early encouraging indicators showing brand awareness increasing 10ppts to 87%[1] and market share trends stablising.

Rest of World

Rest of World revenue was $6.4 million, down 25% yoy (FY25: $8.5 million). Regulatory reset changes impacted product availability. This was particularly impactful in Vietnam and Singapore where trading was paused in second half while the company worked to meet new regulatory requirements.

Gross margin

The Group delivered a gross profit margin of 39.8% for FY26, compared to 47.8% in FY25. The reduction primarily reflects increased logistics and airfreight costs ($3.0 million) supporting inventory restocking to meet supply continuity for customers across key markets, the costs of meeting changing regulatory requirements ($3.9 million) and the impact of tariffs (USA Non-AU Tariffs were $1.0 million).

Operating expenses

Operating expenses (including depreciation) increased from $46.5 million to $48.8 million in FY26, reflecting continued investment to support revenue growth. Advertising and promotion (A&P) remained the largest component of operating expenditure, with spend directed towards brand awareness and marketing initiatives to drive sales growth across key markets. Despite the increase in absolute expenditure, operating expenses as a percentage of revenue[2] improved to 44%, demonstrating operating leverage as revenue growth outpaced growth in operating costs.

1. Infant Formula Brand Health Tracker – Kantar, May 2026.
2. Operating expenses to revenue ratio includes Depreciation & Amortisation and Share Based payments expense and is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review.

Statutory results

The reconciliation to the statutory profit before tax is set out in the table below.

	FY26 $	FY25 $
(Loss)/Profit before tax	(4,624,673)	5,543,841
Less: Net Finance Expense/(Income)	1,225,839	(1,031,699)
EBIT[1]	**(3,398,834)**	**4,512,142**
Add: Depreciation and amortisation	1,564,600	734,963
EBITDA[1]	**(1,834,234)**	**5,247,105**
Less: Proceeds from insurance claim	–	(1,259,338)
Less: Credit recoveries and legal settlements	(825,000)	(3,639,565)
Add: Regulatory Reset	3,870,715	
Add: USA Air Freight	2,979,683	–
Add: USA Non-AU Tariff[2]	959,796	648,690
Add: Restructuring costs	152,811	213,327
Underlying EBITDA[3]	**5,303,772**	**1,210,219**

1 Earnings Before Interest and Tax (EBIT), Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Underlying EBITDA are non-IFRS measures, not been subject to audit or review.
2 Non-AU tariffs have been restated within FY25 comparatives, not previously included within Underlying EBITDA.
3 Underlying EBITDA excludes one-off items (proceeds from insurance claim, credit recoveries & legal settlements, regulatory reset, restructuring costs, USA airfreight and USA non-AU tariffs).

Going concern basis of accounting

The Group has prepared the consolidated financial statements for the year ended 30 June 2026 on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Financial results

On 30 June 2026, the Group is in a net current asset position of $32.8 million (2025: $37.0 million). At 30 June 2026, the Group has $9.4 million in available cash and cash equivalents and $10.0 million in committed un-drawn bank facilities (Note C8).

The Group made a loss after tax of $4.6 million (FY25 profit: $5.5 million). During the year, the Group extended the facility with National Australia Bank to 31 August 2027 and increased the facility limit to $20.0 million (FY25: $10.0 million) (refer Note C8). Net cash used in operating activities in FY26 were $15.1 million (FY25 net cash inflows: $6.1 million).

Future financial performance

The Directors have considered the Group's revenue projections and cash flow forecasts based on current market conditions and business plans to determine the appropriateness of preparing the financial report on a going concern basis.

The Group acknowledges the inherent uncertainty in its earnings forecast, which assumes attainment of the permanent U.S. Food and Drug Administration (FDA) approval to continue operating in the USA. The FDA continues to facilitate the importation, sale, and distribution of Bubs' infant formula products while its review process is being finalised and the products remain available in the US market under the FDA's 'Enforcement Discretion' regulatory process. FDA approval to sell in the US market beyond the current review period is an assumption underpinning this assessment.

The Directors are confident that the Group will secure permanent FDA approval. The cash flow forecasts prepared assume that FDA approval will be granted and that the Group's bank facility will be extended beyond the current expiry date. Should these forecasts not be achieved there is a material uncertainty regarding the appropriateness of the going concern basis of accounting and the Group may not be able to realize its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

Notwithstanding this material uncertainty, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis based on the information available at the date of approval.

The Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

Directors' Report

The directors present their report together with the consolidated financial statements of Bubs Australia Limited as a consolidated entity consisting of Bubs Australia Limited (the "Company") and the entities it controlled ("the Group") for the financial year ended 30 June 2026 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

- Paul Jensen (appointed Chair 15 September 2025, Board member since 20 March 2023, ceased as Chair of the Audit and Risk Committee 21 April 2026 upon Mr De Petrini's appointment)
- Steve Lin (appointed as Chair of the Nomination and Remuneration Committee 15 September 2025, ceased 18 May 2026 upon Ms Tauber Marcus' appointment)
- Joe Coote (appointed as Chief Executive Officer and Managing Director 28 July 2025 and appointed as Executive Director on 15 September 2025)
- Pacal De Petrini (appointed as Independent Non-executive Director, Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee 21 April 2026)
- Lori Tauber Marcus (appointed as Independent Non-executive Director and Chair of the Nomination and Remuneration Committee 18 May 2026)
- Katrina Rathie (resigned as Chair of the Board and the Nomination and Remuneration Committee 15 September 2025)
- Reginald Weine (tenure as Chief Executive Officer and Managing Director ended 28 July 2025)

Director profiles

Paul Jensen

Independent Chair/Non-Executive Director

Paul Jensen is Independent Chair of Bubs and an experienced non-executive director with more than 20 years' board experience across ASX-listed, public and private organisations.

Paul joined the Bubs Board in March 2023 as an Independent Non-Executive Director and Chair of the Audit and Risk Committee. He was appointed Chair of the Board in September 2025. He brings substantial expertise in corporate governance, finance, capital management and corporate strategy, with a strong focus on shareholder value creation, sustainable growth and disciplined financial management.

His board experience spans consumer goods, financial services, government, philanthropy and Indigenous affairs. Prior to his non-executive career, Paul held senior executive positions in banking and investment management. He worked internationally with Lloyds Banking Group in New Zealand, the United Kingdom and Australia, and subsequently served as Managing Director of two ASX-listed investment companies.

Paul is currently a Non-Executive Director and Treasurer of Australia Made Campaign Limited, the organisation responsible for administering the Australian Made, Australian Grown and ReMade in Australia certification trade marks on behalf of the Australian Government.

He is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Commerce and Administration from Victoria University of Wellington, New Zealand.

Steve Lin
Non-Executive Director

Steve has served on the Bubs Board since 2019 and is based in the United States. He is the Managing Partner of C2 Capital, a private equity investment firm backed by the Alibaba Group and focused on consumer brands and growth opportunities in global markets. C2 Capital is Bubs' largest shareholder and is committed to supporting the Company's long-term shareholder value creation strategy.

Steve has more than 30 years of investment, operations and management experience across Asia and the United States. He is Managing Partner of C2 Capital, a private equity investment firm focused on consumer brands and growth opportunities in global markets.

An experienced director, Steve currently serves on the boards of Stella & Chewy's, a leading US pet food company, Petcurean, a Canadian pet nutrition company, and KDC/ONE, one of the world's largest manufacturers of beauty, personal care and home care products.

Steve has conducted business in China for more than 30 years and brings extensive experience working with companies, investors and institutions across the region. Prior to joining C2 Capital, he held roles with Morgan Stanley, Goldman Sachs, GMAC Commercial Holding Corp (subsequently Capmark Financial Group) and Laureate Education across New York, Hong Kong and Tokyo.

Steve is also active in the not-for-profit and education sectors. He co-founded Hands On Tokyo and previously served on the boards of Xi'an Jiaotong-Liverpool University and Hunan International Economics University.

Steve holds a Bachelor of Economics from Harvard University.

Pascal De Petrini
Independent Non-Executive Director

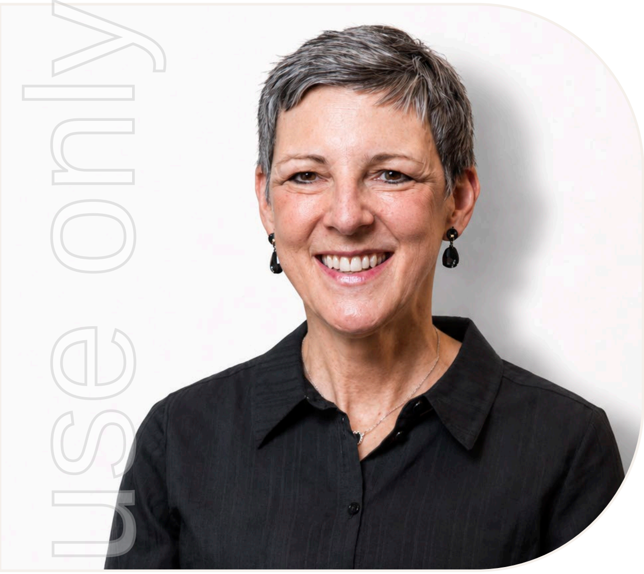
Pascal joined the Bubs Board in April 2026 as an Independent Non-Executive Director. He serves as Chair of the Audit and Risk Committee and is a member of the Nomination and Remuneration Committee. Based in Singapore, Pascal brings more than 30 years of international leadership experience across the dairy, infant nutrition and consumer goods sectors.

Pascal has held senior executive leadership roles with two of the world's leading nutrition and dairy companies, Danone S.A. and Fonterra Co-operative Group Limited. His executive career included positions as Senior Vice President and Chairman Asia at Danone, Vice President Baby Nutrition Asia Pacific, and Managing Director, Asia Pacific, Middle East and Africa at Fonterra.

A highly regarded FMCG executive, Pascal has led major business transformations across Asia Pacific, the Middle East and Europe, with deep expertise in infant nutrition, dairy, beverages, supply chain management and quality systems. He has extensive experience operating in complex and highly regulated international markets and has successfully led businesses ranging from approximately US$100 million to US$3 billion in revenue.

Pascal brings strong category expertise in infant formula and dairy, together with a proven track record of building brands, driving growth and delivering operational excellence across multiple international markets. His experience spans end-to-end supply chain management, regulatory affairs, commercial strategy and organisational transformation.

Pascal holds a Master of Science in Management from ESSEC Business School and a Master of Science in Engineering from École des Mines de Nancy, France.



Lori Tauber Marcus

Independent Non-Executive Director

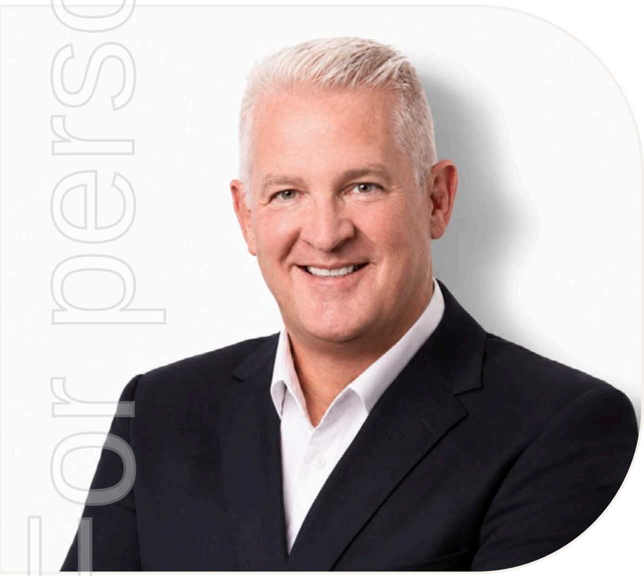
Lori joined the Bubs Board in May 2026 as an Independent Non-Executive Director. She serves as Chair of the Nomination and Remuneration Committee. Based in New York, Lori brings more than 30 years of senior marketing and consumer brand experience across FMCG, retail, consumer health, digital commerce and high-growth consumer businesses.

Lori has held senior executive leadership roles with some of the world's leading consumer companies. Her executive career included 24 years with PepsiCo, where she held a range of senior marketing positions culminating in Senior Vice President, Marketing Activation. She later served as Executive Vice President and Chief Global Brand and Product Officer at Keurig Green Mountain.

An experienced listed company director, Lori currently serves as an independent director of Del Monte Corporation (NYSE: DMC). She previously served as an independent director of Primo Water Corporation (NYSE and TSX: PRMW) and Phunware, Inc. (NASDAQ: PHUN), in addition to board roles with other consumer-focused businesses.

Lori brings deep expertise in brand strategy, consumer engagement, digital marketing, innovation and commercial growth. Her extensive experience building consumer brands and driving business transformation across global markets provides valuable insight as Bubs continues to expand its presence in key international markets, particularly the United States.

Lori holds a Bachelor of Science in Economics (Marketing) from The Wharton School of the University of Pennsylvania.



Joe Coote

Managing Director & Chief Executive Officer

Joe was appointed Chief Executive Officer in July 2025 and joined the Board as Managing Director in September 2025. He brings more than 20 years of global leadership experience across the FMCG, dairy and infant nutrition sectors, with extensive expertise in commercial operations, supply chain management, international market development and business transformation.

Prior to joining Bubs, Joe was Chief Executive Officer of Darigold, the fourth-largest dairy cooperative in the United States, where he oversaw more than US$2 billion in global sales. Before Darigold, he spent 12 years with Fonterra in senior leadership roles across New Zealand, Asia and the United States, culminating in his appointment as President, Fonterra Americas, where he was responsible for more than US$2 billion in regional sales.

Joe has significant experience leading growth strategies across international markets and has a strong track record in operational excellence, supply chain optimisation and commercial execution. His global industry relationships and deep understanding of the dairy and infant nutrition sectors support Bubs' strategic priorities across Australia, the United States, China and broader Asian markets.

Earlier in his career, Joe held leadership roles with Coles Myer Group, Colgate-Palmolive, GlaxoSmithKline and PwC across Australia, the United States and the United Kingdom.

Joe holds a Bachelor of Commerce from the University of Queensland and is a Chartered Accountant.

Record of attendance at the Board meetings

Director attendance at Board and Committee meetings during the year is set out below.

	Board Meetings		Nomination and Remuneration Committee		Audit and Risk Committee	
	Held[1]	Attended[2]	Held	Attended	Held	Attended
Paul Jensen[3]	12	12	4	4	5	5
Steve Lin[4]	12	11[5]	4	4	5	4
Pascal De Petrini[6]	4	4	1	1	2	2
Lori Tauber Marcus[7]	3	3	1	1	N/A	N/A
Joe Coote[8]	10	10	N/A	N/A	N/A	N/A
Katrina Rathie[9]	2	2	1	1	1	1
Reginald Weine[10]	0	0	N/A	N/A	N/A	N/A

1. Number of scheduled meetings held during the time the Director was a member of the Board or Board Committee
2. Number of scheduled Board or Committee meetings that the Director attended as a member.
3. Paul Jensen ceased as Chair of the Audit and Risk Committee 21 April 2026 upon Mr De Petrini's appointment
4. Steve Lin was appointed as Chair of the Nomination and Remuneration Committee 15 September 2025, and ceased as Chair 18 May 2026 upon Ms Tauber's appointment
5. Following a late change to the meeting format, Steve Lin was unable to attend one meeting due to an unavoidable scheduling conflict.
6. Pascal De Petrini was appointed as Independent Non-executive Director, Chair of the Audit and Risk Committee, and member of the Nomination and Remuneration Committee 21 April 2026
7. Lori Tauber Marcus was appointed as Independent Non-executive Director, Chair of the Nomination and Remuneration Committee, and member of the Audit and Risk Committee 18 May 2026
8. Joe Coote was appointed as Chief Executive Officer and Managing Director 28 July 2025 and Executive Director on 15 September 2025
9. Katrina Rathie resigned as Chair of the Board and Chair of the Chair of the Nomination and Remuneration Committee 15 September 2025
10. Reg Weine tenured as Chief Executive Officer and Managing Director ended 28 July 2025

Company secretary

Olga Smejkalova was appointed Company Secretary on 20 October 2025 through Acclime Corporate Services Pty Ltd, which provides company secretarial services to the Company.

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Group during the financial year.

Principal activities

The Group offers a significant range of infant formula products, toddler milk powder and nutritional products, adult milk powder products, and fresh dairy products, including goat milk-based offerings. There was no significant change in the nature of the Group's principal activities during the financial year.

Environmental regulations

The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Events subsequent to the end of the reporting period

On 10 July 2026, the Group appointed Chris Rowe as the new Chief Financial Officer, taking over from Naomi Verloop who is no longer a KMP from this date.

There have been no subsequent events since 30 June 2026 that have significantly affected or could significantly affect the reported results from operations or the Company's financial position for the year then ended.

Dividends

No dividends have been paid or declared since the start of the financial year (2025: Nil).

Indemnification and insurance of directors, officers and auditors

The Group has paid insurance premiums in respect of Directors' and Officers' liability insurance for current and past Directors and Officers. Insurance does not indemnify the Directors and Officers where there is conduct involving lack of good faith.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer, director or auditor of the Group against a liability incurred as such an officer, director or auditor.

Proceedings on behalf of the group

The Group was previously involved in legal proceedings with former customers Alice Trading Ltd ("Alice") and Willis Trading Ltd ("Willis"), subsidiaries of Alpha Professional Holdings Limited, a company incorporated in Bermuda and listed on the Hong Kong Stock Exchange.

In November 2025, the Group reached a settlement with Alice and Willis, resulting in a cash receipt of $825,000, which was received in December 2025. The matter has now been concluded.

The directors have given consideration to such other matters which are or may be subject to claims, penalties and litigation as of the reporting date and are of the opinion that any litigation arising from such action would not have a material effect on the Group's financial performance.

Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

Gender diversity

The Group has a strong commitment to diversity and recognised the value of attracting and retaining employees with different backgrounds, gender, culture, knowledge, experience, and abilities. Diversity contributes to the Group's business success and benefits individuals, clients, teams, shareholders, and stakeholders. The Group's business policies, practices and behaviours promote diversity and equal opportunity and creates an environment where individual differences are valued, and all employees have the opportunity to realize their potential and contribute to the Group's success.

	As at 30 June 2026				As at 30 June 2025			
	Male	Male (%)	Female	Female (%)	Male	Male (%)	Female	Female (%)
Board	4.0	80.0	1.0	20.0	3.0	75.0	1.0	25.0
Senior management	4.0	50.0	4.0	50.0	5.0	71.0	2.0	29.0
Employees	51.0	48.6	54.0	51.4	32.0	46.0	37.0	54.0
Total	**59.0**	**50.0**	**59.0**	**50.0**	**40.0**	**50.0**	**40.0**	**50.0**

Unissued shares

At the date of this report, the Group has no unissued shares under option.

Non-audit services

No non-audit services were provided by KPMG during the year ended 30 June 2026.

Details of amounts paid or payable to the auditor during the year are outlined in Note G3 to the financial statements. A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

Message from the Chair of the Remuneration and Nomination Committee

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 June 2026.

During FY26, Bubs continued to execute its strategy of building a sustainable and profitable infant nutrition business, maintaining a disciplined focus on operational efficiency, capital management and long-term shareholder value creation.

Against this backdrop, the Committee remained focused on ensuring that remuneration outcomes appropriately reflected Company performance while supporting the attraction, retention and motivation of high-calibre leaders.

The Committee's remuneration framework is designed to align executive reward with the achievement of strategic, operational and financial objectives. Consistent with this philosophy, remuneration outcomes reflect both the Company's performance during the year and individual contributions to achieving key business priorities.

Throughout the year, the Committee reviewed the effectiveness of the Group's remuneration arrangements to ensure they remain appropriate for the Company's size, stage of development and strategic objectives. In doing so, we sought to maintain an appropriate balance between rewarding performance, retaining critical talent and aligning the interests of executives with those of shareholders.

The Committee also continued to oversee succession planning and broader people and organisational matters. Ensuring Bubs has the leadership capability, skills and culture required to execute its strategy remains a key priority of the Board. Significant changes to the management team included the appointments of Joe Coote (CEO), Jasmin Manner (President USA), Annie Chen (CMO). As we continue to develop our management team, we have also added two independent board members who bring significant FMCG experience and deep commercial insight.

The Remuneration Report outlines the Company's remuneration framework and the remuneration outcomes for Key Management Personnel during FY26. We believe the framework remains aligned with shareholder interests and supports delivery of the Company's long-term growth ambitions.

On behalf of the Board, I thank our employees, management team and fellow directors for their continued commitment and contribution throughout the year.

Looking ahead to FY27, the Committee will continue to ensure the Company's remuneration and talent frameworks support the successful execution of Bubs' strategy. Our focus remains on aligning executive reward with sustainable business performance, supporting leadership capability and succession planning, and fostering a culture that enables the Company to deliver long-term value for shareholders.

Lori Marcus

Lori Tauber Marcus
Independent Chair/Non-Executive Director

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2026 forms part of the Directors' Report. It has been prepared in accordance with the Corporations Act 2001 (Cth) (the Act), the Corporations Regulations 2001 (Cth) and AASB124 Related Party Disclosures and audited as required by the Act. It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of Bubs' remuneration governance and practices.

Key management personnel

The term key management personnel (KMP) refers to those persons having the authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly and includes any Director of the Group. The disclosures in this report have been audited.

The KMP of the Group for the year ended 30 June 2026 were:

- Paul Jensen (appointed as Independent Chair and Non-Executive Director 15 September 2025)
- Steve Lin (Non-Executive Director)
- Pascal De Petrini (appointed as Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee 21 April 2026)
- Lori Tauber Marcus (appointed as Chair of the Nomination and Remuneration Committee 18 May 2026)
- Joe Coote (Chief Executive Officer and Managing Director – appointed 28 July 2025)
- Richard Paine (Chief Operating Officer)
- Naomi Verloop (resigned as Chief Financial Officer 10 July 2026)
- Reg Weine (tenure as Chief Executive Officer and Managing Director ended 28 July 2025)
- Katrina Rathie (resigned as Independent Chair and Non-Executive Director 15 September 2025)

Remuneration structure

The Nomination and Remuneration Committee (the Committee) was established on 1 February 2022 and advises the Board on the policies and practices employed in the remuneration of the KMP. The Committee is also responsible for reviewing all components of the Group's remuneration practices pertinent to its employees. The Committee makes recommendations to the Board however, all decision-making authority in relation to remuneration remains with the Board.

In consultation with external remuneration consultants, the Board's policy for remunerating executives is to provide market-based remuneration packages comprising a blend of fixed and variable at-risk incentive- based remuneration with clear links between Group and individual employee performance and reward.

The Board seeks to set aggregate compensation at a level that provides the Group with the ability to attract and retain KMP of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The amount of aggregate compensation sought to be approved by the Nominations and Remuneration Committee and the manner in which it is apportioned amongst the KMP is reviewed annually. The overall level of other KMP compensation takes into consideration the performance of the Group over multiple years.

The following table provides the summary of Group's earnings for the five years to 30 June 2026:

	2026 $	2025 $	2024 $	2023 $	2022 $
Revenue	111,857,863	102,544,417	79,703,759	60,110,627	89,297,324
EBIT[1]	(3,398,834)	4,512,142	(21,151,464)	(107,551,051)	(10,445,126)
Underlying EBITDA[2]	5,303,772	1,210,219	(20,272,830)	(105,230,779)	(7,751,929)
Share price at year end	0.077	0.170	0.130	0.180	0.595
Basic earnings (loss) per share	(0.01)	0.01	(0.03)	(0.15)	(0.02)
Total dividend (cents per share)	–	–	–	–	–

1. Earnings Before Interest and Tax (EBIT) and Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA) are non-IFRS measures, not been subject to audit or review.
2. Underlying EBITDA excludes one-off items (proceeds from insurance claim, credit recoveries & legal settlements, regulatory reset, restructuring costs, USA airfreight and USA non-AU tariffs).

Fixed remuneration

Key Management Personnel's fixed remuneration is based on a matrix of an individual qualifications, skills and experience, their individual performance and their current level of remuneration relative to the market. Fixed remuneration is reviewed on an annual basis, and where appropriate, is adjusted based on consideration of individual performance and market remuneration movement. The overall level of KMP reward takes into account the performance of the Group over a number of years. This ensures that the Group attracts, motivates, and retains high calibre executives so they can deliver on the Group's business strategy and contribute to the Group's ongoing financial performance.

Total fixed remuneration (TFR) comprises of base salary, superannuation in accordance with the statutory rates and allowances. The Board reviews and approves all changes to fixed remuneration.

Variable remuneration

Short term incentive (STI)

The STI focuses on performance goals which align with the Group's direction, driving outcomes, and rewarding high performance over the financial year. STI values are generally calculated as a percentage of fixed remuneration. STI values and performance targets are approved by the Board annually.

STI payments are determined and paid annually following the finalisation of audited Group results and are contingent on the achievement of Group financial targets and specific agreed personal objectives.

Any FY26 STI awards can be paid in either cash or equity at the discretion of the Board. No STI payments were made in FY26 to KMP.

The link between performance and reward in FY26

Each element of remuneration should be designed to work with the other elements of remuneration to produce an appropriate range of remuneration outcomes linked to performance, market benchmarks and the Company's strategy, as well as working together to incentivise and reward an appropriate range of behaviours.

Share rights issued to CEO

During FY26, Bubs issued Shares Rights to Joe Coote, Chief Executive Officer & Managing Director (CEO/MD) and were approved by Shareholders and granted on 20 November 2025.

The following performance rights were issued:

Sign-on retention rights (SOR Rights)

SOR Rights have "time-based" vesting conditions where period held determines the number of shares that will vest.

- 1,000,000 share rights – These rights vested upon completion of the service period on 31 July 2026;
- 1,250,000 share rights – These rights vested upon completion of the service period on 31 July 2027;
- 1,500,000 share rights – These rights vested upon completion of the service period on 31 July 2028.

Share rights issued to CEO, COO and CFO

LTI Performance Rights

During FY26 Bubs issued the following share rights which are subject to an indexed total shareholder return (TSR) vesting condition:

- 3,291,123 share rights issued to Joe Coote (CEO) scheduled to vest on 30 June 2028. This was subject to Shareholder approval on 20 November 2025 and valued at $0.076.
- 1,763,853 share rights were issued to Richard Paine (COO) vesting on 30 June 2028 valued at $0.076.
- 1,645,562 share rights were issued to Naomi Verloop (CFO) vesting on 30 June 2028 valued at $0.076.

The vesting of the Rights will be determined by comparing the Company's TSR against the TSR of the S&P/ASX Small Ordinaries Index from 1 July 2025 to 30 June 2028 (the Measurement Period). The number of rights that will vest is dependent on the following vesting schedule:

Performance Level	Bubs TSR relative to S&P/ASX Small Ordinaries Index	% of Rights which vest
Stretch	≥ index TSR + 10% TSR CAGR	100%
Between target and stretch	> index TSR & < index TSR + 10% TSR CAGR	Pro-rata
Target and threshold	≥ index TSR	50%
Below threshold	< index TSR	0%

Executive contracts

The remuneration and other terms of employment for KMP executives are covered in formal employment contracts. The Group may terminate an executive immediately for cause, in which case the executive is not entitled to any payment other than the value of total fixed remuneration (and accrued entitlements) up to the termination date.

KMP executive	Notice period by the Group	Notice period by Executive	Payment in lieu of notice
Joe Coote (Chief Executive Officer and Managing Director) Appointed 28 July 2025	6 months	6 months	Yes
Richard Paine (Chief Operating Officer)	3 months	3 months	Yes
Naomi Verloop (Chief Financial Officer) Appointed on 10 February 2025, resigned on 10 July 2026	3 months	3 months	Yes
Reg Weine (Chief Executive Officer and Managing Director) Appointed on 28 August 2023, tenure ended on 28 July 2025	6 months	6 months	Yes

Non-Executive Directors' remuneration

The Group's remuneration policy for Non-Executive Directors aims to ensure that the Group can attract and retain suitably qualified and experienced Directors having regard to:

- the level of fees paid to Non-Executive Directors of other comparable Australian listed companies;
- the growing size and complexity of the Group's operations;
- the responsibilities and work requirements of Board members; and
- the skills and diversity of Board members.

Under the ASX Listing Rules, the total amount paid to all Non-Executive Directors in any financial year must not exceed the amount fixed in a general meeting of the Group.

This amount is currently $500,000 (2025: $500,000) as determined by Shareholders at the AGM held on 14 November 2023. The Board's present policy for Non-Executive Directors, the Chair of the Nominations and Remuneration Committee and the chair of the Audit and Risk Committee is set out below.

The annual remuneration rate for the year ended 30 June 2026 and exclusive of superannuation.

Position	Annual Remuneration
Chair of the Board	$175,100
Non-Executive Director	$103,000
Chair of Nomination and Remuneration Committee & Chair of the Audit & Risk Committee	$20,600
Committee member	$10,300

Other related party transactions with KMP

No key management personnel or any other related party has entered into any other contracts with the Group since the end of the previous financial year. All of the above transactions were considered to be on an arms' length basis.

Details of the nature and amount of each element of the remuneration

Table A(1): Remuneration for Executive KMP

		Short-term			Post-employment	Other long-term			
	Year	Salary & fees $	Annual Leave $	Short-term incentive $	Super-annuation $	Long service leave $	Share-based Payments – Share rights $	Total	Performance related %
Joe Coote[1]	2026	615,528	50,308	–	30,000	10,056	184,800	890,692	21%
	2025	–	–	–	–	–	–	–	–
Reg Weine[2]	2026	458,862	55,531	–	18,166	7,049	(297,539)	242,069	0%
	2025	738,629	55,536	676,710	29,932	12,024	343,619	1,856,450	47%
Richard Paine[3]	2026	420,940	29,540	–	30,000	6,395	105,728	592,603	18%
	2025	409,360	28,617	213,037	29,932	6,196	20,351	707,493	33%
Naomi Verloop[4]	2026	372,212	27,404	–	25,000	5,933	97,102	527,651	18%
	2025	136,258	10,209	76,233	12,472	2,204	18,986	256,362	37%
Robin Johnston[5]	2026	–	–	–	–	–	–	–	–
	2025	66,277	6,872	–	6,867	–	–	80,016	0%
Aaliyah Nyathi[6]	2026	–	–	–	–	–	–	–	–
	2025	98,200	6,354	–	9,669	–	–	114,223	0%
	2026	**1,867,542**	**162,783**	**0**	**103,166**	**29,433**	**90,091**	**2,253,015**	
	2025	**1,448,723**	**107,588**	**965,980**	**88,872**	**20,423**	**382,955**	**3,014,542**	

1. STI and LTI share rights issued to the CEO and approved by the AGM on 20 November 2025.
2. Reg Weine's tenure as CEO ended on 28 July 2025 and was no longer deemed a KMP from this date.
3. LTI share rights issued to the COO 27 March 2025 and 23 December 2025.
4. Naomi Verloop was appointed as CFO on 10 February 2025 and was deemed a KMP from this date. STI share rights were issued to the CFO 27 March 2025 and 23 December 2025. Naomi Verloop resigned as CFO on 10 July 2026 and was no longer deemed a KMP from this date.
5. Robin Johnston resigned as CFO on 26 June 2024, effective 27 September 2024 post the release of FY24 annual report and was no longer deemed a KMP from this date.
6. Aaliyah Nyathi was appointed as Interim CFO on 1 October 2024, resigned effective 10 February 2025 and was no longer deemed a KMP from this date.

Table A(2): Remuneration for Non-Executive Directors

		Short-term		Post Employment	Other long-term			
	Year	Director fees $	Non-monetary $	Super-annuation $	Long service leave $	Share-based Payments – options $	Total	Performance related %
Paul Jensen	2026	219,365	–	–	–	–	**219,365**	–
	2025	149,300	–	–	–	–	**149,300**	–
Steve Lin[1]	2026	–	–	–	–	–	**–**	–
	2025	–	–	–	–	–	**–**	–
Pascal De Petrini	2026	25,679	–	–	–	–	**25,679**	–
	2025	–	–	–	–	–	**–**	–
Lori Marcus	2026	14,561	–	–	–	–	**14,561**	–
	2025	–	–	–	–	–	**–**	–
Katrina Rathie	2026	52,891	–	6,347	–	–	**59,238**	–
	2025	206,000	–	23,690	–	–	**229,690**	–
Total	**2026**	**312,496**	–	**6,347**	–	–	**318,843**	
	2025	**355,300**	–	**23,690**	–	–	**378,990**	

1. Steve Lin's services were remunerated by C2 Capital Partners in FY25 and FY26.

Fully paid ordinary shares of Bubs Australia Limited

Table B: Movement in the shares of Bubs held, directly, indirectly or beneficially, by each KMP, including their related parties.

	Year	At the beginning of the year	Purchase of shares	Other change	Shares disposed	At the end of the year
Paul Jensen[1]	2026	500,000	1,630,890	–	–	2,130,890
	2025	460,000	40,000	–	–	500,000
Steve Lin[2]	2026	–	–	–	–	–
	2025	–	–	–	–	–
Katrina Rathie[3]	2026	1,335,970	164,030	–	–	1,500,000
	2025	1,335,970	–	–	–	1,335,970
Reg Weine[4]	2026	1,800,000	1,000,000	–	(450,000)	2,350,000
	2025	600,000	1,200,000	–	–	1,800,000
Robin Johnston	2026	–	–	–	–	–
	2025	250,000	–	–	(250,000)	–
Richard Paine	2026	561,967	–	–	–	561,967
	2025	561,967	–	–	–	561,967

1. Shares are held by Taranaki Holdings Pty Ltd.
2. On 30 June 2025 and 30 June 2026, 76,288,510 shares were held by C2 Capital Partners, of which Steve Lin is the Managing Director.
3. Shares are held by Rathie Superannuation Pty Limited.
4. Shares are held by Barnbougle Investments Pty Limited and Muirfield Securities Pty Ltd. Reg Weine converted 1,000,000 share rights following the release of FY25 accounts into ordinary shares.

Short term incentive share rights

Table C: Short term incentive share-based rights granted as remuneration to KMP.

	Year	Number of share Rights held at the beginning of the year	Grant date	Number of share rights granted	Fair Value of share rights granted	Vesting date	Number vested	Number Exercised	Number Expired	Number lapsed	Number of share rights held at the end of the year
Reg Weine[1]	2026	–	–	–	–	–	–	–	–	–	–
	2025	1,000,000	–	–	–	–	1,000,000	(1,000,000)	–	–	–

1. Reg Weine converted 1,000,000 STI share rights following the release of FY24 accounts into ordinary shares.

LTI share rights

LTI Share rights granted to KMP

Movement in the LTI share rights granted to KMP during the year.

	Year	Number of share lights held at the beginning of the year	Grant date	Number of share rights granted	Fair Value of share rights granted at grant date	Vesting date	Number vested	Number Exercised	Number Expired	Number lapsed	Number of share rights held at the end of the year
Joe Coote[1]	2026	–	20 Nov 25	1,000,000	76,000	31 Jul 26	–	–	–	–	1,000,000
	2026	–	20 Nov 25	1,250,000	95,000	31 Jul 27	–	–	–	–	1,250,000
	2026	–	20 Nov 25	1,500,000	114,000	31 Jul 28	–	–	–	–	1,500,000
	2026	–	20 Nov 25	3,291,123	250,125	30 Jun 28	–	–	–	–	3,291,123
	2025	–	–	–	–	–	–	–	–	–	–
Reg Weine	2026	11,185,289	21 Nov 24	–	693,488	30 Jun 27	–	–	–	(11,185,289)[2]	–
	2026	7,180,328	14 Nov 23	–	359,016	Note[3]	–	–	–	(4,786,885)[2]	2,393,443[2]
	2026	1,000,000	14 Nov 23	–	170,000	30 Jun 25	–	(1,000,000)[1]	–	–	–
	2026	1,000,000	14 Nov 23	–	170,000	30 Jun 26	–	–	–	(1,000,000)[2]	–
	2025	–	21 Nov 24	11,185,289	693,488	30 Jun 27	–	–	–	–	11,185,289[2]
	2025	7,180,328	14 Nov 23	–	359,016	Note[3]	–	–	–	–	7,180,328[2]
	2025	1,000,000	14 Nov 23	–	170,000	30 Jun 25	1,000,000[1]	–	–	–	1,000,000
	2025	1,000,000	14 Nov 23	–	170,000	30 Jun 26	–	–	–	–	1,000,000[2]
Richard Paine	2026	2,325,371	27 Mar 25	–	176,728	30 Jun 27	–	–	–	–	2,325,371
	2026	–	23 Dec 25	1,763,853	134,053	30 Jun 28	–	–	–	–	1,763,853
	2025	–	27 Mar 25	2,325,371	176,728	30 Jun 27	–	–	–	–	2,325,371
Naomi Verloop	2026	2,169,421	27 Mar 25	–	164,876	30 Jun 27	–	–	–	–	2,169,421
	2026	–	6 Jan 25	1,645,562	125,063	30 Jun 28	–	–	–	–	1,645,562
	2025	–	27 Mar 25	2,169,421	164,876	30 Jun 27	–	–	–	–	2,169,421

1. Reg Weine met his service condition at 30 June 2025, therefore his 2nd tranche of sign-on rights vested on 30 June 2025 and exercised on 15 September 2025.
2. Reg Weine departed from the company on 28 July 2025 and the following LTI sign-on retention rights and performance rights were forfeited:
   - 1,000,000 sign-on retention rights issued in FY24
   - 4,786,885 LTI performance rights issued in FY24 (2,393,443 remain on foot)
   - 11,185,289 LTI performance rights issued in FY25.
3. Rights are scheduled to vest following the release of the Company's FY26 audited financial results to the ASX.

This Directors' report is signed in accordance with a resolution of the board of Directors:

Paul Jensen
Independent Chair and Non-Executive Director

Melbourne
Dated: 27 August 2026

Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Bubs Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Bubs Australia Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

J.Carey.

Julie Carey
Partner
Melbourne
27 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue	B2	111,857,863	102,544,417
Cost of sales	B3	(67,371,451)	(53,487,740)
Gross profit		**44,486,412**	**49,056,677**
Other Income	B6	942,271	1,960,542
Distribution and selling costs		(7,549,256)	(7,371,787)
Marketing and promotion costs		(15,017,842)	(12,428,338)
Administrative and other costs	B3	(26,289,098)	(29,778,616)
Credit recoveries	B3	28,680	3,073,664
Operating (loss)/profit		**(3,398,834)**	**4,512,142**
Interest income		194,480	342,359
Interest expense	B3	(619,607)	(487,264)
Finance (cost)/income		(800,712)	1,176,604
Net Finance (cost)/income		**(1,225,839)**	**1,031,699**
(Loss)/Profit before tax		**(4,624,673)**	**5,543,841**
Income tax expense	B5	–	–
(Loss)/Profit for the year after tax		**(4,624,673)**	**5,543,841**
Other comprehensive income			
Exchange difference on translation of foreign operations		903,934	(373,929)
Other comprehensive income/(loss) for the year, net of tax		**903,934**	**(373,929)**
Total comprehensive (loss)/profit for the year		**(3,720,739)**	**5,169,912**
Profit/(loss) per share			
Basic (loss)/profit per share (dollars)	B4	(0.01)	0.01
Diluted (loss)/profit per share (dollars)	B4	(0.01)	0.01

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current Assets			
Cash and cash equivalents	D3	9,412,498	17,426,313
Trade and other receivables	C1	12,574,987	10,607,740
Inventories	C2	36,266,972	20,060,471
Other assets	C3	2,202,026	2,797,859
Total Current Assets		**60,456,483**	**50,892,383**
Non-Current Assets			
Plant and equipment	C4	3,792,775	3,730,969
Right of use assets	C7	5,505,542	762,897
Intangible assets	C5	1,915,296	1,217,095
Other assets	C3	567,739	567,738
Total Non-Current Assets		**11,781,352**	**6,278,699**
Total Assets		**72,237,835**	**57,171,082**
Liabilities			
Current Liabilities			
Trade and other payables	C6	15,536,625	10,293,763
Lease liabilities	C7	983,893	670,709
Borrowings	C8	10,000,000	–
Provisions	C9	1,171,969	2,964,962
Total Current Liabilities		**27,692,487**	**13,929,434**
Non-Current Liabilities			
Lease liabilities	C7	4,939,701	296,791
Provisions	C9	577,959	468,300
Total Non-Current Liabilities		**5,517,660**	**765,091**
Total Liabilities		**33,210,147**	**14,694,525**
Net Assets		**39,027,688**	**42,476,557**
Equity			
Issued capital	D5	356,757,916	356,757,916
Share based payments reserve	D6	12,962,847	12,690,977
Foreign currency translation reserve		(95,342)	(999,276)
Accumulated losses		(330,597,733)	(325,973,060)
Total Equity		**39,027,688**	**42,476,557**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

2026		Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2025		**356,757,916**	**12,690,977**	**(999,276)**	**(325,973,060)**	**42,476,557**
Comprehensive income						
Profit for the year		–	–	–	(4,624,673)	(4,624,673)
Other comprehensive loss		–	–	903,934	–	**903,934**
Total comprehensive income		**–**	**–**	**903,934**	**(4,624,673)**	**(3,720,739)**
Other equity transactions:						
Share based payment expense	D6	–	271,870	–	–	**271,870**
Balance at 30 June 2026		**356,757,916**	**12,962,847**	**(95,342)**	**(330,597,734)**	**39,027,688**

The accompanying notes form part of these consolidated financial statements.

2025		Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2024		**356,757,916**	**12,256,032**	**(625,347)**	**(331,516,901)**	**36,871,700**
Comprehensive income						
Loss for the year		–	–	–	5,543,841	5,543,841
Other comprehensive loss		–	–	(373,929)	–	**(373,929)**
Total comprehensive loss		**–**	**–**	**(373,929)**	**5,543,841**	**5,169,912**
Other equity transactions:						
Share based payment expense	D6	–	434,945	–	–	**434,945**
Balance at 30 June 2025		**356,757,916**	**12,690,977**	**(999,276)**	**(325,973,060)**	**42,476,557**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		113,044,615	103,749,841
Payments to suppliers, employees and government		(127,754,091)	(97,473,016)
Interest received		194,480	342,359
Interest paid		(623,248)	(487,264)
Net cash (used in)/from operating activities	**D4**	**(15,138,244)**	**6,131,920**
Cash flows from investing activities			
Purchases of plant and equipment		(506,261)	(83,014)
Purchases of intangible assets		(704,760)	(35,096)
Net cash (used in) investing activities		**(1,211,022)**	**(118,110)**
Cash flows from financing activities			
Proceeds from borrowings		10,000,000	2,000,000
Repayment of borrowings		–	(7,283,866)
Payment of lease liabilities		(1,699,995)	(746,257)
Net cash from/(used in) financing activities		**8,300,005**	**(6,030,123)**
Net increase/(decrease) in cash and cash equivalents		**(8,049,261)**	**(16,313)**
Effect of exchange rate changes on cash		35,446	(80,848)
Cash and cash equivalents at the beginning of the financial year		17,426,313	17,523,474
Total cash and cash equivalents at the end of the year		**9,412,498**	**17,426,313**

The accompanying notes form part of these financial statements.

A. Basis of preparation

Corporate information

The consolidated financial statements cover Bubs Australia Limited as a consolidated entity consisting of Bubs Australia Limited and the entities it controlled ("the Group") for the year ended 30 June 2026. The financial report is presented in Australian dollars, which is Bubs Australia Limited's functional and presentational currency.

The Group is a for-profit entity that is a listed public company limited by shares, incorporated and domiciled in Australia. The Group's principal activity is the manufacturing and sale of infant formula products, adult goat milk powder and fresh dairy products.

Basis of preparation

The consolidated financial statements are general-purpose financial statements, which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements, apart from the cash flow information and deferred consideration payable, have been prepared on an accruals basis and are based on historical costs.

Going concern basis of accounting

The Group have prepared the consolidated financial statements for the year ended 30 June 2026 on a going concern basis, which assumes continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business.

Financial results

On 30 June 2026, the Group is in a net current asset position of $32.8 million (2025: $37.0 million). At 30 June 2026, the Group has $9.4 million in available cash and cash equivalents and $10.0 million in committed un-drawn bank facilities (Note C8).

The Group made a FY26 loss after tax of $4.6 million (FY25 profit: $5.5 million). During the year, the Group extended the facility with National Australia Bank to 31 August 2027 and increased the facility limit to $20.0 million (FY25: $10.0 million) (Note C8). Net cash flows used in operating activities in FY26 were $15.1 million (FY25 inflows: $6.1 million).

Future financial performance

The Directors have considered the Group's revenue projections and cash flow forecasts based on current market conditions and business plans to determine the appropriateness of preparing the financial report on a going concern basis.

The Group acknowledges the inherent uncertainty in its earnings forecast, which assumes attainment of the permanent U.S. Food and Drug Administration (FDA) approval to continue operating in the USA. The FDA continues to facilitate the importation, sale, and distribution of Bubs' infant formula products while its review process is being finalised and the products remain available in the US market under the FDA's 'Enforcement Discretion' regulatory process. FDA approval to sell in the US market beyond the current review period is an assumption underpinning this assessment.

The Directors are confident that the Group will secure permanent FDA approval. The cash flow forecasts prepared assume that FDA approval will be granted and that the Group's bank facility will be extended beyond the current expiry date. Should these forecasts not be achieved there is a material uncertainty regarding the appropriateness of the going concern basis of accounting and the Group may not be able to realize its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

Notwithstanding this material uncertainty, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis based on the information available at the date of approval.

The Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

New, revised or amending accounting standards and interpretations adopted

AASB 18 Presentation and Disclosure in Financial Statements (AASB 18) is a new accounting standard that replaces AASB 101 Presentation of Financial Statements. AASB 18 issued in June 2024, and it incorporates International Financial Reporting Standard 18 (IFRS 18). The new standard is effective for the Group's consolidated financial statements for the reporting period beginning on 1 July 2027.

The Group will adopt the standard in the period it is effective. The standard is expected to affect the presentation of certain line items within the consolidated statement of comprehensive income (SOCI) and notes to financial statements but will not affect the recognition or subsequent measurement of items disclosed.

New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2026.

IFRS 18 was issued in April 2024 and replaces IAS 1 Presentation of Financial Statements. The new standard introduces new requirements for the Statement of Profit or Loss, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows.

The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the Statement of Profit or Loss and Statement of Financial Position line items are presented as well as some additional disclosures in the notes to the financial statements. The Group is in the process of assessing the impact of the new standard.

Material accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions. The most material use of judgements and estimates has been applied to the following areas. Refer to the respective notes for additional details.

	Reference
Recoverability of trade and other receivables	Note C1
Valuation of inventory	Note C2

B. Group Performance

This section explains the results and performance of the Group for the year, including segment information, earnings per share and taxation.

B1. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Board) in order to allocate resources to the segment and assess its performance.

In FY25 and FY26, the Group had identified a single operating segment being the sale of nutritional food and adult powder. Accordingly, the financial information presented in the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of financial position was the same as that presented to the chief operating decision maker.

B2. Revenue

Geographic information

	2026 $	2025 $
Australia	18,317,632	19,781,900
China	21,359,244	21,090,653
USA	65,812,238	53,147,521
Rest of World	6,368,749	8,524,343
Total	**111,857,863**	**102,544,417**

The revenue information above is based on the locations of the customers. The Group had three external customers who generated greater than 10 percent of the Group's revenue at 30 June 2026 amounting to $51,507,518 (2025: two customers amounting to $29,789,454).

99.6% of the Group's fixed assets are located in Australia.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2026 $	2025 $
Sale of Infant Formula	97,276,723	88,424,783
Sale of Nutritional Products	787,973	1,142,900
Sale of Adult Goat Dairy Products	12,215,553	12,410,116
Sale of Raw Materials	1,577,614	566,618
Total revenue from contracts with customers	**111,857,863**	**102,544,417**

Recognition and measurement

Under *AASB 15 Revenue from Contracts with Customers*, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Sale of products

The Group has identified the following revenue streams by product type:

- Infant Formula
- Nutritional Products
- Adult Goat Dairy Products
- Raw materials

For all revenue streams, the Group's contracts with customers for the sale of products include one performance obligation. For most customers the Group has concluded that revenue from the sale of products should be recognised at the point in time when the products are transferred to the customer, generally on delivery of the products or when the goods are picked up at the Group's warehouse. Customers obtain control of products when the goods are delivered to and have been accepted by the customer. If the order is requested for pickup, control passes when the goods are picked up by the customer.

Some contracts contain trade spend terms, early payment discounts and may permit the customer to return an item for replacement or refund.

The Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns, volume rebates and marketing contribution.

For the year ended 30 June 2026, the Group has not recognised any right to recover or refund liability as there is no expectation for goods to be returned.

Rebates and marketing contribution

Rebates and marketing contribution with customers are recognised as a reduction of revenue. Under AASB 15 Revenue from Contracts with Customers, marketing contributions give rise to variable consideration. To estimate the variable consideration to which it is entitled, the Group applies the 'most likely amount method' for contracts with marketing contribution. The selected method that best predicts the amount of variable consideration is primarily driven by the marketing contribution agreed with the customers. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Key estimate and judgement

The Group estimates variable consideration to be included in the transaction price for the sale of products with rebates and market contribution.

The Group estimates the expected volume based on customer forecasts and accumulated purchases to date.

B3. Expenses

	2026 $	2025 $
Cost of sales		
Production costs	67,127,140	55,566,760
Net inventories provision/(reversal)	244,311	(2,079,020)
Total	**67,371,451**	**53,487,740**
Included in administrative and other expenses are the following:		
Accountancy and legal fees	1,682,111	2,039,079
Insurance	1,459,826	1,381,043
Travel costs	854,223	555,802
Consultancy fees	1,564,273	1,665,879
Occupancy costs	924,206	761,120
Depreciation and amortisation	1,271,423	734,963
Total	**7,756,062**	**7,137,886**
Employee costs		
Wages and salaries	13,301,134	15,437,497
Superannuation	1,007,108	1,019,504
Share based payments	271,870	434,945
Total	**14,580,112**	**16,891,946**
Interest expense		
Interest expense	221,370	426,564
Interest expense on lease liabilities	398,237	60,700
Total	**619,607**	**487,264**
Expected Credit Losses/(Credit recoveries)		
Credit recoveries due to legal settlement	–	(2,987,588)
Expected credit losses/(Other credit recoveries)	28,680	(86,076)
Total	**28,680**	**(3,073,664)**

As a result of the arbitration award against Alice Trading Ltd (Alice), the Company recognised a credit recovery of $3.0 million in FY25.

B4. Earnings per share (EPS)

	2026 $	2025 $
(Loss)/Profit attributable to the Group used in calculating basic and diluted EPS/(LPS)	(4,624,673)	5,543,841
Weighted average number of ordinary shares for basic EPS	893,921,247	892,957,435
Basic EPS/(LPS) (dollars)	(0.01)	0.01
Diluted EPS/(LPS) (dollars)	(0.01)	0.01

Recognition and measurement

Basic EPS is calculated as net profit attributable to the Group divided by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

B5. Income taxes

	2026 $	2025 $
Consolidated profit or loss		
Income tax (benefit)/expense reported in the statement of profit or loss	–	–
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Accounting profit/(loss) before income tax	(4,624,673)	5,543,841
Income tax (benefit)/expense calculated at 30% (2025 30%)	(1,387,402)	1,663,152
Tax effect of amounts not taxable in calculating income tax benefit		
Share based payments	81,561	130,484
Non-deductible costs	7,794	56,893
Income tax losses not recognised	1,368,547	342,061
Temporary difference not recognised	(70,500)	(2,192,590)
Income tax (benefits)/expense	**–**	**–**

Deferred tax assets/(liabilities) arise from the following:

2026	Opening Balance	Recognised in Profit or Loss	Recognised in Equity	Closing Balance
Trade and other receivables	(1,577,218)	454,876	–	(1,122,342)
Inventories	(696,640)	(360,810)	–	(1,057,450)
Intangible assets	355,926	(540)	–	355,386
Plant and equipment	(89,978)	(697)	–	(90,675)
Right of use assets	228,869	1,422,793	–	1,651,662
Lease liabilities	(290,250)	(1,486,828)	–	(1,777,078)
Trade and other payables	(292,153)	242,356	–	(49,797)
Provisions	(629,544)	131,997	–	(497,547)
Carried forward tax losses	3,447,701	(595,905)	–	2,851,796
Capital raising costs	(456,713)	192,758	–	(263,955)
	–	–	–	–

2025	Opening Balance	Recognised in Profit or Loss	Recognised in Equity	Closing Balance
Trade and other receivables	(2,837,901)	1,260,683	–	(1,577,218)
Inventories	(1,364,407)	667,767	–	(696,640)
Intangible assets	360,433	(4,507)	–	355,926
Plant and equipment	(93,278)	3,300	–	(89,978)
Right of use assets	400,620	(171,751)	–	228,869
Lease liabilities	(514,127)	223,877	–	(290,250)
Trade and other payables	(86,129)	(206,024)	–	(292,153)
Provisions	(403,586)	(225,958)	–	(629,544)
Carried forward tax losses	4,990,629	(1,542,928)	–	3,447,701
Capital raising costs	(452,254)	(4,459)	–	(456,713)
	–	–	–	–

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Bubs Australia Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group ('TCG') and Bubs Australia Limited is the head entity of the tax consolidated group.

Key estimate and judgement

Recovery of deferred tax assets

Judgement is required to be made by the Group in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated statement of financial position. As detailed above, in the year ended 30 June 2026, Bubs has recognised deferred tax assets up to the carrying amount of deferred tax liabilities. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Probable is considered more likely than not.

Judgement is required when deferred tax assets are reviewed at each reporting date. Deferred tax assets may be reduced to the extent that it is no longer probable that future taxable profits will be available.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

Changes in expectations for the future performance of the business may impact the amount of deferred tax assets recoverable and recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised.

At 30 June 2026, the Group had $47,082,387 (2025: $47,222,892) of unrecognised tax losses.

B6. Other income

	2026 $	2025 $
Proceeds from insurance claim	–	1,259,338
Proceeds from legal settlement	825,000	–
Other income	117,271	701,204
Total	**942,271**	**1,960,542**

In November 2025, the Group reached a settlement litigation with former customers, Alice Trading Ltd and Willis Trading Ltd. The outcome of the legal action resulted in a settlement receipt of $825,000. The proceeds were received by the Group in December 2025.

In December 2024 the Group reached a settlement agreement with its insurers for losses relating to quality issues identified on some raw materials with proceeds being received in January 2025.

C. Operating Assets and Liabilities

This section provides details of the Group's operating assets, and liabilities incurred as a result of trading activities, used to generate the Group's performance.

C1. Trade and other receivables

	30/06/2026 $	30/06/2025 $
Trade debtors	11,338,424	13,390,267
Allowance for credit losses	(294,868)	(3,004,187)
Other receivables	1,531,431	221,660
Total	**12,574,987**	**10,607,740**

The following table details trade receivables at risk based on the Group's provision matrix.

30/06/2026	Not past due	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
Gross carrying amount	10,538,120	415,521	32,725	210,093	–	141,965	11,338,424
Loss allowance	(243,996)	(12,493)	(11,007)	(3,597)	–	(23,775)	(294,868)
Trade debtors less allowance for credit losses							**11,043,556**

30/06/2025	Not past due	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
Gross carrying amount	9,892,260	567,490	140,541	60,102	28,432	2,701,442	13,390,267
Loss allowance	(301,569)	(10,345)	(2,392)	(2,077)	(1,194)	(2,686,610)	(3,004,187)
Trade debtors less allowance for credit losses							**10,386,080**

The Group's exposure to credit risks related to trade and other receivables are disclosed in Note D2 Financial risk management.

Recognition and measurement

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under AASB 15 Revenue from Contracts with Customers. Further details are disclosed in Note B2 Revenue.

Financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The Group's trade and other receivables and financial assets are measured at amortized cost that are held within a business model with the objective of holding the financial assets to collect contractual cash flows that meet the SPPI criterion.

The Group adopted a forward-looking expected credit loss (ECL) approach for impairment losses for ECLs for financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Key estimate and judgement

For trade receivables, the Group has applied the standard simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group.

C2. Inventories

	30/06/2026 $	30/06/2025 $
Raw materials	17,043,368	6,903,284
Finished goods	19,223,605	13,157,187
Total	**36,266,972**	**20,060,471**

The amount of inventory that was written off during the year was $1,274,175 (2025: $nil).

Having regard to the inventories on hand at 30 June 2026, the expiry dates of the inventory and sales forecasts, management has recognised an inventory obsolescence provision of $2,799,896 (2025: $2,555,585). The cost of inventories recognised as an expense during the year was $67,371,451 (2025: $53,487,740).

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the standard costing method. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Key estimates and judgements

Recovery of inventory

Estimation of net realisable value includes assessment of expected future turnover of inventory held for sale and the expected future selling price of such inventory. Management assessed the recoverability of inventories based on changes in trading and economic conditions, and changes in country specific regulations that may impact these estimations in future periods. This expected turnover method is also used to determine the realizable use of ingredients, including powder.

C3. Other assets

	30/06/2026 $	30/06/2025 $
Current		
Prepayments and other assets	708,237	959,472
Deposits paid	1,024,375	1,490,220
Prepayment for purchase of raw materials	274,050	348,167
Derivative financial assets	195,364	–
Total Current	**2,202,026**	**2,797,859**
Non-current		
Security bond	567,739	567,738
Total Non-current	**567,739**	**567,738**

Recognition and measurement

Prepayment for purchase of raw materials

Prepayment for purchase of raw materials represent payments for purchases of raw materials prior to ownership passing to the Group.

Deposits paid

Deposits paid represent payments to suppliers in relation to goods not received or services not rendered. These deposits are refundable to the Group.

Security bond

Security bond represents payments to the landlord securing the obligations of the Group under the lease contract of the Deloraine Dairy site.

C4. Plant and equipment

Recognition and measurement

	Building and improvements $	Production equipment $	Office equipment $	Total $
Cost				
As at 30 June 2024	**1,735,233**	**4,060,467**	**522,732**	**6,318,432**
Additions	5,968	62,163	14,366	82,497
Disposals	–	–	–	–
As at 30 June 2025	**1,741,201**	**4,122,630**	**537,098**	**6,400,929**
Additions	35	211,990	294,236	506,261
Disposals	–	–	–	–
As at 30 June 2026	**1,741,236**	**4,334,620**	**831,334**	**6,907,190**
Accumulated depreciation and impairment				
As at 30 June 2024	**(560,030)**	**(1,442,033)**	**(278,001)**	**(2,280,064)**
Depreciation	(93,222)	(245,490)	(51,184)	(389,896)
Disposals	–	–	–	–
As at 30 June 2025	**(653,252)**	**(1,687,523)**	**(329,185)**	**(2,669,960)**
Depreciation	(100,285)	(265,976)	(78,194)	(444,455)
Disposals	–	–	–	–
As at 30 June 2026	**(753,537)**	**(1,953,499)**	**(407,379)**	**(3,114,415)**
Net book value				
As at 30 June 2025	1,087,949	2,435,107	207,913	3,730,969
As at 30 June 2026	987,699	2,381,121	423,955	3,792,775

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Building and improvements	15-20 years
Production equipment	12-19 years
Office equipment	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

C5. Intangible assets

	Goodwill	Brand Name	Patents, Trademarks and Software	Other Intangibles	Total
Cost					
As at 30 June 2024	**90,614,673**	**4,691,634**	**130,965**	**47,096,599**	**142,533,871**
Additions	–	–	35,096	–	35,096
Disposals	–	–	–	–	–
As at 30 June 2025	**90,614,673**	**4,691,634**	**166,061**	**47,096,599**	**142,568,967**
Additions	–	700,000	7,400	–	707,400
Disposals	–	–	–	–	–
As at 30 June 2026	**90,614,673**	**5,391,634**	**173,461**	**47,096,599**	**143,276,367**
Accumulated depreciation and impairment					
As at 30 June 2024	**(90,040,602)**	**(4,100,000)**	**(95,226)**	**(47,096,599)**	**(141,332,427)**
Amortisation	–	–	(19,445)	–	(19,445)
Disposals	–	–	–	–	–
As at 30 June 2025	**(90,040,602)**	**(4,100,000)**	**(114,671)**	**(47,096,599)**	**(141,351,872)**
Amortisation	–	–	(9,199)	–	(9,199)
Disposals	–	–	–	–	–
As at 30 June 2026	**(90,040,602)**	**(4,100,000)**	**(123,870)**	**(47,096,599)**	**(141,361,071)**
Net book value					
As at 30 June 2025	574,071	591,634	51,390	–	1,217,095
As at 30 June 2026	574,071	1,291,634	49,591	–	1,915,296

Goodwill

Goodwill is recognised on business acquisitions, representing the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the business recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Brand names

On 3 December 2025, the Group paid $700,000 to acquire the registered brand name Caprilac and all associated intellectual property rights.

Brand names in Infant Food Co and Nulac Foods CGUs have an indefinite life and are not amortised. As at 30 June 2026, these assets were tested for impairment.

Other Intangibles

Included in Other Intangibles are:

- CNCA (Certification and Accreditation Administration of the People's Republic of China) license held by Deloraine Dairy. The license was fully impaired in FY23.
- Customer contract/lists acquired in a business combination that were fully impaired in FY23.

Impairment testing for Cash Generating Units (CGUs) including goodwill

Goodwill, brand names and intangible asset allocation

For the purposes of impairment testing, goodwill, brand names and other intangible assets with an indefinite useful life are allocated to the Group's CGUs which represent the lowest level within the Group at which goodwill and brand names are monitored by internal management and are no higher than an operating segment.

Goodwill, brand names and intangible assets with an indefinite useful life are allocated to the Group's CGUs as follows:

	2026 $	2025 $
Infant Food Co	1,865,705	1,165,705

Recognition and measurement

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Nulac and DLD CGUs do not carry any goodwill or indefinite life intangible assets as at 30 June 2026 (FY25: $Nil).

For the Infant Food Co CGU, the recoverable amount has been calculated based on the value in use, using a discounted cash flow (DCF) approach. The DCF uses post-tax cash flow projections that are based on the most recent budget/forecast and growth through the forecast period of 5 years. Discount rates has been updated to reflect the current market conditions.

The impairment assessment concluded that the recoverable amount exceeds the carrying amount for The Infant Food Co CGU at 30 June 2026. As a result, no impairment of goodwill and intangible assets has been recognised for this CGU.

C6. Trade and other payables

	30/06/2026 $	30/06/2025 $
Trade payables	13,122,095	7,434,137
Other payables	647,088	2,329,564
Customer deposits	1,476,172	242,028
Supplier financing	291,270	288,034
Total	**15,536,625**	**10,293,763**

Recognition and measurement

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortized cost due to their short-term nature, and they are not discounted. They represent liabilities recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services. The amounts are unsecured.

The carrying value of trade and other payables approximates their fair value.

Customer Deposits

Customer deposits are cash considerations received from customers, for which the Group has not yet provided goods or services in exchange.

Supplier Financing

On 30 November 2025, the Group entered into a supplier financing arrangement to fund the Group's general insurance premiums. Under the arrangement, the financier agreed to pay the insurer $1.46 million upfront on behalf of the Group and receive settlement from the Group over 10 monthly instalments to be repaid in full by 31 August 2026.

C7. Leases

Right of use assets

	Buildings $	Equipment $	Total
Cost			
As at 30 June 2024	**3,791,601**	**115,385**	**3,906,986**
Additions	–	–	–
As at 30 June 2025	**3,791,601**	**115,385**	**3,906,986**
Additions	3,498,928	–	3,498,928
Reassessment	2,816,153	–	2,816,153
Disposal	(1,269,736)	–	(1,269,736)
As at 30 June 2026	**8,836,946**	**115,385**	**8,952,331**
Accumulated depreciation and impairment			
As at 30 June 2024	**(2,470,949)**	**(100,637)**	**(2,571,586)**
Depreciation	(557,755)	(14,748)	(572,503)
As at 30 June 2025	**(3,028,704)**	**(115,385)**	**(3,144,089)**
Depreciation	(1,110,946)	–	(1,110,946)
Disposal	808,246	–	808,246
As at 30 June 2026	**(3,331,404)**	**(115,385)**	**(3,446,789)**
Net book value			
As at 30 June 2025	762,897	–	762,897
As at 30 June 2026	5,505,542	–	5,505,542

The Group leases several assets including buildings and IT equipment. The lease terms range from 2–5 years (2025: 2–5 years).

Extension options are included in a number of leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

During the year, the Group renewed its lease arrangements for the facilities in Dandenong South including a significant increase of leased area in one of the facilities. The prior leases were due to expire in April 2026 and have been renewed to 2031.

Amounts recognised in profit and loss

	30/06/2026 $	30/06/2025 $
Depreciation expense on right-of-use assets	1,110,946	572,503
Interest expense on lease liabilities	398,237	60,700
Expense relating to short-term leases	487,589	467,310

The total cash outflow for leases amount to $1,699,995 (2025: $746,257).

Lease liabilities

	30/06/2026 $	30/06/2025 $
Current	983,893	670,709
Non-current	4,939,701	296,791
	5,923,594	**967,500**
Maturity analysis		
Year 1	1,354,036	697,509
Year 2	1,391,216	298,515
Year 3	1,445,157	1,496
Year 4	1,502,458	–
Year 5 and onwards	1,297,512	–
	6,990,379	**997,520**
Less Interest	1,066,785	30,020
Total	**5,923,594**	**967,500**

The Group does not face a significant liquidity risk with regard to its lease liabilities. All lease obligations are denominated in Australian dollars.

Recognition and measurement

Applying *AASB 16 Leases*, for all leases, the Group:

- Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments.
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.
- Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities.

Under AASB 16, right-of-use assets are tested for impairment in accordance with *AASB 136 Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'Administrative and other costs' in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

C8. Borrowings

	30/06/2026 $	30/06/2025 $
National Australia Bank facility limit	20,000,000	10,000,000
Amount Drawn	10,000,000	–
Undrawn facility amount	10,000,000	10,000,000

The Group has a bank facility is with National Australia Bank. During FY26, the facility has been renewed until 31 August 2027, refer to going concern disclosures in Note A.

Recognition and measurement

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method. The carrying value of borrowings approximates their fair value due to relatively short-term maturity.

C9. Provisions

	30/06/2026 $	30/06/2025 $
Current		
Annual leave and long service leave	1,000,223	800,848
Other provisions	171,746	2,164,114
	1,171,969	**2,964,962**
Non-Current		
Long service leave	447,299	344,630
Make good provision	130,660	123,670
	577,959	**468,300**

Recognition and measurement

Annual leave and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Other provisions

Provisions made for financial obligations including legal costs.

D. Capital and Financial Risk Management

This section outlines how the Group manages its capital structure and its exposure to financial risk and provides details of its balance sheet liquidity and access to financing facilities.

D1. Capital management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern so that in due course it can provide returns for stakeholders and maintain an optimum capital structure.

In order to maintain or adjust the capital structure, the Group manages the level of debt such that it remains prudent and facilitates the execution of the operational plan and provides flexibility for growth.

D2. Financial risk management

Exposure to credit risk, foreign currency risk and liquidity risk arises in the normal course of the Group's business.

The Group's financial risk management processes and procedures seek to minimize the potential adverse impacts that may arise from the unpredictability of financial markets.

Policies and procedures are reviewed periodically to reflect both changes in market conditions and changes in the nature and volume of Group activities.

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

	30/06/2026 $	30/06/2025 $
Cash and cash equivalent (counterparty risk)	9,412,498	17,426,313
Trade receivables (customer credit risk)	11,043,556	10,386,079
Other receivables	1,531,431	221,660
Prepayment for purchase of raw materials	274,050	348,167
Deposits paid	1,592,114	2,057,959
	23,853,649	**30,440,178**

Counterparty risk

At balance date, the Group's bank accounts were held with National Australia Bank Limited and Bank of Montreal. The Group does not have any other concentrations of counterparty credit risk.

Customer credit risk

The Group's exposure to customer credit risk is influenced mainly by the individual characteristics of each customer. The majority of sales are to major retailers with established creditworthiness and minimum levels of default.

New customers are analysed individually for creditworthiness, taking into account credit ratings where available, financial position, previous trading experience and other factors.

In monitoring customer credit risk, customers are assessed individually by their debtor ageing profile. Monitoring of receivable balances on an ongoing basis minimizes the exposure to bad debts.

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group.

Ageing of trade receivables at the reporting date:

	30/06/2026 $	30/06/2025 $
Neither past due nor default	10,294,123	9,590,691
Past due but not impaired		
Past due up to 30 days	403,028	557,145
Past due 31 to 60 days	21,718	138,149
Past due 61 to 90 days	206,496	58,025
Past due more than 90 days	118,191	42,070
	11,043,556	**10,386,080**

Movement in allowance for doubtful debts.

	30/06/2026 $	30/06/2025 $
Allowance of doubtful debts		
Balance at beginning of the year	3,004,187	7,051,338
Amounts (recovered)/charged to the statement of profit or loss and other comprehensive income	(28,680)	(3,073,664)
Provision provided/(utilised)	(2,680,639)	(973,487)
	294,868	**3,004,187**

Foreign currency risk management

The Group enters into the transactions in Australia, New Zealand, China, USA and Europe and is exposed to currency risk arising from movements in the currencies of those countries against the AUD dollar. Expressed in AUD dollars, the table below indicates material exposure and sensitivity to movements in exchange rates on the profit or loss of the Group based on closing exchange rates as at 30 June, applied to the Group's financial assets/(liabilities) at 30 June.

To manage foreign currency risk, the Group enters into forward foreign exchange contracts. The Group has elected not to apply hedge accounting under AASB 9 and, accordingly, these derivative financial instruments are recognised initially at fair value and subsequently remeasured to fair value at each reporting date. Gains and losses arising from changes in the fair value of derivative financial instruments are recognised immediately in profit or loss

At 30 June 2026, the Group recognised a net derivative financial asset of $195,364 (2025: nil) in respect of outstanding foreign exchange contracts.

Exchange rates and assets and liabilities held in foreign currencies will fluctuate over the course of normal operations. The analysis is performed consistently from year to year.

2026	Net exposure on reporting date (Payable)/Receivable	Impact on pre-tax profit/(loss)	
		+10%	-10%
	$	$	$
Movement on exchange rate			
NZ Dollar	6,864	(624)	763
USD Dollar	9,959,668	(905,424)	1,106,630
RMB Dollar	31,359	(2,851)	3,484
Euro Dollar	3,919	(356)	435
Net Exposure	**10,001,810**	**(909,255)**	**1,111,312**

2025	Net exposure on reporting date (Payable)/Receivable	Impact on pre-tax profit/(loss)	
		+10%	-10%
	$	$	$
Movement on exchange rate			
NZ Dollar	119,305	(10,846)	13,256
USD Dollar	5,255,720	(477,793)	583,969
RMB Dollar	(63,206)	5,746	(7,023)
Euro Dollar	(18,964)	1,724	(2,107)
Net Exposure	**5,292,855**	**(481,169)**	**588,095**

Interest risk management

The Group's primary exposure to interest rate risk arises from borrowings under its $20.0 million facility, which expose the Group to variability in future cash flows from changes in the Australia Trade Refinance Indicator rate (Interest Rates). At 30 June 2026, the Group had drawn down $10.0 million under its facility. A change in interest rates would impact the Group's finance costs and operating cash flows. A 1% increase in interest rates on the drawn down amount ($10.0 million) would increase the Groups finance costs by $100,000

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its obligations as they fall due. This risk is managed by establishing a target minimum liquidity level, ensuring that ongoing commitments are managed with respect to forecast available cash inflows.

The Group has a $20.0 million facility limit, $10.0 million drawn at 30 June 2026 (30 June 2025: $nil drawn). During FY26, the facility has been renewed until 31 August 2027, refer to going concern disclosures in Note A.

Contractual undiscounted maturities of financial liabilities:

Contractual cash flows 2026	Carrying amount	Total	2 months or less	2-12 months	1-2 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Lease liability	5,923,594	6,990,377	225,672	1,128,363	1,391,216	4,245,126	–
Trade and other payables	14,626,655	14,626,655	14,626,655	–	–	–	–
Borrowings	10,000,000	11,263,185	180,455	902,275	10,180,455	–	
Supplier financing	291,270	291,270	291,270	–	–	–	–
Net Exposure	**30,841,519**	**33,171,487**	**15,324,052**	**2,030,638**	**11,571,671**	**4,245,126**	**–**

Contractual cash flows 2025	Carrying amount	Total	2 months or less	2-12 months	1-2 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Lease liability	950,990	997,520	116,251	581,258	298,515	1,496	–
Trade and other payables	10,005,729	10,005,729	10,005,729	–	–	–	–
Supplier financing	288,034	288,034	288,034	–	–	–	–
Net Exposure	**11,244,753**	**11,291,284**	**10,410,014**	**581,258**	**298,515**	**1,496**	**–**

D3. Cash and cash equivalents

	30/06/2026 $	30/06/2025 $
Cash at bank	9,412,498	17,426,313
	9,412,498	**17,426,313**

Interest is earned at floating rates based on daily bank deposit rates.

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents approximates their fair value.

D4. Cash flow information

Reconciliation of after-tax profit with net cash flows from operating activities.

	30/06/2026 $	30/06/2025 $
Profit/(Loss) after income tax expense for the year	(4,624,673)	5,543,841
Income tax benefit/(expense)	–	–
Share-based payments	271,870	434,945
Depreciation and amortisation	1,568,241	982,364
Foreign exchange translation	864,848	(293,081)
Decrease/(increase) in trade and other receivables	(1,967,247)	(1,284,500)
Decrease/(increase) in inventories	(16,206,501)	8,165,475
Decrease/(increase) in other assets	595,833	1,740,879
Increase/(decrease) in trade and other payables	5,242,862	(7,429,141)
Increase/(decrease) in Right of use assets and Lease Liabilities	799,858	–
Increase/(decrease) in provisions	(1,683,334)	(1,728,862)
Net cash outflow from/(used in) operating activities	**(15,138,244)**	**6,131,920**

D5. Share capital

	30/06/2026		30/06/2025	
	Shares	$	Shares	$
Movement in share capital				
Balance at the beginning of the year	893,130,038	356,757,916	892,130,038	356,757,916
Share issue to employees	1,000,000	–	1,000,000	–
Balance at the end of the year	**894,130,038**	**356,757,916**	**893,130,038**	**356,757,916**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Fully paid ordinary shares have no par value.

D6. Share based payments reserve

	30/06/2026 $	30/06/2025 $
Balance at the beginning of the year	12,690,977	12,256,032
Share based payment expense	271,870	434,945
Balance at the end of the year	**12,962,847**	**12,690,977**

Share based payments reserve

The equity settled payments reserve is used to record the value of share-based payments.

D7. Contingent liabilities

From time to time entities within the Group are party to various legal actions as well as enquiries from regulators and government bodies that have arisen in the normal course of business.

The outcome of the currently pending and potential future legal actions, of a legal nature cannot be predicted with certainty. Such matters can raise complex legal issues and are subject to many uncertainties including but not limited to the facts and circumstances of each matter.

The Group has given consideration to such matters which are or may be subject to claims, penalties and litigation as of the reporting date and are of the opinion that any litigation arising from such action would not have a material effect on the Group's financial performance.

E. Associates

As at 30 June 2026 the Company has the following associate entities:

	Country of incorporation	Principal Activity	Class of Shares	% Owned 2026	% Owned 2025
Capela Dairy Nutrition Co. Pty Ltd	Australia	Non-trading	Ordinary	20%	20%
Bubs Supreme Partner Pty Ltd	Australia	Non-trading	Ordinary	100%	51%

The above associates are carried at $Nil carrying amount as at 30 June 2026 (2025: $Nil).

Bubs Supreme Partner Pty Ltd became 100% owned by Bubs Australia Limited on 13 October 2025.

F. Group structure

F1. Parent entity

Bubs Australia Limited is the ultimate parent of the Group.

F2. Subsidiaries

	Country of incorporation	Principal Activity	Class of Shares	% Owned 2026	% Owned 2025
The Infant Food Holding Co. Pty Limited	Australia	Non-trading	Ordinary	100%	100%
The Infant Food Co. Pty Limited	Australia	Trading Company	Ordinary	100%	100%
Bubs IP Pty Ltd (formerly Bubs Australia Pty Limited)	Australia	Holder of IP and Trademarks	Ordinary	100%	100%
Nulac Foods Pty Ltd	Australia	Trading Company	Ordinary	100%	100%
Bubs New Zealand Pty Limited	New Zealand	Trading Company	Ordinary	100%	100%
Australia Deloraine Dairy Pty Ltd	Australia	Trading Company	Ordinary	100%	100%
Aussie Bubs Inc	USA	Trading Company	Ordinary	100%	100%
Bubs (Shanghai) Trading Co. Ltd	China	Non-trading	Ordinary	100%	100%
Bubs Supreme Partner Pty Ltd	Australia	Non-trading	Ordinary	100%	51%

Bubs Supreme Partner Pty Ltd was not a subsidiary in FY25 becoming 100% owned by Bubs Australia Limited on 13 October 2025.

F3. Parent entity information

Set out below is the supplementary information of the legal parent entity.

	2026 $	2025 $
Result of parent entity		
Profit/(Loss) for the year	(2,380,335)	(2,289,096)
Other comprehensive income	–	–
Total comprehensive loss for the year	**(2,380,335)**	**(2,289,096)**
Financial position of parent entity at year end		
Current assets	280,967	1,569,866
Total assets	105,560,703	108,261,057
Current liabilities	(443,896)	(1,227,806)
Total liabilities	(9,902,778)	(10,494,666)
Net assets	**95,657,925**	**97,766,391**
Issued share capital	384,756,709	384,756,709
Reserves	12,962,847	12,690,977
Accumulated losses	(302,061,630)	(299,681,295)
Total Equity	**95,657,925**	**97,766,391**

G. Other disclosures

G1. Related party transactions

Key management personnel

Key management personnel are defined as those persons having significant authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel compensation:

Key management personnel disclosures	30/06/2026 $	30/06/2025 $
Short-term employee benefits	2,342,821	2,877,592
Post-employment benefits	109,513	112,562
Long-term benefits	29,433	20,423
Share-based payments	90,091	382,955
Key management personnel disclosures	**2,571,858**	**3,393,532**

G2. Share based payments

Options

No share based payments expense was recognised in relation to options exercisable for the year ended 30 June 2026 (2025: $Nil)

Share rights

Share based payments expense in relation to the share rights granted in FY26 is as follows:

	30/06/2026 $	30/06/2025 $
Share rights issued to MD & CEO	184,800	–
Share rights issued to (forfeited by) former MD & CEO[1]	(297,539)	343,618
Share rights issued to KMP	202,830	39,337
Share rights issued to employees	181,779	51,990
	271,870	**434,945**

1. The reversal of Share based payments due to Mr Reg Weine departing the company in July 2025. The following LTI sign-on retention rights and performance rights were forfeited:
   - 1,000,000 sign-on retention rights issued in FY24
   - 4,786,885 LTI performance rights issued in FY24 (2,393,443 remaining on foot)
   - 11,185,289 LTI performance rights issues in FY25.

Share rights issued

During FY26, Bubs the following Employee Share Rights were issued:

i. Sign-on retention rights (SOR Rights)

SOR Rights have "time-based" vesting conditions where period held determines the number of shares that will vest. The following SOR rights were issued to Joe Coote (MD & CEO)

- 1,000,000 share rights vest on 31 July 2026 – These rights are scheduled to vest upon completion of the service period on 31 July 2026.
- 1,250,000 share rights vest on 31 July 2027 – These rights are scheduled to vest upon completion of the service period on 31 July 2027.
- 1,500,000 share rights vest on 31 July 2028 – These rights are scheduled to vest upon completion of the service period on 31 July 2028.

The SOR Rights were approved by shareholders and granted on 20 November 2025 and valued at $0.076 per share.

ii. Long Term Performance rights (LTI performance rights)

During FY26 Bubs issued the following share rights which are subject to an indexed total shareholder return (TSR) vesting condition:

- 3,291,123 share rights issued to Joe Coote (CEO) scheduled to vest on 30 June 2028. This was subject to Shareholder approval on 20 November 2025 and valued at $0.076.
- 1,763,853 share rights were issued to Richard Paine (COO) vesting on 30 June 2028. This was subject to the Nomination and Remuneration Committee and Director approval on 23 December 2025 and valued at $0.076.
- 1,645,562 share rights were issued to Naomi Verloop (CFO) vesting on 30 June 2028. This was subject to the Nomination and Remuneration Committee and Director approval on 23 December 2025 and valued at $0.076.

The vesting of the rights will be determined by comparing the Company's TSR against the TSR of the S&P/ASX Small Ordinaries Index from 1 July 2025 to 30 June 2028 (the Measurement Period).

The number of rights that will vest is dependent on the following vesting schedule:

Performance Level	Bubs TSR relative to S&P/ASX Small Ordinaries Index	% of Rights which vest
Stretch	≥ index TSR + 10% TSR CAGR	100%
Between target and stretch	> index TSR & < index TSR + 10% TSR CAGR	Pro-rata
Target and threshold	≥ index TSR	50%
Below threshold	< index TSR	0%

At 30 June 2026, 21,908,714 share rights were outstanding (FY25: 30,695,285).

Recognition and measurement

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted over the period to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met but is not adjusted when market performance conditions are not met.

Expected volatility has been based on an evaluation of the historical volatility of the Group's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The fair value of share rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at share price on the grant date. The amount recognised as an expense is adjusted over the period to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met but is not adjusted when market performance conditions are not met.

Key estimate and judgement

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

G3. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the Group:

	2026 $	2025 $
Audit services		
Audit and review of the financial statements	506,757	623,716
	506,757	**623,716**

G4. Subsequent events

On 10 July 2026, the Group appointed Chris Rowe as the new Chief Financial Officer, taking over from Naomi Verloop who is no longer a KMP from this date.

There have been no subsequent events since 30 June 2026 that have significantly affected or could significantly affect the reported results from operations or the Company's financial position for the year then ended.

G5. Accounting policies and new accounting standards

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bubs Australia Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Bubs Australia Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Directors' Declaration

For the year ended 30 June 2026

In the opinion of the directors of Bubs Australia Limited (the 'Company'):

The consolidated financial statements and notes that are set out on pages 21 to 50 and the Remuneration report on pages 11 to 18 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- The Consolidated entity disclosure statement as at 30 June 2026 set out on page 52 is true and correct.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the CEO, COO and CFO for the financial year ended 30 June 2026.

The directors draw attention to Note A to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Paul Jensen
Independent Chair and Non-Executive Director

Melbourne
27 August 2026

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporation Acts 2001 (S. 295 (3A)(a)):

	Body Corporate, partnership, or Trust	Place incorporated	% held directly or indirectly by the Company in the Body Corporate	Australia or foreign tax resident	Jurisdiction for foreign residents
Parent entity:					
Bubs Australia Limited	Body Corporate	Australia	–	Australian	N/A
Subsidiaries:					
The Infant Food Holding Co. Pty Limited	Body Corporate	Australia	100%	Australian	N/A
The Infant Food Co. Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Australia Deloraine Dairy Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bubs IP Pty Ltd (formerly Bubs Australia Pty Limited)	Body Corporate	Australia	100%	Australian	N/A
Nulac Foods Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bubs Supreme Partner Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bubs New Zealand Pty Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Aussie Bubs Inc	Body Corporate	USA	100%	Foreign	USA
Bubs (Shanghai) Trading Co. Ltd	Body Corporate	China	100%	Foreign	China

Basis of preparation

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

a. an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
b. a partnership, with at least one partner being an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
c. a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency
  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Paul Jensen
Independent Chair and Non-Executive Director

Melbourne
27 August 2026

Independent Auditor's Report

KPMG

Independent Auditor's Report

To the shareholders of Bubs Australia Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Bubs Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 30 June 2026
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Material uncertainty related to going concern

We draw attention to Note A. Basis of preparation, "Going Concern basis of accounting" in the financial report. The conditions disclosed in Note A. Basis of preparation, indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
  - Assessing the planned levels of operating cash inflows and outflows for feasibility, timing and consistency of relationships to the Group's historical results, particularly in light of historic loss making operations, results since year end, assumptions around attainment of the permanent U.S. Food and Drug Administration approval, and our understanding of the business, industry and economic conditions of the Group;
- Assessing significant forecast cash inflows and outflows including the impact of key markets for feasibility, quantum and timing. We used our knowledge of the client, its industry and current status of those initiatives to assess the level of associated uncertainty;
- Reading correspondence with existing financiers to understand the terms of current financing arrangements and assessing the level of associated uncertainty; and
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

KPMG

<table>
<tr><th colspan="2">Valuation of inventory ($36.3m)</th></tr>
<tr><td colspan="2">Refer to Note C2 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr>
<td>Valuation of inventory is a key audit matter due to the:

size of the inventory balance relative to the Group’s financial position (50% of total assets); and
extent of judgement involved by the Group in determining the net recoverable value. Such judgements may have a significant impact on the Group’s provision and therefore the overall carrying value of inventories, necessitating additional audit effort.

The most significant areas of judgement we focused on was in assessing the Group’s:

expected selling price of inventory; and
future usage of inventory.

We involved our senior audit team members in assessing this key audit matter.</td>
<td>Our procedures included:

assessing the appropriateness of inventory valuation accounting policies applied by the Group against the requirements of accounting standards and our understanding of the business;
obtaining an understanding of the Group’s processes relating to inventory provisioning and valuation;
attending a sample of year end inventory counts across the Group including inventory held at third-party locations. We observed the Group’s process which included identifying slow moving and potentially obsolete inventory, and performed sample counts ourselves comparing count results to the Group’s testing the existence and condition of inventory;
assessing the integrity of the inventory valuation models used, including the mathematical accuracy of the underlying calculations;
comparing a sample of individual inventory carrying values against current selling prices (as a proxy for expected selling price of inventory and net realisable value) to identify individual products at risk of being recorded in excess of their net realisable value;
challenging the Group's judgements relating to inventory sales forecast in the provision for slow moving inventory. For inventory items identified as slow moving or aged we compared the inventory items to the Group’s inventory provision;
assessing the disclosures in the Group’s financial report against the requirements of accounting standards.
</td>
</tr>
</table>

KPMG

Other Information

Other Information is financial and non-financial information in Bubs Australia Limited’s annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor’s Report was the Review of Operations and Financial Results and the Director’s Report. The Bubs’ Strategic Pillars, Year at a Glance, From the Chair and CEO and Risk Statement are expected to be made available to us after the date of the Auditor’s Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company’s ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor’s Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

KPMG

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Bubs Australia Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 11 to 18 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

J.Carey.

KPMG

Julie Carey

Partner

Melbourne

27 August 2026

Other Information

1. Shareholding as at 30 June 2026

a. Distribution of shareholders

Range	Total holders	Units	% Units
1 - 50,000	18,797	140,367,491	15.70
50,001 - 200,000	1,530	155,648,169	17.41
200,001 - 500,000	354	115,638,355	12.93
500,001 - 2,500,000	165	170,963,449	19.12
2,500,001 - 10,000,000	29	139,658,062	15.62
10,000,001 - 100,000,000	4	171,854,512	19.22
100,000,001 Over	–	–	–
Total	**20,879**	**894,130,038**	**100.00**

b. Unmarketable parcels

Range	Minimum Parcel Size	Holders	Units
Minimum $500.00 at $0.077 per unit	6,493	12,709	27,790,191

c. Voting rights

The voting rights attached to each class of equity security are as follows: Ordinary shares: each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. Top 20 shareholders – Ordinary Shares

Rank	Name	Units	% Units
1	C2 CAPITAL GLOBAL EXPORT-TO-CHINA FUND	76,288,510	8.53
2	ATATURK INVESTMENTS PTY LTD	57,586,374	6.44
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,950,137	2.45
4	CITICORP NOMINEES PTY LIMITED	16,029,491	1.79
5	KEONG LIM PTY LIMITED <SK LIM FAMILY A/C>	9,724,000	1.09
6	MR BENJAMIN PAUL LANDON	8,001,271	0.89
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,250,796	0.81
8	MR JIANLIN ZHOU	7,008,000	0.78
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,007,040	0.78
10	CODE NOMINEES PTY LTD <RETAIL A/C>	6,813,332	0.76
11	VELROSSO PTY LTD <HARVEY 1995 DISC A/C>	6,700,000	0.75
12	LAVYA PTY LTD <LAVYA FAMILY A/C>	6,300,905	0.70
13	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	5,732,879	0.64
14	BOOM SECURITIES (HK) LIMITED <CLIENTS ACCOUNT>	5,219,561	0.58
15	COSTA ASSET MANAGEMENT PTY LTD <COSTA ASSET MGMT UNIT A/C>	5,200,000	0.58
16	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	4,738,012	0.53
17	STABLE CHARTER LIMITED	4,615,385	0.52
18	MR XIN FAN	4,500,000	0.50
19	MS LIYING WANG	4,200,000	0.47
20	MR GILBERT PETER JAMES BATTISTELLA	4,050,089	0.45
	Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**268,915,782**	**30.08**
	Total Remaining Holders Balance	**625,214,256**	**69.92**

This page has been left intentionally blank

Corporate Directory

a. Registered office

23 Nina Link, Dandenong South, VIC 3175 Australia

b. Principal office

23 Nina Link, Dandenong South, VIC 3175 Australia

c. Registers of securities

Computer Investor Services Pty Ltd

d. Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all member exchanges of the Australian Securities Exchange Limited

e. Unquoted securities

Share rights over unissued shares – The Group has 21,908,714 share rights.

Directors

Paul Jensen
Joe Coote
Steve Lin
Pascal De Petrini
Lori Tauber Marcus

Company secretary

Olga Smejkalova
Acclime

Registered office and domicile

Bubs Australia Limited is a company limited by shares, incorporated and domiciled in Australia.
Its registered office is:
23 Nina Link, Dandenong South VIC 3175 Australia

Share registry

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building 45 St George's Terrace Perth WA 6000

Auditors

KPMG
Tower Two, Collins Square 727 Collins Street
Melbourne VIC 3008

Australian securities exchange

ASX Code: BUB

bubs®