FY26 Results Presentation

BUBS AUSTRALIA LIMITED

27 August 2026

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The Company's results are reported under International Financial Reporting Standards (IFRS). However, this presentation contains non-IFRS financial measures to provide a more comprehensive understanding of the Company's performance. Non-IFRS measures are not subject to audit or review.

All currency referred to in this document is in Australian dollars, unless otherwise stated.

Acknowledgement of Country

Bubs acknowledges the Traditional Custodians of the Lands on which we operate.

We pay our respects to Elders past, present and emerging.

Agenda

Joe Coote, CEO

Chris Rowe, CFO

Our Purpose

To provide **clean nutrition** products that offer **peace of mind** for parents and **lifelong wellbeing** for their bubs

Revenue momentum sustained through macro headwinds, with inventory built to support future growth

$111.9M
REVENUE
GUIDANCE $105M - $115M

39.8%
GROSS PROFIT MARGIN
GUIDANCE >40%

$5.3M
UNDERLYING EBITDA
GUIDANCE $4M - $8M

-$1.8M
EBITDA
GUIDANCE ($2M) - $2M

Grew revenue – Group +9%; USA +24%

Navigated disruption – Managed USA tariffs (total H1 $0.3m vs H2 $2.3m) and regulatory reset (H1 nil vs H2 $3.9m) while rationing supply

Built for growth – Increased inventory ($36.3m vs $20.1m), executed air freight (H1 $1.9m vs H2 $1.1m), and increased capability (+$1m YoY) and marketing (+21% YoY)

Converted strategy into results – Strategic priorities delivering measurable benefits

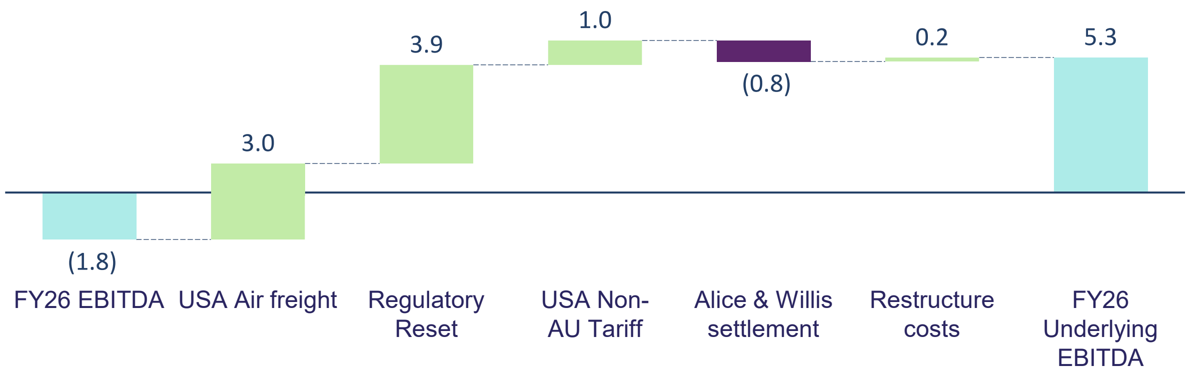
Progressed FDA approval – Final review stage

Financial Overview

Group revenue growth driven by USA, with earnings impacted by H2 cost

Income Statement $AUDm	FY26	FY25
Revenue	111.9	102.5
Gross profit	44.5	49.1
Gross profit (%)	39.8%	47.8%
Operating expenses	48.8	46.5
Other income / (expense)	0.9	2.0
EBIT	**(3.4)**	**4.5**
Reported EBITDA	**(1.8)**	**5.2**
Net profit / (loss) after tax	**(4.6)**	**5.5**
Underlying EBITDA	**5.3**	**1.2**
Underlying gross profit	**52.3**	**49.7**
Underlying gross profit %	**46.8%**	**48.5%**

FY26 Reported EBITDA to Underlying EBITDA Bridge



Revenue

- Up 9.2% to $111.9m, driven by 24% increase in USA revenue on FY25, offset by weaker performance in Australia and ROW

Gross Profit

- Down 9.4% to $44.5m, impacted by increased airfreight ($3.0m), regulatory ($3.9m) and total tariff-related costs ($2.6m)

Operating Expenses

- Up 5.0% to $48.8m reflecting increased marketing spend to activate the brand
- Opex/revenue ratio improved to 44% (FY25: 45%)

Underlying EBITDA

- $5.3m up 338% (FY25: $1.2m), demonstrating strong underlying earnings improvement and operating leverage, despite temporary airfreight, tariff and regulatory-related challenges during the year

Invested in restocking inventory to normalise levels

Balance Sheet $AUDm	Jun-26	Jun-25
Current assets excl. inventories	24.2	30.8
Current inventories	36.3	20.1
Non-current assets	11.8	6.3
Total assets	72.2	57.2
Current liabilities excl. borrowings	17.7	13.9
Current borrowings	10.0	0.0
Non-current liabilities	5.5	0.8
Total liabilities	33.2	14.7
Net assets	**39.0**	**42.5**

Cashflow $AUDm	Jun-26	Jun-25
Operating cash flow	(15.1)	6.1
Investing cash flow	(1.2)	(0.1)
Financing cash flow	8.3	(6.0)
Net change in cash & cash equivalents	**(8.0)**	**(0.0)**
Closing cash & cash equivalents	**9.4**	**17.4**

Inventory

- Increased to $36.3m (+$16.2m), driven by a targeted inventory restocking program to ensure continuity of supply and support growth

Borrowings

- $10.0m drawn under bank facilities to fund inventory restocking and working capital requirements associated with strengthening supply

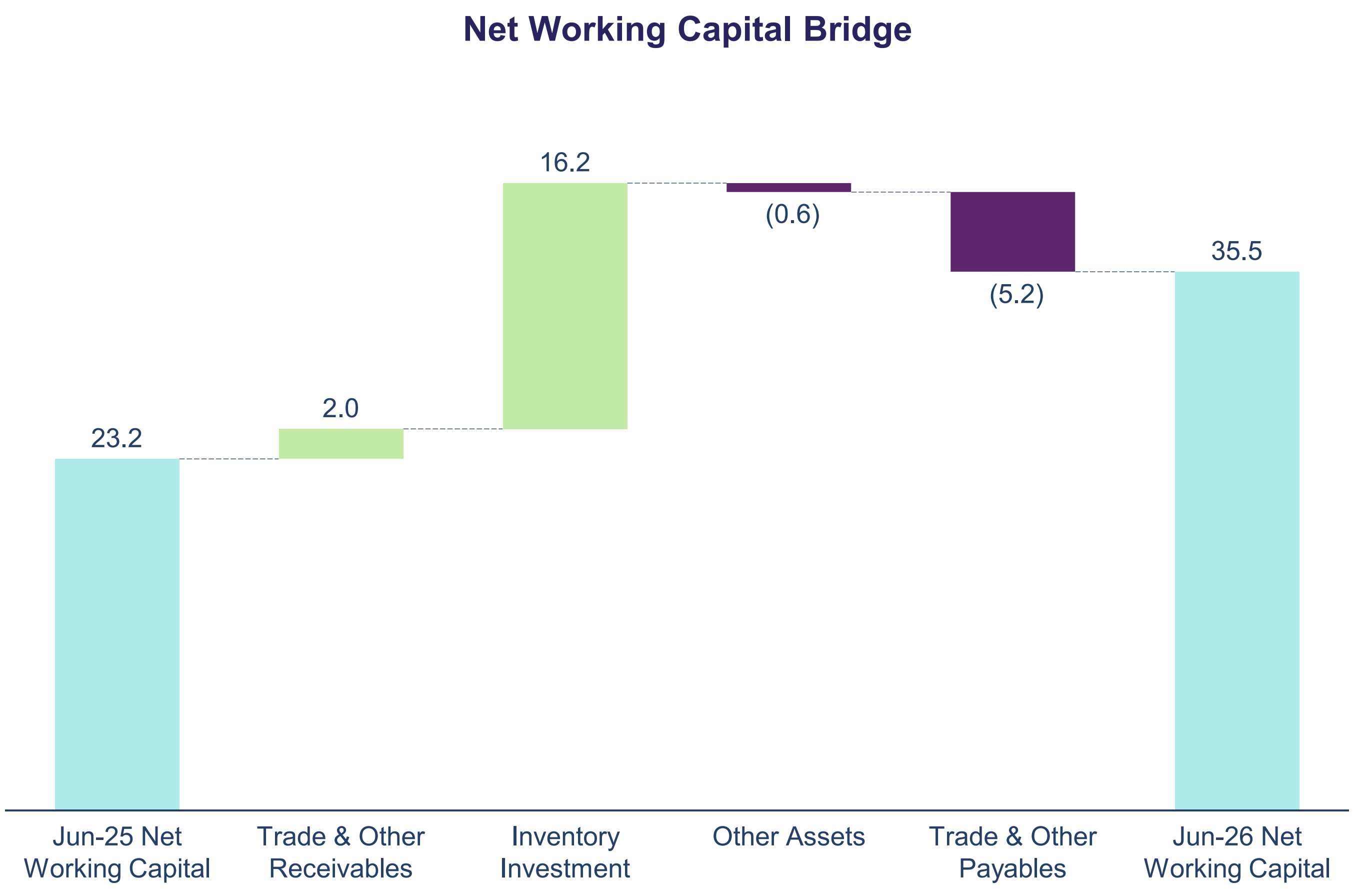
Operating Cash

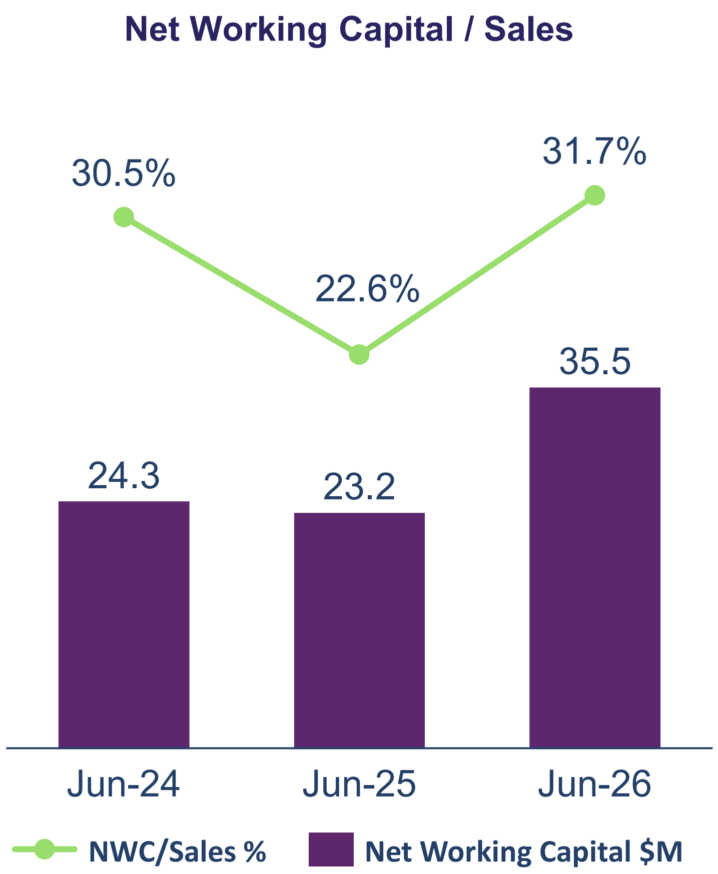
- Operating cash outflow of $15.1m reflects planned working capital investment, including a $16.2m inventory restock
- Closing cash balance at $9.4m

Figures in above table may differ to financial statements due to rounding

Net working capital reflects normalised inventory levels for a global IMF supply chain

- Net working capital increased by $12.3m to $35.5m, reflecting investment in inventory to ensure supply continuity and growth
- Inventory restock is now complete





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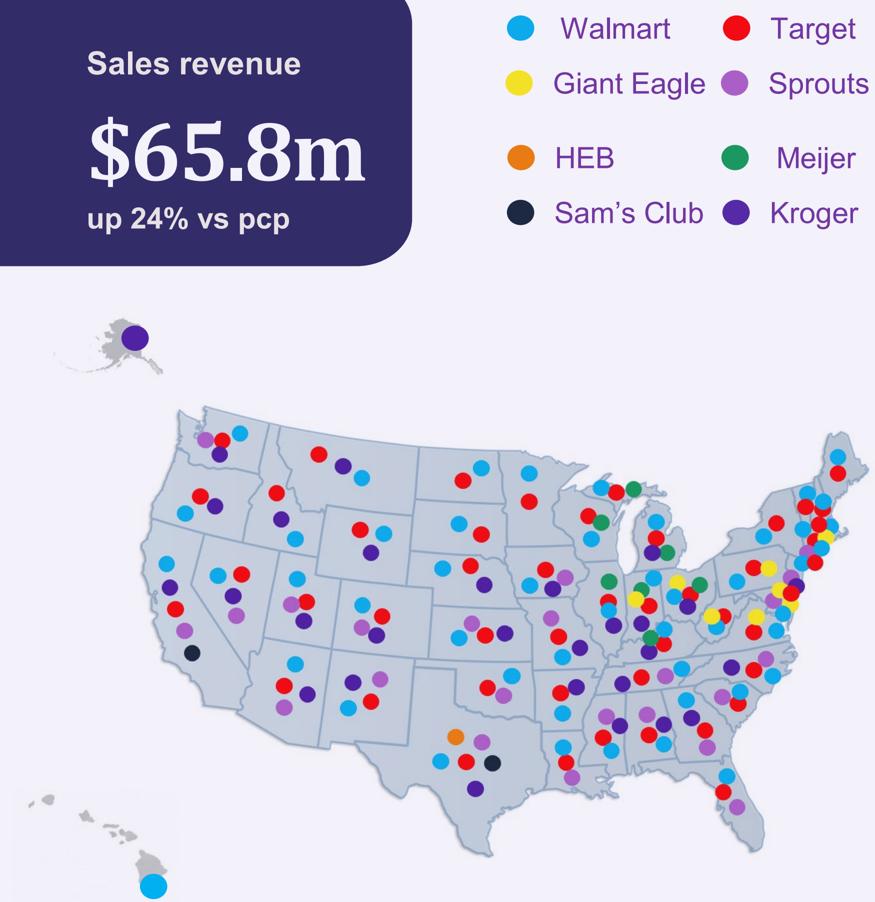
Regional Performance

USA – sales growth driven by expanding national accessibility of Bubs products to meet growing demand for premium IMF

Sales revenue

$65.8m

up 24% vs pcp



Market conditions

- Premiumisation and differentiated formulations continue to drive consumer demand[1]
- Held total IMF market share at 1%, premium natural at 8%, and goat infant share at 20%[2]
- Supply reliability and product safety remain critical factors. Recent recalls impacting category dynamics

Build winning portfolio

Expanded distribution

- Expanded distribution from 4,000 to 10,000+ stores across all 50 States and targeted retail formats, including national availability through Amazon, Target and Walmart[2]

Marketing Activations

- Shifted spend to brand awareness tactics on Amazon, Reddit & TikTok
- Digital targeting drove incremental sales, providing the blueprint to scaling nationally to support increased distribution (+20% YoY click rate on Amazon)[2]
- In-store marketing activations increased across key accounts

Retail Execution

- Launch of club format at Sam's Club, targeting bulk purchasing consumer
- Optimised retailer and format mix creating sustainable revenue growth

China – Healthy customer demand with inventory levels normalised

Sales revenue

$21.4m

flat vs pcp

Market conditions

- China IMF market remains stable in value, with premiumisation offsetting volume declines[3]
- Marriages up 11% (CY25) while birth rates down 17% (CY25)[4]
- Regulatory reset concluding, product flows normalising

Build a winning portfolio

Infant

- O2O[3] channel expanded to 1800+ stores (+39%)[5] with sell-out increasing 30%[5] vs FY25
  - Entered KidsWant (end of June), China's largest Mother & Baby retail chain (O2O)
- Total CBEC[5] channel delivered strong sell-out up 34% FY25[5]
- Began Douyin (TikTok) activation with strong livestreaming (#5 ranking in baby food livestream)[5]

Kids

- Extended customer lifetime value through new product extension in Growing-up kids

Adult

- Offline expansion – launched CapriLac Adult into 100 premium retail outlets
- CapriLac won Tmall Global award for category-leading performance
- Launched China label CapriLac

Australia – consumer spending pressures, temporary supply constraints, with refocused marketing driving renewed momentum

Sales revenue

$18.3m

down 7% vs pcp

Market conditions

- Modest category value growth (3.5%) driven by premiumisation, while retail sales volumes face structural pressure from shrinking population of children aged 0–36 months[6]
- The market has become more competitive, with success dependent on availability, brand execution and investment behind differentiation[6]

Build a winning portfolio – actions underway to recover market share

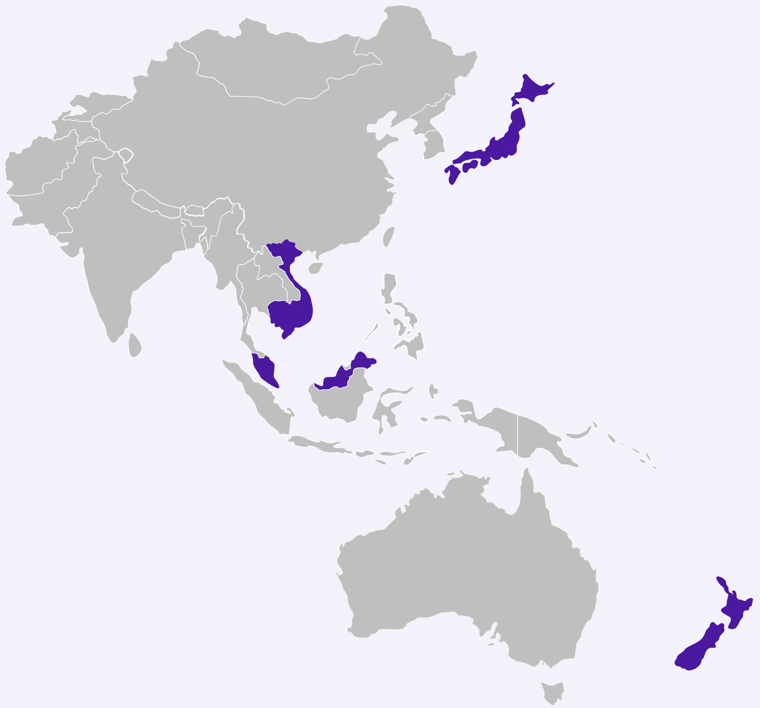
- Entered FY26 with negative momentum following artwork refresh, supply disruptions and intensified competitive activity[6]
- Recalibrated brand creative and increased H2 marketing to 16% of sales (H1 9%) to rebuild market share
- Secured incremental goat formula ranging with Woolworths in 120 stores and delivered Amazon Australia sell-through growth of 35.9% vs FY25[7]
- Encouraging lead indicators, with brand awareness increasing 10pts to 87%[8] and regaining market share

ROW – regulatory changes and inventory availability impacted financial performance

Sales revenue

$6.4m

down 25% vs pcp



Market conditions

- Attractive long-term demographics and premium formula opportunities remain
- Regulatory reset impacted product availability

Build a winning portfolio

- Product availability constraints impacted performance in H1
- Prioritised inventory allocation across key markets
- Successfully implemented regulatory reset in H2

<u>Japan</u>

- Stock rationing due to prioritisation
- Marketing underway to recover market share

<u>Vietnam</u>

- Paused trading due to regulatory reset in H2
- Packaging refresh completed to satisfy labelling requirements
- Re-launching H1 FY27

Strategy

Growth strategy coming to life, translating our purpose and strategic pillars into actions and outcomes

Strategic pillars

Activate Brand and Consumer	Build a Winning Portfolio	Connect Farm to Formula

Enablers

Business transformation | Innovation | Strategic Partners | Performance culture

Values

Transparency | Courage | Collaboration | Inspiration

Our Purpose

To provide clean nutrition products that offer peace of mind for parents and life-long wellbeing for their bubs.

Increasing transformation momentum with disciplined investment and focus

Activate Brand & Consumer

- ✓ Reweighted digital marketing to increase brand awareness and drive sales
- ▲ Global brand refresh to elevate consumer appeal, strengthen competitive differentiation and accelerate sales growth

Build a Winning Portfolio

- ✓ Expanded market presence via new and broader retail partnerships
- ✓ Confirmed innovation pipeline for infant, baby and adult
- ▲ Canada new market entry

Connect Farm to Formula

- ✓ Streamlined and optimised farm and production network
- ✓ Delivered $1.15m logistics and manufacturing savings
- ✓ Expanded our Australian goat herd by >70%
- ▲ Mapped growth scenarios to supply network options across buy / build / rent

Enablers

- ✓ Strengthened operating platforms for core execution, planning and compliance
- ✓ Adopted AI via targeted functional use cases
- ✓ Deeper partnerships to support asset light growth
- ▲ Organisational Excellence, Digital and AI technology and High performing culture

✓ Delivered ▲ In Progress

H127 Outlook

- Improved momentum expected through H1 as the business adapts to the new regulatory and tariff environment
- Positive revenue growth outlook, with regional performance to remain mixed
  - **USA** – continued strong growth momentum
  - **China –** growth supported by expanded distribution and marketing
  - **Australia** – continued marketing investment to accelerate recovery
  - **ROW** – remains mixed, product flows improving
- Gross margin is expected to improve, with working capital positioned to support the anticipated growth
- Confidence in growth outlook underpins continued brand investment
- Finalise the FDA approval process

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Appendix

Group definitions and non-IFRS measures

Earnings Before Interest and Tax (**EBIT**), Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**), Underlying EBITDA and Underlying gross profit are non-IFRS measures, not been subject to audit or review.

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).

Underlying gross profit: excludes one-off items (regulatory reset, USA airfreight and USA non-AU tariffs).

Net working capital: comprises of Trade and other receivables, Inventories, Other current assets & Trade and other payables

O2O: "online-to-offline" where customer inspects products or receive advice at a physical Mother & Baby store, place order through an online platform or in-store terminal and have product delivered from a cross-border warehouse

CBEC: Cross-border e-commence where customers purchase products online

Footnotes

1. Circana New Product Pacesetters, 2026
2. Circana Total Mulo+ Financial Year Ending 30/06/2026
3. Kantar Worldpanel China IMF Market Tracking
4. China National Bureau of Statistics
5. Mertico.com, Alibaba & JD.com, Goat IMF GMV (CBEC) as at 30/06/2026
6. StrategyHelix Group Australian Baby Formula Market 2026 – 2031
7. Amazon Australia
8. Infant Formula Brand Health Tracker – Kantar, May 2026