Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

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ASX ANNOUNCEMENT

Q1 FY27 QUARTERLY ACTIVITIES REPORT, APPENDIX 4C CASHFLOW STATEMENT

Bubs strengthens USA platform with permanent FDA authorisation and navigates residual regulatory impacts

Group Highlights

- Permanent FDA authorisation underpins continued US growth, with distribution across 12,000+ stores and record retail scan sales, up 46.5% on pcp and 10.6% on Q4 FY26.
- Net revenue of $23.1 million, down 9.8% on Q1 FY26 ($25.6 million).
- Available liquidity of $13.4 million at 30 September 2026, comprising $6.4 million in cash and cash equivalents and $7.0 million in undrawn debt facilities.
- Q1 FY27 operating cash outflow $6.0 million (Q1 FY26: $4.4 million).

29 October 2026, Melbourne: Bubs Australia Limited (ASX: BUB) ("**Bubs**" or "**the Company**") is pleased to announce its unaudited financial results for the quarter ending 30 September 2026 **(Q1 FY27)**.

Financial Update

Group net revenue was $23.1 million for the quarter, compared with $25.6 million in Q1 FY26. Translated USA net revenue was impacted negatively by $1.2 million through foreign currency translation movements, Q1 FY27 translation rate was $0.71 compared with $0.65 in Q1 FY26. The operating cash outflow of $6.0 million reflected delayed re-entry into Singapore and Vietnam, timing differences between sell-in and sell-out, and investment in raw material inventory to support future growth. Trading improved through the quarter after a slower July, when the residual impacts of the regulatory reset were most pronounced.

USA distribution expanded to more than 12,000 stores. Walmart and Target retail sales continued to strengthen during Q1 FY27, delivering strong year-on-year growth and building momentum across the channel.

Growing consumer demand, expanded distribution and permanent FDA authorisation provide a strong foundation for further growth. The Company will continue investing in marketing to support this momentum, build brand awareness and drive sales, particularly in the USA.

Bubs' Chief Executive Officer and Managing Director, Joe Coote, commented: "With our products now available in more than 12,000 stores across all 50 states, we have continued to invest in inventory to support sales growth. Our priority is to make that distribution work harder through targeted marketing that builds awareness and converts consumer interest into sales and realise the benefits of the inventory investment.

"Permanent FDA authorisation and our established brand give us a strong foundation for growth. Walmart and Target retail sales delivered strong year-on-year growth during the quarter, demonstrating the opportunity to increase sales within our existing retail footprint.

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"In China, channel sell-in and sell-through have normalised, supporting modest revenue growth. Australia remains affected by cost-of-living pressures and softer trading conditions, although we are seeing early signs of recovery. In Rest of World markets, trading has partially resumed, with modest recovery underway as we work towards re-entry into remaining affected markets.

"Our focus is on balancing cash flow with targeted investment in growth across our strategic markets."

Regional Overview

- **USA:** Quarterly net revenue of $15.3 million, compared with $16.8 million in Q1 FY26.
- **China:** Quarterly net revenue of $2.6 million, compared with $2.5 million in Q1 FY26.
- **Australia:** Quarterly net revenue of $4.1 million, compared with $4.4 million in Q1 FY26.
- **Rest of World:** Quarterly net revenue of $1.2 million, compared with $1.9 million in Q1 FY26.

USA: Net revenue was $15.3 million (US$10.8 million), compared with $16.8 million (US$11.0 million) in Q1 FY26. The decline reflected $1.2 million impact of foreign currency translation. Strong growth in Walmart and Target sales were offset by lower sales to Amazon. USA distribution expanded to more than 12,000 stores and progress on sell-through within Walmart and Target continues to strengthen. Amazon sales in the prior corresponding period matched against a lower period of replenishment in Q1 FY27. Consumer Q1 FY27 sell-through on Amazon increased by more than 14% year-on-year. Q1 FY27 also saw our first sales through the drug channel with CVS.

China: Net revenue was $2.6 million, compared with $2.5 million in Q1 FY26, reflecting more normalised channel sell-in and sell-through despite final impacts of the regulatory reset.

Australia: Net revenue was $4.1 million, compared with $4.4 million in Q1 FY26, as cost-of-living pressures and softer trading conditions continued to affect performance. The market is showing early signs of stabilising.

Rest of World: Net revenue was $1.2 million, compared with $1.9 million in Q1 FY26, reflecting the impact of disrupted trading in key markets. Trading is recovering, with initial resupply shipment made to Vietnam to relaunch the brand in the market.

FDA Update

Bubs secured permanent FDA authorisation for its three infant formula products in September 2026, strengthening its competitive position in the USA market. The authorisation supports growth of the branded portfolio, product innovation and other commercial opportunities, including potential private label participation, subject to further regulatory, technical and commercial milestones. Bubs is the only Australian infant formula manufacturer with this authorisation.

Cash Position

Bubs held $6.4m in cash as at 30 September 2026, with a further $7.0m of headroom on its bank facilities, totalling $13.4m of available liquidity.

During the quarter, Bubs continued to invest in raw material inventory to support growth, delayed Singapore and Vietnam re-entry and some sell in / sell out mismatches combined for an operating cash out-flow for Q1 of $6.0m.

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ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent $18.8m on product manufacturing and operating costs, $3.0m on administration and corporate costs, $4.6m on staff costs, and $3.1m on advertising and marketing. Details of the business activities are found within this report.

Pursuant to ASX LR4.7C.3, the Company advises that payments of $683k were made to Key Management Personnel and $119k was paid for Directors' remuneration. These payments are included in item 1.2.

This release is approved by the Board of Directors.

Note: the figures and statements in this announcement have not been audited

END

Shareholder enquiries

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ABOUT BUBS AUSTRALIA LIMITED (ASX: BUB)

Bubs Australia (ASX: BUB) is a leading infant nutrition company committed to providing premium-quality products that support the health and wellbeing of babies worldwide. Founded in 2006, Bubs has built a reputation for innovation and excellence, offering a range of organic and specialty infant formulas, including goat milk and grass-fed options. With a strong presence in Australia, the United States and growing international markets, including China, Bubs is dedicated to delivering trusted nutrition backed by rigorous quality standards. For more information, visit www.bubsaustralia.com or our social media channels.

Consumer Website: **bubsaustralia.com**

Investor Centre: **investor.bubsaustralia.com**

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
BUBS AUSTRALIA LIMITED (ASX: BUB)	
ABN	**Quarter ended ("current quarter")**
63 060 094 742	**30 September 2026**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	24,193	24,193
1.2	Payments for		
	(a) research and development	(2)	(2)
	(b) product manufacturing and operating costs	(18,736)	(18,736)
	(c) advertising and marketing	(3,128)	(3,128)
	(d) leased assets	(339)	(339)
	(e) staff costs	(4,579)	(4,579)
	(f) administration and corporate costs	(3,030)	(3,030)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	24	24
1.5	Interest and other costs of finance paid	(267)	(267)
1.6	Income taxes paid	(142)	(142)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(6,006)**	**(6,006)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
	(c) property, plant and equipment	(30)	(30)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(30)**	**(30)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	3,000	3,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,000**	**3,000**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**9,412**	**9,412**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,006)	(6,006)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,000	3,000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**6,376**	**6,376**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,997	8,064
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	1,379	1,348
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,376**	**9,412**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	20,000	13,000
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	20,000	13,000

7.5	**Unused financing facilities available at quarter end**	7,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

NAB Trade Refinance facility 8.62% per annum secured with the maturity date 31 August 2027.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(6,006)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	6,376
8.3	Unused finance facilities available at quarter end (Item 7.5)	7,000
8.4	Total available funding (Item 8.2 + Item 8.3)	13,376
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	2.2

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

29 October 2026

Date: .....

The Board of Directors

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.