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ASX ANNOUNCEMENT

2025 ANNUAL GENERAL MEETING – CHAIR AND CEO ADDRESS

20 November 2025, Melbourne: Bubs Australia Limited (ASX:BUB) (“**Bubs**” or “**the Company**”) attaches the CHAIR and CEO Address to be delivered at this morning’s Annual General Meeting.

Authorised for release by the Company Secretary of Bubs Australia Limited.

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Paul Jensen - Chair address

Good morning and welcome to the Bubs Australia Limited's 2025 Annual General Meeting

It has just gone 11am and I am advised that we have a quorum present, it is with pleasure that I now open the meeting

With me today are my fellow directors Steve Lin and Joe Coote our Managing Director and CEO. We also have our General Council Rebbecca Nichols, CFO Naomi Verloop, General Manager of Corporate Services Katherine O'Hehir and representatives from our Share Registry Computershare. All resolutions will be conducted by poll and Computershare will tabulated and provide the results. Our Auditors KPMG are present and our audit partner Julie Carey is available to answer any questions if required.

My name is Paul Jensen, and I will be chairing this morning's meeting. I have served on the Bubs board since March 2023 and upon Katrina Rathie's resignation in September this year, I was elected as Chair. I am honoured to Chair a company that has a strong purpose, a passionate team and a clear ambition to grow the business.

In accordance with the Company's constitution, I am subject to director rotation at this AGM and offer myself for re-election as an independent non-executive director. As a brief background, I am an experienced non-executive director having served on ASX listed, public and private company boards for over 20 years. I am a Fellow of the Australian Institute of Company Directors, and I currently serve on 3 Commercial and 2 Not for Profit boards. Since joining the Bubs board in 2023 I have Chaired the Audit and Risk Committee and have been a member of the Nominations and Remuneration Committee.

I wish to acknowledge the contribution and service of Katrina Rathie to Bubs. Katrina served for 4 years as a director, the latter 2-years as Chair. Katrina oversaw a substantial transformation and can be proud of the Company's achievement in the 30 June 2025 year. I would also like to acknowledge the contribution of Reg Wiene who stepped down as our CEO in July this year. In 2023 Reg stepped into the CEO role at a very challenging time for the Company

and Reg should also be proud of the foundation stones laid and the financial performance under his leadership.

Bubs is not a young business, founded in 2005, listed on the ASX in 2017 and in 2025, it achieved several significant milestones; It delivered, annual revenue of \$103m, with annual revenue growth of 23%, an attractive 48% Gross Margin, positive annual operating cashflow of \$6.1m and the Company's maiden underlying profit of \$600,000.

I would like to thank my fellow board members, the Bubs Executive Leadership team, all our staff and our partners in achieving this breakthrough result.

The non-financial milestones were also significant

- The FDA application for permanent access to the US market was completed in FY25 and was submitted in July. I would like to acknowledge Richard Paine our COO and his team's diligent commitment in managing our submission. The process took over 3 years, involved a significant commitment of management time and we have invested more than \$8m in our application. I'm pleased to advise we remain on-track to receive this approval by 31 December 2025.
- The legacy China litigation was materially progressed in 2025. And I am pleased to advise that the matter was resoundingly found in our favour, and it will be concluded in December this year with Bubs receiving a final settlement payment of \$825,000.

On reflection and with the benefit of hindsight, our tight financial discipline in managing our working capital and our focus on delivering a positive cashflow for the 30 June year led to an under investment in both raw and finished inventory and our marketing expenditure.

The impact of this underinvestment was significant with China, Australia and the ROW year on year sales in the September quarter being negative. With limited inventory available, we intentionally prioritised the supply of product to the US market and pleasingly this market performed well in the quarter.

However, ensuring the US had supply we had to airfreight finished product and this incurred ~\$2m airfreight charge. In addition, to meet demand, we had to

source dairy goat solids from New Zealand and to date this has attracted a significant penalty tariff of ~\$0.5m when this finished product entered the US. This expensive misjudgement has been recognised, and sales planning and operational procedures have been implemented to mitigate this reoccurring.

The current global macroeconomic and geopolitical environment poses challenges, particularly for Australian exporters to the USA. We are expecting, elevated global inflation, tighter monetary conditions, rising nationalism and increasingly protectionist trade policies to continue for the foreseeable future. Despite this challenging environment, we are confident Australia's long standing strategic and economic ties with the USA will continue to support bilateral trade between our nations. And we are continuing to pro-actively engaged with the US regulatory bodies and US industry associations in monitoring this evolving risk.

This will be a pivotal year for Bubs, as we build upon our achievements of 2025. I now wish to turn to 2026 and beyond.

We are currently focused on investing in the business to ensure we have the capital, both the human and financial capital and the operational disciplines to realise the opportunity of being an international, world class company in the Premium Infant Milk Formula market.

We have a clear objective to create value for the Company and our Shareholders. The deployment of our capital will aim to reduce risk and be value accretive.

Our people are our greatest resource and we are in the process of building a high-performance team with a high-performance culture. We have in place a remuneration structure that aligns executive rewards with Shareholder value creation. We have re-organised our Executive Leadership Team to reflect the international nature of our business and are taking this opportunity to increase the bench strength of that team.

Through the introduction of a rigorous Business Planning process, aligning our strategic, financial and operational plans across the organisation, the robustness of our planning and forecasting has been greatly improved. We have further

work to go but this discipline will be critical in managing our international business going forward.

Operationally, we remain committed to ensuring that all of our products are of the highest standard, the quality of our product is non-negotiable, and we are confident in our world class manufacturing facility in Melbourne.

The current recall of ByHeart's infant formula brands in the USA is a reminder to us that product quality and maintaining the trust of our consumers is paramount. I pass my concern on to the mothers and their babies effected and to the ByHeart team as they manage this unfortunate situation.

Across the company, we have a strong internal focus on ensuring product quality and we have a history of exceeding periodic reviews by regulators, including the FDA.

While one never wishes or wants to see this unfortunate situation develop, in the US we are experiencing mothers switching to our products in recognition of the quality that Australian products are known for.

I am pleased to welcome Joe Coote as our Managing Director and CEO. Joe joined Bubs in July this year and I believe we have been fortunate to engage someone of Joe's calibre. His recent international experience especially in the US, his intimate knowledge of the global dairy industry from the farm gate to the mouths of babies, and his proven leadership qualities will enable us to confidently execute our strategy.

I am sure Joe will provide you with insights into each of these themes as he outlines our strategy going forward in his presentation.

At the conclusion of Joe's presentation, we will be available to take any questions you may have.

Thank you

Joe Coote - CEO ADDRESS

1. Opening

Thank you, Paul, for your leadership and for the support you've shown me since stepping into the role. I'd also like to acknowledge Steve, my fellow director, and Naomi, Kat and Rebecca members of the Bubs Executive Lead Team.

And finally extend a warm welcome to all shareholders joining us today.

I want to reiterate Paul's recognition for Katrina, our outgoing Chair, and Reg, our outgoing CEO. Both have contributed enormously to Bubs over many years and across some truly defining periods for the company. We are grateful for the stewardship and resilience they brought to the organisation.

For me, leading Bubs is both a privilege and a responsibility. From my time in the dairy industry and particularly while living in USA I watched Bubs from the outside, and I admired the ambition of the brand and the quality of the products. Now, after more than 100 days inside the business, I've developed an appreciation for what makes Bubs special.

We operate in a category like no other—where parents trust us with the sole source of nutrition for their newborn babies. The responsibility that comes with that trust is something we strive to honour every single day.

And as we sit here today, the business is at a real point of inflection. FY25 delivered a set of strong results. And as we move through FY26, we are now laying down the platform for sustainable, profitable scale— both locally and globally.

2. FY25 — Commitments Delivered

FY25 was a pivotal year for Bubs.

Across the business, the team delivered on the commitments we set at the start of the year. That includes:

- Revenue of \$102.5 million
- Gross profit margin of 48%
- Underlying EBITDA of \$0.6 million
- Operating cash flow of \$6.1 million

These numbers matter because they prove our ability to execute globally at growing scale and our geographic mix reinforces this:

81% of our sales now come from overseas markets, demonstrating how far Bubs has evolved into a global brand. The contributions across our markets were as follows:

- USA 52%
- China 21%
- Australia 19%
- Rest of World 8%

This performance was supported by active management of marketing, trade spend, inventory, overheads and headcount. We executed **through focused efforts that delivered outcomes but also surfaced some important learnings**—particularly around customer service, working capital, and channel management—and those decisions and learning have strengthened the business.

FY25 gave us forward momentum. And it laid the groundwork for the growth we are now pursuing.

3. FY26 Q1 Performance & Guidance

Moving to Q1 of FY26, our early performance shows a healthy start to the year.

The USA continues to be the engine of our growth, contributing the majority of Q1 uplift. The brand is performing well with strong support from retail partners and solid velocity across both goat and cow platforms.

Australia, China and the Rest of World were more subdued in the quarter—largely due to temporary stock shortages, lower marketing spend, and heightened competition. These were not structural issues, and we expect them to cycle out as we move through Q2 and into the second half.

Our FY26 guidance is:

- Revenue of \$120–\$125 million, representing 22–27% growth
- GM 40-45%
- EBITDA of \$1–\$2 million and very importantly underlying EBIT \$6.1M

4. FY26 Guidance Bridge

Starting point – FY25 Underlying EBITDA

- “We start from our FY25 underlying EBITDA of \$0.6 million.

Gross profit uplift from sales growth

- “The first driver is strong gross profit improvement, with \$10 million of additional gross profit coming from top-line growth.”

Strategic investment in marketing & capability

- “Against that, we are intentionally reinvesting \$4.5 million into marketing and people capability to fuel USA momentum, rebuild China and strengthen our global execution muscle.”

FY26 forecast underlying EBITDA before one-offs

- “After these strategic investments, we are positioned to deliver FY26 underlying EBITDA of \$6.1 million.”

One-off costs impacting statutory EBITDA

- “We then adjust for two one-off items:
 - \$5 million in temporary costs related to airfreighting product and penalty tariffs on NZ goat solids into the USA.
 - A \$0.7 million net recovery from the Alice & Willis legal settlement.”

FY26 EBITDA guidance

- “This takes us to our FY26 EBITDA guidance of \$1.8 million.”

To support this growth and to lift service levels, we are rebuilding inventory by \$15–\$20 million. That’s a deliberate investment to protect service levels particularly for our offshore strategic markets of USA and China.

5. CEO Observations — First 100 Days

Over my first 100 days, I’ve met with our teams, farmers, processors, regulators, retailers, and healthcare professionals across Australia, China and the USA. I’ll be in Vietnam shortly as we explore the next set of opportunities there.

Three things stand out to me:

1. The macro environment remains attractive

We operate in a competitive but profitable category with high barriers to entry. Quality, compliance and trust matter deeply. That plays directly to Bubs’ strengths.

2. Bubs has real strengths to build on

- Brand equity: We are well positioned in the premium natural segment.
- Team capability: Passionate people, real know-how, and deep category experience.
- Go-to-market capability: Particularly in the USA, where our execution rhythm is strong.
- Farm-to-formula model: Our supply chain is agile, traceable and built for quality.

3. Opportunities to lift performance

- Sharper, faster commercial execution
- Stronger digital marketing and data-driven decision-making
- Better prioritisation and cycle-time on decisions
- And a more assertive stance with key partners in high-growth markets

These observations are now hardwired into our FY26 operating priorities and have shaped our 2030 strategy.

6. Early Wins

With my industry background and years leading businesses in Australia and the USA, I understand the value of decisive early moves. As CEO, my role is to act quickly while shaping the 2030 strategy—so we moved fast.

Rapid inventory recovery

- Airfreight where needed
- Spot purchases of goat solids
- Additional manufacturing shifts to lift production levels

Stronger leadership bench

- New hires in USA and internal move to lead Australian and ROW sales
- US-based global marketing leader
- New role to lead strengthened corporate services

Asia GT ramp-up

- Strengthening presence in China O2O
- Renewed traction in Vietnam

Selective investments in focused marketing spend

- Reweighted to priority geographies and retail partners
- More digital, Health Care Professional engagement and influencers

Deeper strategic partnerships

- Closer alignment with retailers, distributors, suppliers, regulators and farmers

FDA Permanent Access & Execution Priorities

A major strategic priority remains FDA Permanent Access.

This has been a thorough, multi-year process—highly technical, extremely rigorous, and requiring sustained investment and expertise. Even during periods of US government shutdown, FDA staff stayed engaged, and the process continued to progress.

I want to acknowledge the team who have carried this work for years. Their commitment has been exceptional.

We remain confident in receiving a positive outcome before 31 December.

We are aware that a USA based competitor brand is undergoing a product recall with FDA oversight. We feel for the families impacted by these issues and to date our teams are focused on supporting families looking to change formula brands via direct marketing and in conjunction with our retail and health care provider partners

7. 2030 Strategy — Elevating Our Ambition

Turning to our 2030 strategy, which we will finalise for full release after the half-year results at which point we are confident we will have FDA permanent market access approvals

This strategy elevates our ambition and clarifies how we will scale responsibly and profitably.

It is built on the foundation of our CORE PURPOSE - To craft clean nutrition products that provide peace of mind for parents and life-long wellbeing for Bubs.

It centres on three pillars of

1. Brand and Consumer
2. Portfolio Optimization
3. “Farm to Formula” Supply Chain

Underpinned by critical enablers

- Performance Culture
- Digital Marketing
- Innovation particularly in product and technology
- Operational Excellence
- Stakeholder management

All build on the bed rock of our Bubs values

8. Brand & Consumer

Our brand evolves to:

“Naturally gentle — Backed by science — Of Australia.”

This reflects our commitment to natural origins, scientific rigour, and a understated but confident Australian provenance.

Our focus areas include:

- A deeper connection with our target consumer
- Bold, performance-measured digital marketing
- Lifetime-value thinking built into acquisition and retention
- A benefit-led product architecture anchored in:
 - gentle-on-tummies
 - brain
 - immunity
 - gut health
 - goat and grass-fed cow

This is all about building the strongest brand foundation in premium natural infant nutrition.

9. 2. Portfolio Optimization

This pillar is about disciplined, profitable growth.

- In strategic markets—USA, China and Australia—we are playing to win.
- In growth markets—Canada, Mexico and Vietnam—we are building scale.
- In partner markets—Japan, Cambodia, Middle East—we are leveraging distributors.

It also covers out product portfolios where we will renovate our goat and cow portfolios while also building deeper channel partnerships, expand selectively into adjacencies, and strengthen mix, margin and commercial discipline.

10. 3. Farm-to-Formula Supply Chain

Our supply chain is one of our defining strengths.

We will continue to embed operational excellence—quality, safety, efficiency and service.

We are also exploring strategic supply partnerships to create more capacity and optionality at the right scale and in the right geographies, backed by technology enhancements to lift traceability and service.

These three strategic pillars are supported by stronger AI / digital technology, capital discipline, and—most importantly—our people and culture.

11. Why Bubs

When you bring all of this together, the competitive advantages are clear:

- Clean-label product range across goat and bovine
- Strong brand equity in premium natural
- Low debt and strong cashflow generation
- High-quality Australian manufacturing with low capex requirements
- Margin-positive businesses in both USA and China
- And a long track record of safety, quality and compliance

These attributes give us real conviction—not only in our 2030 strategy, but also in the value we can create for families and for shareholders.

In Closing, FY25 gave us control and confidence. FY26 is about disciplined growth and execution.

And through our 2030 strategy, we are positioning Bubs to realise its full potential as a trusted, premium, global infant nutrition brand.

Thank you to our teams, our partners, our farmers and most importantly, the families who choose Bubs. And to our shareholders—thank you for your support as we continue this journey together.