

Appendix 4D

Half year report

Name of entity

Bubs Australia Limited

ABN

63 060 094 742

Half yearly
(tick)

✓

Preliminary final
(tick)

The information disclosed in the Appendix 4D should be read in conjunction with the most recent annual financial report.

1. Details of reporting period

Current reporting period	31 December 2025
Previous corresponding period	31 December 2024

2. Results for announcement to the market

					31 December 2024		31 December 2025
2.1	Total Revenue	Up	14%	from	\$48,537,610	to	\$55,507,976
2.2	Profit after income tax expense	Down	50%	from	\$3,554,613	to	\$1,794,113
2.3	Profit after income tax expense attributable to the members of Bubs Australia Limited	Down	50%	from	\$3,554,613	to	\$1,794,113

2.4	Dividends (distributions)	Amount per security	Franked amount per security
Current period:			
	Interim dividend for the half year ended 31 December 2025	-	-
	Final dividend for the year ended 30 June 2025	-	-
Previous corresponding period:			
	Interim dividend for the half year ended 31 December 2024	-	-
	Final dividend for the year ended 30 June 2024	-	-
2.5	Record date for determining entitlements to the dividend:	Refer section 5.0	

2.6 Brief explanation of any of the figures reported above and commentary on the results for the period:
Refer to the directors' report – Operating and financial review on page 4 of the Interim Report for the half year ended 31 December 2025.

3. Net tangible assets per security

	30 June 2025 Cents	31 Dec 2025 cents
Net tangible asset backing per ordinary security	4.62	4.76

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4. Control gained or lost over entities during the period.

No control gained or lost during the period.

5. Details of dividends / distributions

Current period

No interim dividend is declared for the half year ended 31 December 2025.
For the year ended 30 June 2025, no final dividend was declared.

Previous corresponding period

No interim dividend was declared for the half year ended 31 December 2024.
For the year ended 30 June 2024, no final dividend was declared.

6. Details of associates and joint venture entities

As at 31 December 2025, the Company has the following associate entities:

- 51% of the issued shares in Bubs Supreme Partner Pty Ltd
- 20% of the issued shares in Capela Dairy Nutrition Co. Pty Ltd

7. Accounting standards used by foreign entities

International Financial Reporting Standards.

Qualification of audit / review

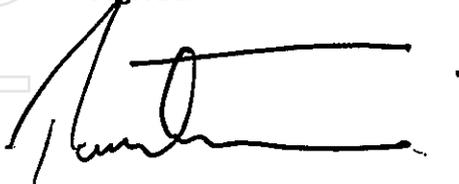
- | | |
|---|---|
| <input type="checkbox"/> The accounts have been audited. | <input checked="" type="checkbox"/> The accounts have been subject to review. |
| <input type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |

8. Attachments

Details of attachments (if any):

The interim report of Bubs Australia Limited for the half year ended 31 December 2025 is attached.

Signed



Paul Jensen
Chair
27 February 2026



Interim Report

27 February 2026

Bubs Australia Limited and
Controlled Entities

ACN 060 094 742



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Bubs Australia Limited and Controlled Entities
Corporate Directory
31 December 2025

Current Directors

Paul Jensen
Joe Coote
Steve Lin

Chair and Independent Non-Executive Director
Chief Executive Officer and Managing Director
Non-Executive Director

Company Secretary

Peter Cope (resigned on 20 October 2025)
Olga Smejkalova (appointed on 20 October 2025)

Registered Office and Domicile

Bubs Australia Limited is a company limited by shares, incorporated and domiciled in Australia.
Its registered office is:
23-29 Nina Link Dandenong South
Melbourne VIC 3175

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 Stock Exchange

ASX Code: BUB

Bubs Australia Limited and Controlled Entities

Directors' report

31 December 2025

Directors

The names of the directors of Bubs Australia Limited and the entities it controlled ('the Group' or 'Bubs') in office during the half-year and until the date of this report are set out below.

Directors were in office for this entire period unless otherwise stated.

- Paul Jensen, Chair and Independent Non-Executive Director, appointed 15 September 2025 (20 March 2023 as Independent Non-Executive Director)
- Steve Lin, Non-Executive Director, appointed 18 April 2019
- Joe Coote, CEO & Managing Director, appointed 28 July 2025

Operating and financial review

Financial performance and operating expenses management

Revenue

The Group delivered revenue of \$55.5 million for the half year, up 14% on 1HY25 (\$48.5 million) driven by strengthening demand in the US. This includes revenue from the sale of Bubs' infant formula of \$48.6 million, an increase of 16% compared to 1HY25 (\$41.8 million), which contributed 88% to the Group's revenue.

United States

The US remains Bubs' largest and most profitable market, with half year revenue increasing 48% to \$34.2 million, underpinned by strong revenue growth. Bubs continued to grow its presence across major national retailers, achieving significant ranging wins, increasing store count, and securing multiple facings that expanded its nationwide footprint. Order fulfilment was maintained throughout the period through secured air-freight supply, enabling continuity for retail and online channel partners.

During the half, Bubs further strengthened its operating platform through key strategic hires. Notably, Jasmin Manner was appointed President US, based in Los Angeles, bringing over 18 years of experience in the personal care and wellness categories to support execution and capability uplift. Annie Chen was appointed Chief Marketing Officer, adding deep expertise in global brand strategy, innovation, and consumer marketing to support Bubs' next phase of growth across all markets.

The Company continues to make meaningful progress toward securing permanent regulatory access to the US market. The U.S. Food and Drug Administration (FDA) has confirmed it will continue to facilitate the importation, sale and distribution of Bubs' infant formula products beyond 31 December 2025 while its review is finalised, allowing the products to remain available under the FDA's Enforcement Discretion pathway.

Bubs Australia Limited and Controlled Entities

Directors' report

31 December 2025

Australia

Domestically, bubs achieved revenue of \$9.5 million, a 9% decrease on 1HY25 (\$10.5 million) reflecting temporary supply constraints in a competitive retail landscape. Bubs continues to lead the Australian goat Infant Milk Formula (IMF) category with majority market share, supported by stabilising foundations and a renewed focus on brand, execution and market competitiveness. The comparative revenue period (1HY25) included sales of excess raw materials of \$0.9 million. Bubs has accelerated marketing investment, complemented by price initiatives and targeted brand activations.

To sharpen execution and concentrate resources on higher value growth opportunities, the food portfolio, representing a small share of revenue, was discontinued to streamline operations and prioritise core formula categories. In addition, Chris Lotsaris, former General Manager (US), returned to Australia after three successful years growing the US business to lead commercial operations across Australia and Rest of World.

China

China achieved revenue of \$7.5 million, a 27% decrease on 1HY25 (\$10.2 million) due to short-term supply constraints. Revenue from adult goat dairy products, predominantly sold in China, was \$5.4 million, an 8% decrease on 1HY25 (\$5.8 million), reflecting category dynamics but supported by continuing channel strength and distribution expansion.

Bubs continued to strengthen its presence in China, supported by a focused strategy across Cross-Border E-Commerce (CBEC) and Online to Offline (O2O) channels. CBEC IMF sales grew 30% on 1HY25, outperforming the category average growth of 13%.

Our physical retail footprint has expanded significantly, now reaching 1,752 O2O stores across 97 cities, an increase of 77% on 1HY25. Network expansion into key cities is driving greater penetration and geographic resilience.

Rest of World

The Rest of World (ROW) markets achieved revenue of \$4.2 million, an 8% decrease on 1HY25 (\$4.6 million), with performance influenced by more complex regulatory requirements, stock rationing due to low product availability, and delays in regulatory access, particularly in Vietnam. Supply constraints across several ROW markets affected shipment timing and contributed to temporary variability in results, despite strong partnerships with local distributors.

Gross margin

Group gross margin at 48% for the half reflects the benefit of Bubs' premium brand despite broader inflationary trends and airfreight and tariff charges incurred. This reflects improved inventory management, and geographic and channel optimisation.

Bubs Australia Limited and Controlled Entities

Directors' report

31 December 2025

Operating expenses

Operating expenses¹ to revenue ratio improved to 44% from 52% in 1HY25. While undergoing a portfolio simplification and considerable inventory restocking program, management has managed costs to ensure operating expenses remain in a range which ensures the business is resilient moving forward.

Included in operating expenses are:

- Distribution and selling costs for 1HY26 were \$3.7 million, broadly in-line with 1HY25.
- Administrative and other costs of \$13.1 million have decreased 5% from 1HY25 reflecting lower FDA clinical trial costs.
- Marketing and promotion costs for 1HY26 were \$7.7 million, broadly in-line with 1HY25.

EBITDA² was \$3.0 million (1HY25: \$0.5 million) and the reconciliation to the statutory profit/ (loss) before tax is set out in the table below.

	1HY26	1HY25
	\$	\$
Profit before tax	1,794,113	3,554,613
Finance income	121,252	3,699,417
Finance cost	(674,038)	(305,158)
EBIT	2,346,899	160,354
Depreciation and amortisation	(607,491)	(373,302)
EBITDA	2,954,390	533,656

Subsequent events

No matters or circumstances have arisen since 31 December 2025 that has significantly affected or could significantly affect the reported results from operations or financial position for the period then ended.

Rounding

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

¹ Operating expenses consist of distribution and selling costs, marketing and promotion costs, administrative and other costs, and do not include share-based payments and depreciation and amortisation. This is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review.

² EBITDA and EBIT are non-IFRS measures. Non-IFRS measures have not been subject to audit or review.

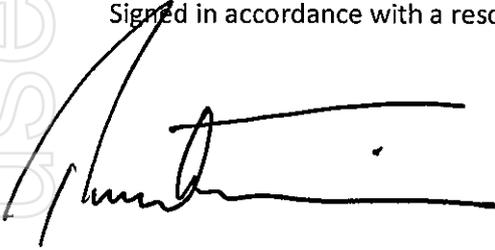
Bubs Australia Limited and Controlled Entities
Directors' report
31 December 2025

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 8 and forms part of this report.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Paul Jensen', is written over a horizontal line. The signature is fluid and cursive.

Paul Jensen
Chair

Dated at Melbourne this 27th day of February 2026



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 review of the interim financial report of Bubs Australia Limited for the half-year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Julie Carey

Partner

Melbourne

27 February 2026

Bubs Australia Limited and Controlled Entities
Condensed Interim Consolidated Statement of Profit or Loss and Other
Comprehensive Income
For the six months ended 31 December 2025

	Note	31/12/2025 \$	31/12/2024 \$
Revenue	3	55,507,976	48,537,610
Cost of sales	6	(28,913,385)	(24,090,404)
Gross profit		26,594,591	24,447,206
Other Income	5	835,303	1,268,065
Distribution and selling costs		(3,707,756)	(3,777,210)
Marketing and promotion costs		(7,662,720)	(7,591,404)
Administrative and other costs	6	(13,712,519)	(14,186,303)
Finance income	6	121,252	3,699,417
Finance cost	6	(674,038)	(305,158)
Profit before tax		1,794,113	3,554,613
Income tax expense		-	-
Profit for the period after tax		1,794,113	3,554,613
Other comprehensive income			
Exchange difference on translation of foreign operations		373,831	(1,854,750)
Other comprehensive income, net of tax		373,831	(1,854,750)
Total comprehensive income for the period		2,167,944	1,699,863
Earnings per share			
Basic earnings per share (dollars)	7	0.002	0.004
Diluted earnings per share (dollars)	7	0.002	0.004

The accompanying notes form part of these condensed interim consolidated financial statements.

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Bubs Australia Limited and Controlled Entities
Condensed Interim Consolidated Statement of Financial Position

	Note	31/12/2025	30/06/2025
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		9,903,285	17,426,313
Trade and other receivables	8	14,271,991	10,607,740
Inventories	9	28,062,744	20,060,471
Other assets		4,529,971	2,797,859
Total Current Assets		56,768,021	50,892,383
Non-Current Assets			
Property, plant and equipment		3,854,732	3,730,969
Right of use assets	10	6,079,035	762,897
Intangible assets	11	1,912,652	1,217,095
Other assets		567,738	567,738
Total Non-Current Assets		12,414,157	6,278,699
Total Assets		69,182,178	57,171,082
Liabilities			
Current Liabilities			
Trade and other payables		15,684,372	10,293,763
Lease liabilities	10	895,682	670,709
Provisions		2,172,577	2,964,962
Total Current Liabilities		18,752,631	13,929,434
Non-Current Liabilities			
Lease liabilities	10	5,441,678	296,791
Provisions		524,287	468,300
Total Non-Current Liabilities		5,965,965	765,091
Total Liabilities		24,718,596	14,694,525
Net Assets		44,463,582	42,476,557
Equity			
Issued capital	12	356,757,916	356,757,916
Share based payments reserve		12,510,058	12,690,977
Foreign currency translation reserve		(625,445)	(999,276)
Accumulated losses		(324,178,947)	(325,973,060)
Total Equity		44,463,582	42,476,557

The accompanying notes form part of these condensed interim consolidated financial statement

Bubs Australia Limited and Controlled Entities
Condensed Interim Consolidated Statement of Changes in Equity

For the six months ended 31 December 2025

	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 period	-	-	-	1,794,113	1,794,113
Other comprehensive loss	-	-	373,831	-	373,831
Total comprehensive income	-	-	373,831	1,794,113	2,167,944
Transactions with owners in their capacity as owners:					
Issue of shares	-	-	-	-	-
Capital raising costs, net of tax	-	-	-	-	-
Share based payment expense	-	(180,919)	-	-	(180,919)
Balance at 31 December 2025	356,757,916	12,510,058	(625,445)	(324,178,947)	44,463,582

For the six months ended 31 December 2024

	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					
Profit for the period	-	-	-	3,554,613	3,554,613
Other comprehensive loss	-	-	(1,854,750)	-	(1,854,750)
Total comprehensive income	-	-	(1,854,750)	3,554,613	1,699,863
Transactions with owners in their capacity as owners:					
Issue of shares	-	-	-	-	-
Capital raising costs, net of tax	-	-	-	-	-
Share based payment expense	-	121,149	-	-	121,149
Balance at 31 December 2024	356,757,916	12,377,181	(2,480,097)	(327,962,288)	38,692,712

The accompanying notes form part of these condensed interim consolidated financial statements.

Bubs Australia Limited and Controlled Entities
Condensed Interim Consolidated Statement of Cash Flows
For the six months ended 31 December 2025

	31/12/2025	31/12/2024
	\$	\$
Cash flows from operating activities		
Receipts from customers	55,276,147	46,734,624
Payments to suppliers and employees	(60,846,544)	(47,099,246)
Interest received	121,252	223,770
Interest paid	(219,762)	(305,158)
Net cash used in operating activities	(5,668,907)	(446,010)
Cash flows from investing activities		
Purchases of property, plant and equipment	(338,805)	(16,637)
Purchases of intangible assets	(700,000)	(3,900)
Net cash used in investing activities	(1,038,805)	(20,537)
Cash flows from financing activities		
Repayment of lease liabilities	(784,252)	(367,084)
Net cash from used in financing activities	(784,252)	(367,084)
Net decrease in cash and cash equivalents	(7,491,964)	(833,631)
Cash and cash equivalents at the beginning of the financial year	17,426,313	17,523,474
Effects of exchange rates on cash held	(31,064)	550,057
Total cash and cash equivalents at the end of the period	9,903,285	17,239,900

The accompanying notes form part of these condensed interim consolidated financial statements.

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Bubs Australia Limited and Controlled Entities

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2025

1. Corporate information

The condensed interim consolidated financial statements of Bubs Australia Limited and the entities it controlled ('the Group') for the six months ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 27 February 2026. The condensed interim consolidated financial statements are 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. A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of the financial report. The consolidated annual financial statements of the Group as at and for the year ended 30 June 2025 are available upon request from the Company's registered office at 23 Nina Link, Dandenong South, VIC 3175 or at www.bubsaustralia.com.

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2025 are general purpose financial statements and have been prepared in accordance with Australian Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Act 2001*.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2025 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange listing rules and the *Corporations Act 2001*.

Going concern basis

The Group has prepared the Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2025 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

At 31 December 2025, the Group is in a net current asset position of \$38.0 million (30 June 2025: \$37.0 million). The Group has \$9.9 million in available cash and cash equivalents at 31 December 2025 (30 June 2025: \$17.4 million) and \$10 million in committed un-drawn bank facilities expiring on the 29th of August 2026 (FY25: \$10.0 million). Subsequent to 31 December 2025, the bank facility limit has been increased to \$20.0m with the tenure and terms remaining unchanged.

The Group made a profit after tax of \$1.8 million for the half year ended 31 December 2025 (1HY25: profit after tax of \$3.6 million).

Net cash outflows from operating activities for the six months ended 31 December 2025 were \$5.7 million (1HY25: \$0.4 million).

Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

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 their earnings forecast, which includes assumptions such as:

- Attainment of the permanent U.S. Food and Drug Administration (FDA) approval to continue operating in the USA. The FDA has confirmed that it will continue to facilitate the importation, sale, and distribution of Bubs' infant formula productions 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.
- Extension of the Group's current bank facility due to expire on 29 August 2026.

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 Condensed Interim 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.

Use of judgements and estimates

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those described in the last annual financial statements.

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Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

2.2 New, revised or amending Accounting Standards and Interpretations adopted.

Several amendments and interpretations applied for the first time in the 2025 financial period. These new amendments and interpretations do not have a material impact on the consolidated financial statements of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Revenue from contracts with customers

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

	31/12/2025	31/12/2024
Type of goods and services	\$	\$
Sale of Infant Formula	48,571,411	41,797,849
Sale of Nutritional Products	651,438	659,992
Sale of Adult Goat Dairy Products	5,369,308	5,808,111
Sale of Raw Materials	915,819	271,658
Total revenue	55,507,976	48,537,610

4. Segment information

The Group has a single operating segment being the sale of infant formula, nutritional food and adult powder. Accordingly, the financial information presented in the condensed interim consolidated statement of profit or loss and other comprehensive income and condensed interim consolidated statement of financial position aligns with the level of information that is presented to the chief operating decision maker.

Geographic information

	31/12/2025	31/12/2024
	\$	\$
Australia	9,541,954	10,483,932
China	7,499,088	10,232,831
USA	34,222,634	23,190,345
Rest of World	4,244,300	4,630,502
Total	55,507,976	48,537,610

The Group had three external customers who generated greater than 10 percent of the Group's revenue for the six months ended 31 December 2025 amounting to \$25,503,502 (31 Dec 2024: one customer amounting to \$9,657,984).

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Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

5. Other Income

Proceeds from insurance claim	-	1,259,338
Other Income	835,303	8,727
Total	835,303	1,268,065

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 \$0.8m. The proceeds have been 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. Given the contractual agreement, at 31 December 2024, it was virtually certain that the income would be realised. As a result, the Group recognised income and a receivable, and the proceeds were received in January 2025.

Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

6. Expenses

	31/12/2025	31/12/2024
	\$	\$
Cost of sales		
Production costs	29,800,250	25,138,213
Inventory provision/(reversal)	9 (886,865)	(1,047,809)
Total	28,913,385	24,090,404

Included in administrative and other costs are the following:

Listing and registry fees	171,633	137,083
Accountancy and legal fees	985,109	703,575
Insurance	703,003	650,486
Travel costs	410,181	340,467
Consultancy fee	1,098,968	953,987
Occupancy costs	309,039	401,588
Expected Credit losses	72,060	120,799
Depreciation and amortisation	607,491	373,302
IT Costs	390,200	309,119
FDA Growth Study	247,943	936,287
Other costs	1,425,064	1,794,134
Total	6,420,691	6,720,827

Employee costs

Wages and salaries	6,976,853	6,840,226
Superannuation	495,894	504,101
Share based payments expense/(reversal)	(180,919) ¹	121,149
Total	7,291,828	7,465,476

Total administrative and other costs

13,712,519

14,186,303

Finance costs

Interest expense	30,931	269,068
Interest expense on lease liabilities	188,831	36,090
Net losses from foreign currency translations	454,276	-
Total	674,038	305,158

Foreign exchange losses from foreign currency translations relate to the impact of exchange rate movements during the period.

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

Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

Finance income		
Interest income	121,252	223,770
Net gains from foreign currency translations	-	3,475,647
Total	121,252	3,699,417

Foreign exchange gains from foreign currency translations relate to the impact of exchange rate movements during the period.

7. Earnings per share

	31/12/2025	31/12/2024
	\$	\$
Profit attributable to the Group used in calculating basic and diluted EPS	1,794,113	3,554,613
Weighted average number of ordinary shares for basic EPS	893,130,038	892,787,647
Basic EPS (dollars)	0.002	0.004
Diluted EPS (dollars)	0.002	0.004

8. Trade and other receivables

	31/12/2025	30/06/2025
	\$	\$
Trade debtors	14,220,374	13,390,267
Allowance for credit losses	(404,572)	(3,004,187)
Other receivables	456,189	221,660
Total	14,271,991	10,607,740

Key estimate and judgement

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.

For trade receivables, the Group used the standard's 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.

During the period, the specific provision of \$2,664,949 was released from the allowance for credit losses and applied against the debtors Alice and Willis and undertaken to reflect the resolution of outstanding balances.

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Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

9. Inventories

	31/12/2025	30/06/2025
	\$	\$
Raw materials	14,016,210	6,903,284
Finished goods	14,046,564	13,157,187
Total	28,062,774	20,060,471

Having regard to the significant inventories on hand, the expiry dates of the inventory and sales forecast, the inventory obsolescence provision is \$1,663,768 (2025: \$2,555,585). For the half year ended 31 December 2025, the movement of the inventory provision is a reversal of \$886,865 (2024: \$1,047,809) for inventories sold and/or utilised during the period. The cost of inventories recognised as an expense during the period was \$28,913,385 (1HY25 : \$25,138,213).

Key estimate and judgement

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 the estimated end consumer demand in the second half of FY26. Changes in trading and economic conditions, and changes in country specific regulations, may impact these estimations in future periods.

10. Right of Use Assets

	Buildings	Equipment	Total
	\$	\$	\$
Cost			
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 31 December 2025	8,836,946	115,385	8,952,331
Accumulated depreciation and impairment			
As at 30 June 2025	(3,028,704)	(115,385)	(3,144,089)
Depreciation	(537,454)	-	(537,454)
Disposal	808,245	-	808,245
As at 31 December 2025	(2,757,913)	(115,385)	(2,873,298)
Net book value			
As at 30 June 2025	762,897	-	762,897
As at 31 December 2025	6,079,033	-	6,079,033

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

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The total cash outflow for leases amount to \$784,252 (30 June 2025: \$746,257).

Lease Liabilities	31/12/2025	30/06/2025
Current	895,682	670,709
Non-current	5,441,678	296,791
	6,337,360	967,500
Maturity analysis		
Year 1	1,296,827	697,509
Year 2	1,373,308	298,515
Year 3	1,417,371	1,496
Year 4	1,473,737	-
Year 5 and onwards	2,051,004	-
	7,612,246	997,520
Less Interest	1,274,886	30,020
Total	6,337,360	967,500

The Group leases several assets including buildings and IT equipment. Lease liabilities are measured at the present value of remaining lease payments, discounted using the Group's incremental borrowing rate. The lease terms range from 2-10 years. Extension options are included in a number of leases across the group. These are used to maximise 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. Extension options are included in the lease term where the Group is reasonably certain to exercise the option.

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. This renewal further supports operational flexibility and aligns with the Group's ongoing asset management strategy.

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

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Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

11. Intangible assets

	Goodwill \$	Brand name \$	Patents, trademarks and software \$	Other Intangibles \$	Total \$
Cost					
As at 30 June 2025	90,614,673	4,691,634	166,061	47,096,599	142,568,967
Additions	-	-	700,000	-	700,000
As at 31 December 2025	90,614,673	4,691,634	866,061	47,096,599	143,268,967
Accumulated amortisation and impairment					
As at 30 June 2025	(90,040,602)	(4,100,000)	(114,671)	(47,096,599)	(141,351,872)
Amortisation	-	-	(4,443)	-	(4,443)
As at 31 December 2025	(90,040,602)	(4,100,000)	(119,114)	(47,096,599)	(141,356,315)
Net book value					
As at 30 June 2025	574,071	591,634	51,390	-	1,217,095
As at 31 December 2025	574,071	591,634	746,947	-	1,912,652

Key estimate and judgement

In accordance with the accounting standard AASB 136 Impairment of Assets, the Group has conducted a review of indicators of impairment during the half year for each of the cash generating units (CGUs) to which goodwill and intangible assets have been allocated. Each CGU performance for the half year was ahead of forecast previously assumed in the impairment model at 30 June 2025 with no other indicators present as at 31 December 2025.

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Bubs Australia Limited and Controlled Entities
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2025

12. Share capital

	31/12/2025		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	-
Balance at the end of the period	893,130,038	356,757,916	893,130,038	356,757,916

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

13. Subsequent events

No matters or circumstances have arisen since 31 December 2025 that has significantly affected or could significantly affect the reported results from operations or financial position for the period then ended.

14. Legal matters

During the current reporting period, the Group settled litigation with former customers – Alice Trading Ltd and Willis Trading Ltd. The outcome of the legal action resulted in a settlement receipt of \$0.8 million.

The Group has considered 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 liabilities arising from such action would not have a material effect on the Group's financial performance or position in future years.

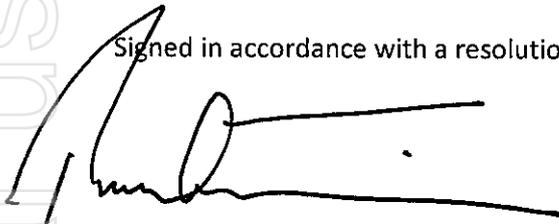
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Bubs Australia Limited and Controlled Entities
Director's Declaration
31 December 2025

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

- a) The financial statements and notes that are set out on page 13 to 20 are in accordance with the *Corporations Act 2001*, including:
- i. Giving a true and fair view of the financial position as at 31 December 2025 and its performance for the half year ended on that date; and
 - ii. Complying with Accounting Standard *AASB 134: Interim Financial reporting* and the *Corporations Regulations 2001*.
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Paul Jensen
Chair

Dated at Melbourne this 27th day of February 2026



Independent Auditor's Review Report

To the shareholders of Bubs Australia Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Bubs Australia Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Bubs Australia Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed Interim Consolidated Statement of Financial Position as at 31 December 2025;
- Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Interim Consolidated Statement of Changes in Equity and Condensed Interim Consolidated Statement of Cash Flows for the Interim Period ended on that date;
- Notes 1 to 14 including selected explanatory notes; and
- The Directors' Declaration.

The **Group** comprises Bubs Australia Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2025.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of annual financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2.1, Basis of preparation in the Condensed Interim Financial Report. The events or conditions disclosed in Note 2.1, indicate a material uncertainty exists 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 Condensed Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Julie Carey

Partner

Melbourne

27 February 2026

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