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ASX ANNOUNCEMENT

Bubs delivers FY26 revenue momentum and invests to support growth

27 August 2026, Melbourne: Bubs Australia Limited (ASX: BUB) ("**Bubs**" or "**the Company**") announces its financial results for the 12 month period year ended 30 June 2026 (FY26).

FY26 Financial Summary

- Group revenue up 9.2% to $111.9m (FY25 $102.5m)
- Underlying EBITDA of $5.3m (FY25: $1.2m[1]) demonstrating strong underlying earnings. Underlying EBITDA excludes temporary airfreight ($3.0m), regulatory reset ($3.9m) and non-AU tariff ($1.0m) costs
- Gross profit margin of 39.8% (FY25: 47.8%)
- Reported EBITDA loss of -$1.8m (FY25: $5.2m)
- Inventory restocking program complete, with normalised NWC to sales ratio of 31.7%
- Manageable liquidity following investment in working capital, with period end cash of $9.4m and $10.0m in undrawn debt facilities

Bubs Chief Executive Officer, Joe Coote said: "FY26 marked important progress against our growth strategy, delivering revenue growth of 9% and strengthening the foundations for future growth. This was driven by continued momentum in the United States, where revenue increased 24% as we expanded distribution to more than 10,000 stores across targeted retail formats.

"During the year we rebuilt inventory levels, expanded distribution channels, launched adjacent products, increased brand investment and strengthened our leadership team to support future growth.

"This progress was achieved despite a challenging operating environment, with changing tariff policies, geopolitical disruption and evolving regulatory requirements increasing supply chain costs and affecting product availability, particularly in the second half.

"Looking ahead, we are focused on building upon our disciplined execution capability and the strategic progress achieved in FY26. We have worked hard to meet regulatory requirements, improved our inventory position and focused on brand visibility. Our FDA approval pathway remains on track and we are confident in achieving authorisation, supporting our long-term growth ambitions in the United States."

Review of Operations

FY26 revenue increased 9.2% to $111.9m. Growth was driven by the United States, offset by weaker performance in Australia and ROW.

Underlying EBITDA increased $4.1 million to $5.3 million (FY25: $1.2 million[1]) demonstrating underlying earnings improvement. Underlying EBITDA excludes temporary airfreight ($3.0 million), regulatory reset ($3.9 million) and non-AU tariff ($1.0 million) related costs incurred. Reported EBITDA decreased to -$1.8 million (FY25: $5.2 million).

Gross profit decreased 9.4% to $44.5 million, reflecting increased airfreight, regulatory and tariff-related costs, primarily incurred during the second half.

[1] Non-AU tariffs have been restated within FY25 comparatives, not previously included within Underlying EBITDA.

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Operating expenses increased 5.0% to $48.8 million driven by increased marketing spend to activate the brand.

Net working capital (NWC) increased by $12.3 million to $35.5 million, reflecting investment in inventory to restore supply levels and support growth. The restocking program is now complete, with the NWC-to-sales ratio normalising to 31.7%.

Bubs retains sufficient liquidity position to meet its operating plans with period end cash of $9.4 million and $10.0 million of undrawn debt facilities. During the year, the Company extended its NAB facility through to 31 August 2027.

Performance by region

United States: revenue increased 24% to $65.8 million (FY25: $53.1 million) driven by strong consumer demand in premium goat segment, expanded store distribution and prioritisation of continuity of supply.

China: revenue of $21.4 million was flat vs pcp. Growth in consumer demand was offset by inventory rebalancing through the period and some impacts from regulatory changes to customs clearance and testing measures.

Australia: revenue decreased 7% to $18.3 million (FY25: $19.8 million) as competitor pressures, temporary supply constraints and brand repositioning challenges impacted performance. In response, renewed brand activation was undertaken in the second half to rebuild momentum.

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

Outlook – H127

Improved momentum is anticipated in H127 as the company adapts to the new regulatory and USA tariff environment.

Positive revenue growth is expected 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 with product flows improving

Gross margin is expected to rebound, with working capital positioned to support the anticipated growth.

The Company remains focused on finalising the FDA approval process, supporting its long-term growth ambitions in the United States.

This release is approved by the Board of Directors.

END

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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**