

## ASX ANNOUNCEMENT

### **Q2 FY26 QUARTERLY ACTIVITIES REPORT, APPENDIX 4C CASHFLOW STATEMENT & HALF YEAR TRADING UPDATE**

**30 January 2026, Melbourne:** Bubs Australia Limited (ASX: BUB) (“**Bubs**” or “**the Company**”) is pleased to announce its unaudited financial results for the quarter and half year ending 31 December 2025 (**Q2 FY26 and H1 FY26**).

#### **Bubs finishes H1 with positive momentum led by strong growth in the USA**

#### **Group Highlights**

- H1 FY26 net revenue<sup>1</sup> increased 14% to \$55.5m, versus \$48.5m in H1 FY25
- Q2 FY26 net revenue<sup>1</sup> increased 17% to \$29.9m, versus Q1 FY26 (\$25.6m)
- Gross margin maintained, 49.3%<sup>2</sup> versus 50% in pcp
- Cash of \$9.9m plus \$10.0m in undrawn debt facilities available as at 31 December 2025

**Bubs’ Chief Executive Officer and Managing Director, Joe Coote, commented:** “The US continues to be our key growth engine, and it is pleasing to see this momentum carrying into January. We believe our Australia, China, and Rest-of-World markets have now stabilised, and we expect to see improvements in the second half of the year. We remain on track to meet our full-year guidance.”

#### **Regional Overview**

- USA half year net revenue<sup>1</sup> up 47% \$34.2m, versus \$23.2m in pcp
- China half year net revenue<sup>1</sup> down 26.5% \$7.5m, versus \$10.2m in pcp
- Australia half yearly net revenue<sup>1</sup> down 8.5% \$9.6m, versus \$10.5m in pcp
- ROW half year net revenue<sup>1</sup> down 8.7% \$4.2m, versus \$4.6m on pcp

**USA**, our sales volume continues to expand as major retailers finalise further increases in both store numbers and in-store ranging. To meet this growing demand and build appropriate inventory levels in the US, we implemented an air-freight program to ensure continued supply. We remain confident that this positive momentum will continue into the second half.

**China**, the clearance of in-channel ageing stock and the impacts of earlier supply rationing is now complete. Underlying demand in China remains strong, and while sell-in is down, our sell through was up 40% on the prior corresponding period.

**Australia**, our sales performance was negatively impacted during the period by cost-of-living pressures, increased market competition, and supply rationing. This situation has now stabilised, and we are confident of improvements in the second half.

**ROW**, our sales performance was impacted by regulatory issues and supply rationing, resulting in sub-optimal inventory being held in the ROW markets. This situation has now stabilised, and we are confident of improvements in the second half.



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## FDA Update

Bubs confirms that it is on track to receive FDA approval and continue to work closely with the FDA to achieve this. We have fulfilled all requests for information from the FDA in relation to these submissions, and there are currently no outstanding requirements from Bubs.

In early January, Bubs received confirmation from the FDA that they have no further questions on the clinical trial component of our submission at this time. The remaining elements of the submission review continue to progress.

The FDA has confirmed that it will continue to facilitate the importation, sale, and distribution of Bubs' infant formula products in the US after 31 December 2025, while its review process is being finalised.

## Cash Position

Bubs held \$9.9m in cash as at 31 December 2025, with a further \$10.0m of headroom on its bank facilities, totalling \$19.9m of available liquidity.

During the quarter, Bubs continued to build its inventory levels which resulted in negative operating cash flow for Q2 of \$3.5 (Q1; \$4.4m).

Bubs will provide further updates on its performance at its half year results on **Friday 27 February 2026**.

## ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent \$19.1m on product manufacturing and operating costs, \$5.2m on administration and corporate costs, \$3.7m on staff costs, and \$4.2m 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 \$380k were made to Key Management Personnel and \$65k was paid for Directors' remuneration. These payments are included in item 1.2.

## Footnotes

<sup>1</sup> Net revenue represents the revenue recognised after trading terms, trade spend and promotional support

<sup>2</sup> This figure has not been subject to audit or review

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

This release is approved by the Board of Directors.

**END**

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## **ABOUT BUBS AUSTRALIA LIMITED (ASX: BUB)**

Founded in 2006 in Australia, Bubs' purpose is to grow happy, healthy families through clean nutrition. Bubs® A2 Beta-Casein Protein, Bubs Organic® Grass-fed, and Easy-Digest Goat Milk Infant Formula, along with Bubs Organic® baby food range, cater for all feeding occasions and stages of a child's development during their first 1,000 days of life.

Bubs® products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to ten markets across China, Southeast Asia, the Middle East, and USA.

**Consumer Website:** [bubsaustralia.com](http://bubsaustralia.com)

**Investor Centre:** [investor.bubsaustralia.com](http://investor.bubsaustralia.com)

## Appendix 4C

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

**Name of entity**

**BUBS AUSTRALIA LIMITED (ASX: BUB)**

**ABN**

**63 060 094 742**

**Quarter ended (“current quarter”)**

**31 December 2025**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	29,183	55,245
1.2 Payments for		
(a) research and development	(64)	(270)
(b) product manufacturing and operating costs	(19,154)	(37,701)
(c) advertising and marketing	(4,241)	(8,196)
(d) leased assets	(301)	(673)
(e) staff costs	(3,707)	(7,291)
(f) administration and corporate costs	(5,271)	(9,161)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	53	121
1.5 Interest and other costs of finance paid	(8)	(31)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,510)</b>	<b>(7,957)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
	(c) property, plant and equipment	(314)	(339)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(700)	(700)
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	<b>Net cash from / (used in) investing activities</b>	<b>(1,014)</b>	<b>(1,039)</b>

<b>3. Cash flows from financing activities</b>			
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	1,473	1,473
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,473</b>	<b>1,473</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,954	17,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,510)	(7,957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,014)	(1,039)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,473	1,473
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,903</b>	<b>9,903</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	8,559	11,614
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	1,344	1,340
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,903</b>	<b>12,954</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
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

Pursuant to ASX LR4.7C.3, the Company advises that payments of \$ 381k were made to Key Management Personnel and \$65k was paid for Directors' remuneration. These payments are included in item 1.2.

**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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
-	-
10,000	-
-	-
10,000	10,000

**7.5 Unused financing facilities available at quarter end**

10,000

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 2026.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,510)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	9,903
8.3 Unused finance facilities available at quarter end (Item 7.5)	10,000
8.4 Total available funding (Item 8.2 + Item 8.3)	19,903
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	5.7

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

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.

30 January 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.