

Appendix 4E

(Rule 4.3A)

Baby Bunting Group Limited
ABN 58 128 533 693

Reporting period: For the year ended 28 June 2026 (52 weeks)

Previous period: For the year ended 29 June 2025 (52 weeks)



Results for announcement to the market

Statutory Financial Results	2026 \$'000	2025 \$'000	Mvmt \$'000	up/(down) %
Revenue from ordinary activities	556,049	521,935	34,114	6.5%
Net profit from ordinary activities after tax (attributable to members)	11,205	9,537	1,668	17.5%
Net profit attributable to members	11,205	9,537	1,668	17.5%

Pro Forma Financial Results	2026 \$'000	2025 \$'000	Mvmt \$'000	up/(down) %
Revenue from ordinary activities	556,049	521,935	34,114	6.5%
Net profit from ordinary activities after tax (attributable to members)	16,144	12,054	4,090	33.9%
Net profit attributable to members	16,144	12,054	4,090	33.9%

Pro forma financial results exclude certain items contained in the statutory financial results to more clearly represent the consolidated entity's underlying earnings (noting that this financial information has not been audited in accordance with Australian Auditing Standards).

The following tables reconcile the statutory financial results to pro forma financial results for the year ended 28 June 2026 and 29 June 2025 and provide further detail on each pro forma adjustment.

Pro Forma Financial Results - Year ended 28 June 2026	Sales \$'000	NPAT \$'000
Statutory results	556,049	11,205
Employee equity incentive expenses ¹	-	6,109
Transformation project expenses ²	-	597
Tax impact from pro forma adjustments	-	(1,767)
Pro forma results	556,049	16,144

1. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs.

2. Transformation project expenses represent non-capital expenditure incurred to enable the future technology platform upgrade of the Group's ERP and POS environments.

Pro Forma Financial Results - Year ended 30 June 2025	Sales \$'000	NPAT \$'000
Statutory results	521,935	9,537
Employee equity incentive expenses ¹	–	2,699
Tax impact from pro forma adjustments	–	(182)
Pro forma results	521,935	12,054

1. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs.

Dividends

	Amount per security (cps)	Franked amount
2025 final dividend	Nil	–
2026 interim dividend	Nil	–

The Group does not propose to pay a final dividend.

The Group does not currently offer a dividend reinvestment plan.

Net tangible assets per ordinary share

Net tangible assets per ordinary share	2026 \$	2025 \$
Net tangible assets per ordinary share	0.55	0.43

Net tangible assets are calculated by deducting intangible assets from the net assets of the Group.

Other information

This report is based on the consolidated financial statements which have been audited by Ernst & Young.

For further explanation of the figures above please refer to the ASX announcement dated 14 August 2026 outlining the results for the year ended 28 June 2026 and the notes to the financial statements.

BabyBunting

A close-up photograph of a woman with grey hair, smiling and holding a young child. The child is laughing and looking towards the camera. They are outdoors, with a blurred background of green foliage. The woman is wearing a light green knitted cardigan, and the child is wearing a light blue t-shirt and a white and brown checkered skirt.

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2026
Annual Report

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Notice of 2026 Annual General Meeting

10.00am (Sydney time)
Tuesday, 13 October 2026.

Further details will be contained in the Notice of Annual General Meeting that will be made available in September 2026.

The 2026 Baby Bunting Annual Report reflects Baby Bunting's performance for the 52 week period from 30 June 2025 to 28 June 2026.

The Baby Bunting Group Limited Annual Report is available online.



Our Vision

The best start for the
brightest future

Our Mission

Support and inspire
confident parenting
from newborn to toddler

Our Values

Make it happen

We act with urgency, energy and focus. We take initiative, solve problems, and get the job done. No excuses, no delays, just action.

Own your impact

We step up, take responsibility and follow through. We lead by example, knowing what we do and how we do it matters.

Raise the bar

We aim higher every day by setting the bar, raising it, and never settling. We challenge ourselves to deliver better outcomes for our customers.

Together we thrive

We succeed by lifting each other up. We collaborate, listen, and celebrate as one team. We are connected by purpose, strengthened by trust, and united in care.

FY26 results

Highlights

Financial

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SALES

\$556.0m

FY2025 \$521.9m

COMPARABLE STORE SALES GROWTH

+3.5%

TOTAL SALES GROWTH

+6.5%

ONLINE SALES

\$140.5m

(25.3% of total sales)
(incl click & collect)

PRIVATE LABEL & EXCLUSIVE PRODUCTS

50.3%

(% of total sales)
Up 320 bps

GROSS MARGIN

41.2%

Up 100 bps

EBITDA MARGIN

6.8%

(pre-AASB 16)
Up 140 bps since FY25
Up 360 bps since FY24

GROUP EBITDA

\$37.6m

(Pre-AASB 16)
Up 33.4%

NET DEBT

\$16.2m

FY25 \$4.5m

RETURN ON FUNDS EMPLOYED

15.1%

Up 300 bps

PRO FORMA GROUP NPAT

\$16.1m

Up 33.9%

STATUTORY GROUP NPAT

\$11.2m

Up 17.5%



Operational

Expanding the store network into new catchments and meeting more needs of parents through new store formats

Omni-channel customers

43.2%

(Customers who shopped both in stores and online)
Up 150 bps from FY25

New Stores

7

Dubbo, Westgate, Mentone, Tuggerah, Robina, Plenty Valley and Marion

Same Day / Next Day Delivery

10.0%

of all online delivery orders

Total Active Customers

4.2%

Growth

Net Promoter Score

74

Up from 73 in FY25

Marketplace

\$7.7m

Gross Merchandise Value up 38.1%

Retail Media

\$5.8m

of revenue

Refurbished Stores of the Future

12

projects in FY26

Refurbished Stores Sales Growth

18%

Average FY26 sales growth in first 12 months since re-opening

Sales Growth

17.0%

Comparable store sales growth

Stores

5

in market

New Zealand Growth

Chair and CEO Letter

Dear Shareholders,

Everything we do at Baby Bunting comes back to supporting parents through a demanding time in their lives, and in FY26 we did that for more families while building a stronger, more resilient business. Our strategy continues to deliver, and the passion and pace of execution across Baby Bunting are as strong as they have ever been.

In FY26 the team delivered another strong earnings result, achieved in a consumer environment that grew more difficult through the year. Cost-of-living pressure persisted, and three increases in the RBA cash rate across the second half, alongside higher fuel prices, left customers more cautious. Despite this, we delivered earnings growth of 33.9% and expanded our gross margin again, as a result of disciplined execution against our strategy.

Turning strategy into results

FY26 pro forma NPAT grew by 33.9% to \$16.1 million, total sales rose 6.5% to \$556.0 million, and comparable store sales increased 3.5%, weighted to the first three quarters. Improved operating leverage supported that result, and while pro forma NPAT was slightly below the guidance we set for ourselves, we were pleased to deliver material profit growth in a challenging consumer market.

These results show that our strategy is working.

These results build on our leadership in the \$6.3 billion specialty baby goods market in Australia and New Zealand, where we estimate we account for around 20% of the \$1.8 billion hard goods market. Soft goods remain a significant opportunity for us, where every percentage point of share is worth around \$34 million in revenue. Winning more of that segment, and the margin it carries, is central to our strategy and we are making good progress.

We delivered further margin by shifting the sales mix towards higher-margin soft goods, securing better trading terms and growing our exclusive brands and private label offering, which now account for above 50% of sales. Our retail media business also contributed \$5.8 million of revenue which was equivalent to around 1.0% of sales in FY26, in line with plan, and remains a capital-light, incremental margin driver for us. Together these initiatives lifted our gross margin from 36.8% in FY24 to above 41% in FY26, exceeding our target for the year, and we are confident in the path to our medium-term target of 43%.

Pleasingly, New Zealand has continued to perform strongly, with comparable store sales growth of 17.0%. Our first New Zealand Store of the Future opened at Westgate, Auckland in December 2025 and the new format is contributing to growing brand awareness in the market. We remain on track for pro forma NPAT breakeven in New Zealand in FY27. This is a significant result given the effect New Zealand has had on the Group's earnings as it has scaled from its start up phase to now become more established.

Reshaping our store network

Our store network is central to how we grow. We now operate 80 stores across Australia and New Zealand, and we are excited by the runway ahead to more than 110 large format stores.

In FY26, we took our Store of the Future program from three pilot refurbishments with a further 12 refurbishments through the year. We now have 15 refurbished stores in market, with the cohort delivering average FY26 sales growth in first 12 months since re-opening of 18%, within our target range. Two stores we re-opened late in the year delivered record opening-week sales, further validating the format. The three stores we re-opened in late FY25, have now cycled their one-year opening date and continue to trade strongly and to plan.

Trading softened through the fourth quarter, particularly in prams and car safety, as higher fuel prices and interest rate rises led customers to spend less and defer big-ticket purchases. While the non-refurbished network fell behind plan over the final seven weeks, our refurbished stores continued to trade well, which reflects the strength and resilience of the refurbishment program.

That performance gives us the confidence to keep up the pace into FY27, where we are targeting 10 to 12 refurbishments at lower average build costs as the program scales.

We also opened four new large format stores during the year and we optimised our store network by closing two stores. Alongside the large format work, we launched Baby Bunting Junior, our small format pilot, at shopping centre sites around Australia (Robina, Plenty Valley and Marion). The format targets time-poor parents with a smaller, curated store on a busy route that they can reach on their daily run. In FY27, we will continue to focus on refining the format before considering further plans.



Reaching customers across our channels

New customer numbers grew 4.2% in FY26, underpinned by a sharper approach to performance marketing and social media. We completed the shift to fulfilling every online order from our stores in the first half, which improved our delivery economics and lowered our cost to serve, and online sales grew to be 25.3% of total sales, up from 23.1% in the prior year. Our marketplace continued to grow its gross sales value, giving customers access to an even broader product range. It lets us trial new suppliers and categories, assess customer demand and expand our offer without increasing inventory investment.

Private label and exclusive brands

Our Private Label and Exclusive Products (PLEX) strategy, is fundamental to our plans. Private label is how we deliver value as it provides the opportunity to offer products for parents that they can trust at a price that works for them. Exclusive brands enable us to stand apart from others, as these are brands that consumers cannot get anywhere else.

A key development this year was our relationship with Stokke, with whom we signed an exclusive three-year partnership in February 2026. It joins the exclusive ranges we already hold with Nuna, Joie and, in New Zealand, Bugaboo. We also kept growing our own label, weighted to soft goods where the share opportunity is greatest, and we are targeting further exclusive launches planned for FY27.

Capital management

Our growth strategy remains self-funded. Capital expenditure of \$44.5 million in FY26, directed primarily towards refurbishments and new stores, and we closed the year with net debt of \$16.2 million. As we continue our refurbishment program, we expect to moderate per store build costs through further value engineering, design refinements and program efficiencies.

During the year we took the opportunity to extend our working capital facility with NAB to \$90 million, which gives us plenty of headroom to support inventory and the refurbishment program as it accelerates.

The Board is conscious of the need to return to paying dividends for shareholders at the appropriate time. For FY26, the Board decided not to pay a dividend, to continue prioritising the strong investment returns from the refurbishment program.

Changes to our leadership team

During FY26 we made several important appointments. Jessica Kahanoff joined as Executive Head of Property, bringing deep experience in retail property and site selection as we accelerate our store expansion. Hannah Styles joined as General Manager – Merchandise and Planning, strengthening how we manage our range, suppliers and inventory. After year-end, Siobhan Pelc joined as General Manager – People and Culture. Together these appointments round out a strong leadership team.

In late July, Darin Hoekman, our CFO, announced his intention to step down after more than 12 years in the role. Darin has helped lead Baby Bunting through its listing and leaves the business with a strong balance sheet and a disciplined approach to capital. He will remain in the role until a successor is appointed and we thank him for his commitment and efforts over many years.

Governance and sustainability

Gary Levin, who joined the Board in 2014 in advance of Baby Bunting's listing, has decided not to seek re-election at the 2026 AGM when his current term expires. The Board thanks Gary for his counsel and contributions over his tenure, which has seen Baby Bunting grow to be the organisation it is today.

The Board will consider the appointment of a new Non-Executive Director as part of its normal Director succession arrangements.

We continually assess the skills and diversity on the Baby Bunting Board to ensure it remains fit for purpose as the business grows. We established a People, Culture and Remuneration Committee earlier this year, and updated the Audit and Risk Committee Charter to give greater weight to climate-related risk.

In this Annual Report, we have also published our first Sustainability Report prepared for the purpose of AASB S2 (Climate-related disclosures). Among other things it sets out our Scope 1 and Scope 2 emissions, along with our assessment of the climate risks and opportunities the business faces.

We have been operating a car seat recycling program in certain Melbourne stores since November 2024. This program has been funded by Baby Bunting, although a small cost recovery charge is applied in certain circumstances. With the help of one of our key supplier partners, Dorel (maker of Maxi-Cosi and Mother's Choice car seats), we have extended this program to more stores in Victoria. In FY26 we recycled 2,495 car seats and diverted over 11 tonnes from landfill, consisting of over 8 tonnes of plastics and nearly 2 tonnes of steel.

We maintained our support for community organisations such as Life's Little Treasures Foundation, PANDA and Our Village, which help families through the hardest moments of early parenthood.

Outlook

Baby Bunting enters FY27 with a proven strategy, a strengthening store network and good momentum. The consumer environment remains uncertain and we will watch it closely, but our foundations are sound, our category is resilient, and we have the right team and plan in place to execute well in the areas within our control. We are on course to rebuild Baby Bunting as a business earning an EBITDA margin above 10%, and we have the platform to do it.

On behalf of the Board and the management team, we thank our people for their commitment through a year that presented a number of external challenges, and our customers for trusting us at such an important time in their lives. We thank our suppliers and partners for working alongside us, and our shareholders for your continued confidence in Baby Bunting. We look forward to what we build together in FY27.



Stephen Roche
Chair



Mark Teperson
Chief Executive Officer and
Managing Director



Together we thrive

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At Baby Bunting, we understand the important role we can play in creating a better future for families. Through our focus on environmental, social and governance priorities, we incorporate sustainability into our strategy and operations to support long-term value for stakeholders.

Through three pillars – our people, our communities, and our planet – we’re working to turn clear actions into meaningful initiatives that drive real impact.

Our stakeholders

Our key stakeholder groups, along with why they are important to us and how we engage with them, are as follows:

Stakeholder	Why they are important	How do we engage
Customers	We exist to support and inspire new and expectant parents. Their expectations regarding issues related to sustainability – from product safety and use of packaging to data privacy – are extremely important to us.	We engage with customers every single day. We receive feedback from customers directly in our stores, via our Customer Care team, through comments on our website and on our social media pages.
Team members	Our success depends on the people we employ and the talent we attract, develop and retain. We want to ensure a safe and inclusive environment and a culture aligned with our values of Make it happen, Own your impact, Raise the bar and Together we thrive.	We seek to understand what is important to our team members including through engagement surveys, team briefings, the onboarding process, exit surveys, and internal listening sessions.
Shareholders	Institutional and retail shareholders provide the capital necessary for our business. The links between sustainability and financial returns are fast becoming their key focus, particularly around sustainable supply chain, human capital management and product stewardship.	We engage with our investors regularly via investor calls and briefings, during Annual General Meetings and on our investor website. We also gain insights into investors’ concerns and topics of interest through external sustainability ratings.
Communities	Local communities are where our team members and customers live and where our stores, Distribution Centre and Store Support Centre are located. We seek to ‘be a good neighbour’, have a positive impact where we can, including by providing financial benefits, training, mentoring and employment opportunities.	By having an open channel of communication with our customers in the stores and communities in which we operate, we gain insights into what is most important to them and their families. Our communications channels include feedback provided directly in stores and to our Customer Care team as well as surveys undertaken of segments of our market.
Suppliers and manufacturers	Our suppliers provide the products that we make available to our customers so preserving these critical relationships by engagement and communication is vital.	Our merchandise team have discussions with our suppliers about areas of common interest and exchange information about a wide range of issues, including supply chain matters, ethical sourcing and sustainability.
Regulators	Regulators and governments set the rules under which companies like Baby Bunting operate.	As a transparent and open company, we engage periodically with tax authorities, regulatory authorities (primarily the ACCC and the State consumer law regulators), Federal and State government departments, local authorities and other regulatory bodies on current issues.

Governance

The Board is responsible for the overall performance of Baby Bunting and accordingly takes accountability for monitoring the Group's business and affairs and setting its strategic direction, establishing policies and overseeing Baby Bunting's financial position and performance. The Board has established the Audit and Risk Committee and the People, Culture and Remuneration Committee to assist it in considering matters relating to governance of the Group's performance and risks.

The role of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities for corporate governance and oversight of the Group's financial and corporate reporting, risk management and compliance structures and external audit functions.

The role of the People, Culture and Remuneration Committee is to assist the Board in fulfilling its responsibilities relating to people and culture, safety and to remuneration policies and practices for the Group.

Together, these two committees assist the Board in considering the Group's sustainability practices, issues affecting our team and the communities in which the Group operates.

The Executive management team has operational responsibility for managing these risks and for regularly reporting to the Audit and Risk Committee or the People, Culture and Remuneration committee to ensure that the Board is kept informed of the Group's sustainability risks, opportunities, and performance.

Expected standards of behaviour and processes to ensure appropriate conduct by team members are set out in a range of policies applicable to all team members and in Baby Bunting's Code of Conduct. The Code of Conduct was updated during the year to reflect the Group's Values and to address contemporary issues, including the use of artificial intelligence in the Group's operations.

The Board has approved the adoption of Baby Bunting's Code of Conduct and delegated responsibility to the Audit and Risk Committee in respect of risk management, which includes compliance with the Code of Conduct.

In respect to diversity, the Board has adopted a Diversity Policy which sets out Baby Bunting's commitment to recognising the importance of diversity for its business. This is referred to in the People section in this Report.

Baby Bunting measures gender diversity in the composition of its senior executives and team members generally and reports these annually to the Australian Government's Workplace Gender Equality Agency.

Our 2026 Corporate Governance Statement contains more information on Baby Bunting's corporate governance policies and practices. It is available at: investors.babybunting.com.au/corporate-governance



Board



Audit and Risk Committee



People, Culture and Remuneration Committee

Materiality

Based on our materiality assessment, we have identified the topics, issues, risks and opportunities identified by our senior leaders as most important to Baby Bunting and the topics we believe our investors consider material to Baby Bunting.

Materiality Topics



Our People

Health, Safety
and Wellbeing

Employee satisfaction

Diversity



Our community

Supporting new and
expectant parents

Product safety

Providing great services

Respecting the privacy of our
customers and partners

Making a positive impact on
the communities in which we
operate



Our Planet

Energy use

Ethical sourcing

Product stewardship

Packaging and recycling





Our People

Shaping a place where together we thrive.

Our collective purpose is to support and inspire confident parents from newborn to toddler, a commitment embraced daily by our nearly 1,500 team members.

During FY26 we made important additions to the Executive team. We welcomed Hannah Styles to the role of General Manager – Merchandise & Planning, and we appointed Jessica Kahanoff as Executive Head of Property. In May 2026, we also announced our new General Manager – People & Culture, Siobhan Pelc, who started with the business on 3 August. This is in addition to welcoming 445 new team members to the business over the past 12 months.

Towards the end of FY25, we launched our values – Make it happen, Own your impact, Raise the bar, and Together we thrive. Over the past year, we've worked to embed these values into everyday moments, using conversation cards to spark meaningful discussions and recognition initiatives such as awards, thank you cards, and recognition walls to celebrate them in action.

In FY27, we will continue to strengthen the way we live our values and behaviours with our team.

We had more than 780 team members participate in our Employee Engagement Pulse Survey, demonstrating a strong commitment to having their voices heard and shaping our culture. Encouragingly, we saw a 9 point improvement in our overall engagement to 49, reflecting the positive impact of the behaviours and values we continue to embed across our teams.

We also received many hundreds of comments from our team, providing valuable insights into what we're doing well and how we can continue to build on these strengths, as well as highlighting key areas of focus for the next 12 months. These areas have included improved team member communications, continuing to work to ensure our team feel empowered in their roles, and continuing to enhance systems and simplify processes.

We have introduced a senior leadership forum that convenes regularly with Baby Bunting's senior leaders, predominantly being the direct reports to the Executive team and some others, to align on strategic priorities, foster ideas to strengthen organisational culture, and deepen connection across the leadership team. Looking ahead, we will make fuller use of this forum to drive enterprise-wide alignment, strengthen leadership cohesion, and accelerate the consistent embedding of our values, culture and engagement priorities.

ENGAGEMENT
SCORE

49

(improvement of 9)

Our Values



Make it
happen



Own your
impact



Raise
the bar



Together
we thrive

Raising the bar through equality

At Baby Bunting, representing the customers and communities in which we operate is deeply important to who we are.

We have set our goal of 40:40:20 balance in senior leadership. We have made good progress with women making up 75% of Area and Regional Manager roles, 30% of our Executive team (including the CEO), and 50% of the Non-Executive Directors.

For the 2025–26 Workplace Gender Equality Agency reporting period, our gender pay gap was:

- 25.9% for average total remuneration; and
- 9.0% for the median total remuneration.

A positive percentage indicates men are paid more on average than women. A negative percentage indicates women are paid more on average than men.

These results are influenced by the gender distribution across roles, with a higher concentration of men in senior, higher-paying positions.

Our workforce composition has a strong representation of women. We have 1,170 female team members, with 71% of roles classified as “managers” held by women and 80% of roles classified as “non-manager” being held by women.

Our focus areas continue to ensure we increase gender-balanced succession planning, ensure equitable access to career development, and create inclusive pathways into leadership roles. We have adopted three gender equality targets for 2026–29, with the first being to increase the representation of women in the “Other managers and general managers” category from a 25% baseline to at least 50%.

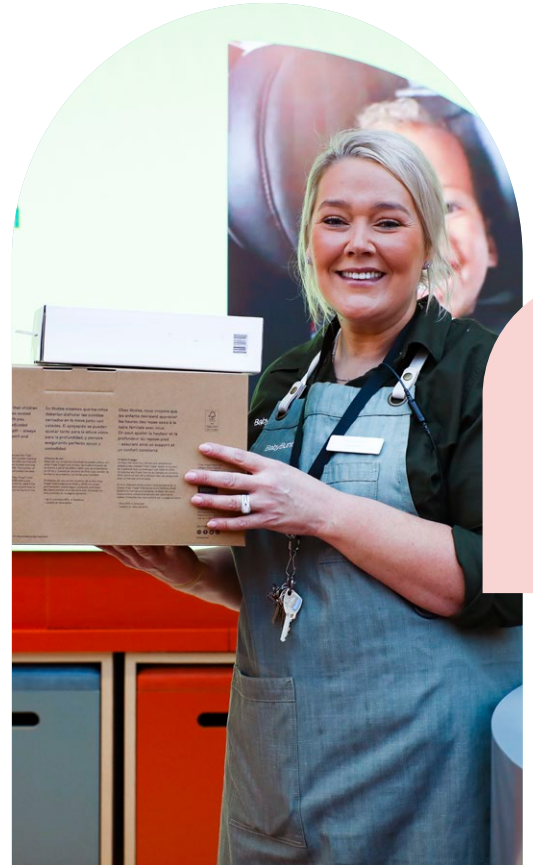
Our other workplace gender equality action targets are to increase employee consultation on gender equality issues. We will achieve this through enhancing our employee representative groups for this purpose as well as building on our existing exit interview processes and experience surveys.

We have also committed to undertake gender pay gap analysis annually, to better understand any drivers of gender pay gaps. Given the composition of our team, differences in average base and total remuneration can be driven by the composition of the classification group and the absolute number of one gender relative to the other in the classification.

We recognise the importance of equitable access to benefits like parental leave and encourage both parents to engage with it in ways that support their individual needs and circumstances. In FY26, we had 50 team members access the benefits of our paid parental leave policy, where we pay 12 weeks of salary (including superannuation payments) to a team member (of any gender) who is the primary carer for a new child.

We are also committed to building on our existing processes for supporting team members affected by family and domestic violence. While we have processes to provide support, we are seeking to better formalise those and increase the awareness of the support available to ensure team members who have an urgent need can readily access support.

Our recruitment policy across Baby Bunting means we will continue to seek to recruit the best possible people available, regardless of their ethnicity, age, gender, sexuality, religion or physical ability.



75%

female leadership
across Area & Regional
Manager roles

SUPPORTING

50

team members through
paid parental leave



Nurturing our team growth and development

Nurturing and developing our team's growth is a key focus to how we deliver our strategy and strive towards our mission to support and inspire confident parents from newborn to toddler.

In FY26, we reintroduced our Leading Stores Success (LSS) program across all regions – with over 80 store leaders attending. LSS is a structured development program for our store leadership teams, focused on strengthening leadership capability and coaching skills. The program also addresses key areas including store operating standards, operational strategy, and financial acumen.

"A great session run by all and I took a lot away about the direction the business is going in and why. I am excited for what's to come and sharing with my team."

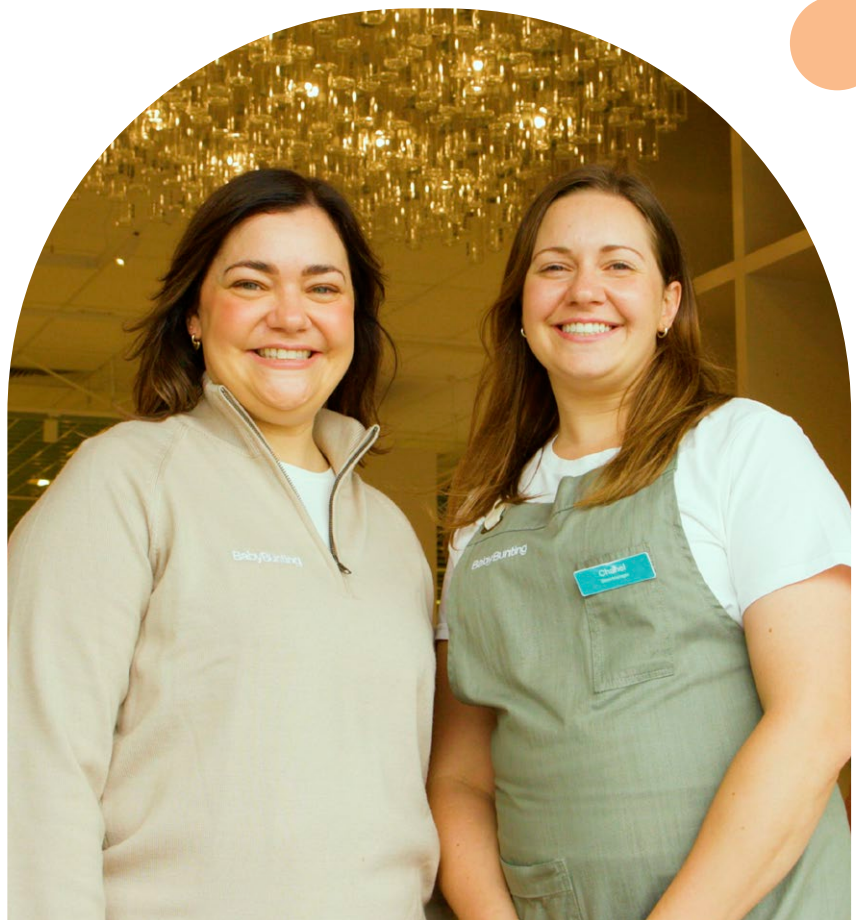
"Thank you for organising this training, it was great to get out of the store and be able to network with other managers and head office team."

"So much about day to day ops that I hadn't considered previously. I'm excited moving forward understanding this better."

The program continues to foster a highly engaged and collaborative leadership community, strengthening alignment and capability across our store network.

In FY26, we delivered three Virtual Expos tailored for our store team members, providing engaging, accessible opportunities to strengthen product knowledge and selling confidence across the network. These interactive events connected teams directly with 30 key suppliers and brand partners, giving first-hand insights into product features, benefits, and key selling points.

As part of our people development, we supported the internal promotion of 111 employees into new roles. These outcomes reflect our strong focus on attracting high-quality talent while also creating meaningful career pathways for our people.



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Case study

Since joining Baby Bunting as a Service Manager in 2022, Ruby has built her career by embracing every opportunity to learn, contribute and grow. Starting in the store network gave her a strong understanding of how the business operates at the frontline, from customer service and stock flow to operational performance. Rather than focusing only on her immediate responsibilities, Ruby actively sought to understand the bigger picture, building a broad foundation of knowledge that would support her future career progression.

A key part of Ruby's career pathway has been her willingness to step outside her comfort zone. Her move into the Store Support Centre as a Buying Assistant in the Merchandise team exposed her to new areas of the business, including buying, planning and supplier relationships. While the transition was challenging, she focused on learning by doing, getting involved in projects, contributing to discussions and seeking out opportunities to expand her knowledge. She also invested time in building relationships across the organisation and openly communicating her career aspirations, helping create connections that would support her development.

Ruby's curiosity ultimately led her towards the legal and commercial side of the business. Through her work in Merchandise, she gained exposure to commercial and contractual arrangements, which sparked a deeper interest in law and compliance. Rather than letting that interest remain a curiosity, she proactively engaged with leaders, asked questions and sought opportunities to learn more. These experiences, combined with her law studies, helped her build the knowledge and confidence needed to successfully transition into the Legal & Compliance team as a Paralegal.

Reflecting on her journey, Ruby believes some of her most valuable learning came from simply being willing to be involved. Whether contributing to projects, observing discussions or seeking feedback, she consistently looked for opportunities to learn from those around her. Her experience demonstrates that career growth is often driven by curiosity, initiative and a willingness to keep learning. By taking ownership of her development and being open about her ambitions with people at Baby Bunting, Ruby has successfully built a career path that combines her retail experience with her long-term goal of becoming a lawyer.



Our team have also completed more than 10,700 hours of structured training (FY25: 8,447 hours) during FY26, and a total of 28,715 course completions were recorded for the last 12 months.

1,638
HOURS

Compliance

975
HOURS

Core Skills

3,766
HOURS

Product
Knowledge

2,356
HOURS

Qualification /
Accreditation

1,986
HOURS

Soft Skills

In addition to the hours above, there are many more hours of informal and on the job training undertaken by our team. Investing in our team remains a priority, as we continue to build capability, support career progression, and foster a culture where our people can grow and succeed.



Building a safety, health and wellbeing culture

The safety, health and wellbeing of our teams and customers is our number one priority – our goal is to make sure everyone arrives home safe and well after working, shopping or visiting us.

To strengthen our safety culture and keep risk management front of mind, our Safety Working Group was reconstituted during the year. This forum brings together key leaders to review injury trends, share safety insights, and address emerging issues. By collaborating across departments and discussing priority topics, the group ensures we develop the most effective strategies to continually improve safety performance.

Measuring our safety performance

Three key metrics we use to help us understand and monitor safety performance are:

- Lost Time Injury Frequency Rate (LTIFR): Measures frequency of work-related injuries that result in lost time;
- Medically Treated Injury Frequency Rate (MTIFR): Measures frequency of work-related injuries that require medical treatment, beyond first aid, but do not result in lost time;
- Total Recordable Injury Frequency Rate (TRIFR): Measures the frequency of all work-related injuries that are recorded including lost time injuries and medically treated injuries (excluding first-aid only).

Towards the end of the year, we updated our definition of Lost Time Injury Frequency Rate (LTIFR) to focus on actual time lost due to work-related injury, rather than the acceptance of a workers' compensation claim. Under the revised approach, an injury is recorded as a lost time injury when a team member misses at least one rostered shift as a result of a work-related injury.

This change reflects our commitment to early intervention and injury prevention by providing a more direct measure of the impact of workplace injuries and greater visibility of emerging safety risks. The revised methodology supports a stronger focus on identifying opportunities to improve safety outcomes across the business.

Our focus on safety for the year ahead is on future training and prevention of manual handling injuries, which was the leading cause of injuries in FY26.

Safety and wellbeing developments

Other developments in FY26 were aimed at enhancing the safety, health and wellbeing of our team with new initiatives and insights gathered directly from our people through employee surveys.

We introduced a new injury early intervention system called Initial Care. This is our new early intervention injury support service, delivered in partnership with MAX Health. Available 24/7 across Australia and New Zealand, the service gives team members immediate access to nurse triage support for work-related injuries and illnesses, including guidance on next steps and fast-tracked care where needed for our Australian team. Initial Care is designed to help people access the right care early and support a safe and sustainable return to work.

Team member benefits

Part of our wellbeing focus, we launched Beny, an Australian benefits platform giving our team members access to useful, everyday savings, all in one easy-to-use app. The program brings together a range of deals, discounts and perks, including fuel discounts and offers across wellness and fitness, shopping, dining, entertainment, among others.

Wellbeing at work

We are committed to fostering a workplace where everyone feels safe, supported and empowered to speak up when something does not feel right. Creating a culture where concerns can be raised confidently, respectfully and without fear of judgement is essential to maintaining a safe and inclusive environment, and employee feedback plays an important role in this process.

To help ensure we continue to strengthen our processes, systems and support frameworks, all team members were invited to participate in our Respect at Work survey. We had over 700 team members participate in the survey, with some valuable insights to support further building our strategy.

13.89

FY26 LTIFR

Using the former
definition of LTIFR
FY25: 11.20

24

FY26 Lost time
injuries

Using the former
definition of LTI
FY25: 11.22

Beny

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Our Communities

The safety of babies and young children remains one of the most important responsibilities we hold as a retailer.

Our customers place significant trust in Baby Bunting, and we remain focused on maintaining high standards of product safety, compliance and quality across the products we sell. We continue to work closely with suppliers, regulators and industry bodies to support safe outcomes for families across Australia and New Zealand.

We maintain robust product governance and compliance processes to help ensure all first party products meet applicable mandatory product safety standards and regulatory requirements. Where mandatory standards do not exist, we seek alignment with recognised Australian, New Zealand, European or US standards as appropriate.

All suppliers are expected to comply with Baby Bunting's Ethical Sourcing Code and product compliance requirements. Throughout FY26, we continued reviewing and updating our product testing and quality assurance processes to reflect evolving standards and regulatory developments across key product categories.

Our product testing requirements cover a broad range of nursery and baby product categories and are designed to support high standards of safety, durability and quality. These requirements are reviewed regularly to reflect changes in regulations, emerging safety insights and customer expectations.

There have been no recalls of Baby Bunting's private label products during FY26, consistent with FY25 and FY24.

To support ongoing knowledge and industry engagement, members of our Compliance team continued participating in a range of industry standards committees and forums focused on the development and improvement of Australian safety standards for nursery and children's products.

Supporting safe sleep

Baby Bunting continues to support initiatives that strengthen infant sleep safety standards and improve awareness around safe sleep practices.

In FY26, we updated Baby Bunting's product testing requirements to reflect the ACCC's mandatory changes relating to Infant Safe Sleep and inclined non-sleep products. We also worked extensively with suppliers and internal teams to support the transition to the new regulation, which came into effect in January 2026.

During the year, more than 150 infant sleep and inclined non-sleep products were reviewed and transitioned to ensure compliance with updated safety, product design and labelling requirements. This work also included the review and update of in-store product displays and customer-facing information across our store network.

Our approach to infant sleep product safety continues to focus on evolving regulatory requirements and recognised safety principles, including safe sleep surfaces, firmness, air permeability and appropriate product warnings and instructions.

We believe ongoing collaboration across industry, regulators and suppliers is critical to improving safety outcomes and helping parents make informed decisions about products designed for infants and young children.



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Infant & Nursery Product Alliance of Australia (INPAA)

Baby Bunting continues to partner with the Infant & Nursery Product Alliance of Australia (INPAA), supporting industry-wide efforts to promote product safety, regulatory awareness and best practice across the nursery sector.

Through our involvement with INPAA, we continue contributing to industry discussions focused on improving awareness of safe sleep environments and broader nursery product safety requirements.

These partnerships support both our team members and suppliers by helping ensure they remain informed about evolving safety expectations, product standards and customer education initiatives.

We believe advocacy and collaboration across the nursery industry remain important in helping families make informed and safe purchasing decisions.

Respecting customers and our partners' privacy

Baby Bunting recognises the importance of protecting the personal information of our customers, team members and partners.

We maintain privacy policies, governance frameworks and internal procedures designed to support the appropriate collection, handling, storage and protection of personal information.

We do not provide customer personal information to third parties for their direct marketing purposes. Where third-party partners support our operations or services, we seek to ensure they maintain appropriate privacy and information security practices and comply with applicable privacy obligations.

During FY26, we continued reviewing privacy management processes and assessing information security controls across relevant technology platforms and service providers.

We also continued training and educating team members on their responsibilities relating to the handling and protection of personal information. Cyber security and data protection remain important priorities for Baby Bunting, particularly as digital engagement and online transactions continue to grow. We continued investing in cyber security measures, monitoring capabilities and system controls designed to support the ongoing protection of company and customer information. These controls include monitoring activities, penetration testing, risk assessments and external reviews aimed at identifying and addressing potential vulnerabilities.

We remain committed to continuously strengthening our cyber security capabilities and maintaining systems and practices designed to support the secure operation of our business and the protection of customer information.

There were no reportable data breaches during FY26.

Modern slavery

Baby Bunting is committed to working towards the elimination of risks of modern slavery in our supply chain and operations.

Our 2026 Modern Slavery Statement is available on our investor website (investors.babybunting.com.au) and should be read in conjunction with this report. We import a proportion of our products from countries with a heightened risk of modern slavery and other types of coerced labour, as well as environmental risks.

We acknowledge that our supply chain is not immune from modern slavery practices. In response, we have continued to engage with our suppliers to identify and manage the risks of these practices from occurring and to ensure that our suppliers share our commitment to a high level of sustainability and ethical performance.

We have an Ethical Sourcing Code which we expect all of our suppliers to adhere to. The Code sets out our expectations of supplier standards and behaviours, including respect for human rights and the environment. We recognise the value and importance of training our teams in this area. Accordingly, we have reviewed, updated and published a new version of the mandatory compliance training module on modern slavery. Compliance with our Ethical Sourcing Code is reported to the Audit and Risk Committee. The Board also reviews and approves Baby Bunting's Modern Slavery Statement each year.

The Modern Slavery Statement contains details of the number of suppliers and tier-1 factors assessed for ethical sourcing purposes during the year and other key areas of focus.



Building strong and meaningful partnerships

Welcoming Stokke to Baby Bunting... exclusively

A highlight of the year was the expansion of Baby Bunting's relationship with Stokke, a globally recognised premium children's brand. The new exclusive three-year partnership strengthens Baby Bunting's premium offering and reinforces its commitment to bringing trusted, high-quality products to Australian families.

Founded in Norway in 1932, Stokke is renowned for its iconic Tripp Trapp® chair and its commitment to creating products that foster family connection, grow with the child, and combine timeless Scandinavian design with exceptional functionality.

Under the agreement, Baby Bunting became the exclusive retailer of Stokke products in Australia, giving families greater access to an expanded range of premium nursery, seating and mobility products. The partnership reflects the strength of Baby Bunting's national footprint, deep understanding of Australian families and trusted relationships with leading global brands.

As Stokke's expanded range rolls out across stores, the collaboration is expected to enhance customer choice while supporting long-term growth for both businesses. More importantly, it brings together two brands united by a shared commitment to helping parents create meaningful moments of connection throughout every stage of their child's journey.



Making a difference with our community partners

At Baby Bunting, we believe every family deserves the best possible start for the brightest future. Through our community partnerships, fundraising initiatives and practical support programs, we continue to focus on making a meaningful impact for parents, carers and children across Australia and New Zealand.

During FY26, we continued to work closely with our long-term charity partners and broadened opportunities for our team members and customers to contribute to causes aligned with our purpose.

Our approach is centred on creating both immediate and long-term impact. We seek to provide practical support, raise awareness of critical issues affecting families and contribute to stronger, more connected communities.

Supporting families in need

Supporting new and expectant parents remains a key focus of our sustainability strategy. Throughout FY26, Baby Bunting partnered with organisations providing incredibly valuable services to families during some of life's most challenging moments.

We were proud to continue existing partnerships and to build new ones. During the year we contributed and helped raise over \$702,000 for our partners:

- Life's Little Treasures Foundation, supporting families of premature and sick babies;
- PANDA (Perinatal Anxiety & Depression Australia), supporting parents experiencing perinatal mental health challenges;
- a new partnership with Our Village, who assist vulnerable children and families through the redistribution of essential baby goods; and
- The Nappy Collective, collecting new or leftover nappies for families in need.

Together with our customers, suppliers and team members, we raised funds through national campaigns, in-store initiatives and community contributions. These efforts helped provide practical care, mental health support, peer connection and essential items for families in need.

During FY26, we also expanded opportunities for local community engagement across our store network. Stores participated in local donation drives, volunteering activities and family-focused events designed to strengthen relationships within the communities where we operate.

Community impact

Our ambition is to continue increasing the positive contribution we make to families and communities over the long term.

During FY26, our community contributions included:

- fundraising campaigns across stores and online;
- direct financial support for charity partners;
- in-kind donations of products and essential items;
- volunteering and local community engagement activities; and
- awareness initiatives focused on parent wellbeing and family support.



life's little treasures
foundation



PANDA
Perinatal Anxiety &
Depression Australia



THE
NAPPY
COLLECTIVE



Together We Thrive

In 2025, Baby Bunting celebrated 10 years of partnership with Life's Little Treasures Foundation (LLTF), supporting families of premature and sick babies through fundraising, advocacy and community engagement.

Together with our customers, partners and team members, we raised \$363,000 through LLTF's Walk for Prems campaign and The Mighty Trek Challenge. Team members across Australia joined The Mighty Trek Challenge, helping push incubators 900km across New South Wales and Victoria to raise awareness and support for families of premature and sick babies. The journey included visits to a number of Baby Bunting stores, demonstrating the commitment of our team and communities to this important cause.

Over the past decade, Baby Bunting has helped raise more than \$2.8 million for LLTF, demonstrating the meaningful impact that can be achieved when purpose, partnership and community come together.



It Takes a Village

In 2026, Baby Bunting partnered with Our Village for the first time, hosting a four-week fundraising campaign across Victorian stores in February. Together with our customers, we raised \$34,000, with 100% of funds supporting vulnerable babies and young children across Victoria.

Our Village collects, checks and rehomes essential baby and children's items for families with children aged from birth to six, working closely with frontline professionals to ensure support reaches those who need it most. Baby Bunting team members also volunteered in Our Village warehouses and contributed product donations, alongside matching \$25,000 raised during the Festive Appeal.

Through this new partnership, Baby Bunting is helping strengthen families, reduce waste and support more than 20,000 babies and children each year, demonstrating the power of community-led impact.



Supporting Perinatal Mental Health

In 2026, Baby Bunting and its customers raised over \$180,000 for PANDA (Perinatal Anxiety & Depression Australia) through a six-week national fundraising campaign, with 100% of funds donated directly to support the mental health and wellbeing of expecting and new parents.

Running from 20 April to 31 May, the campaign was delivered through in store and online fundraising initiatives and reflects the generosity of customers and the commitment of Baby Bunting store teams nationwide.

Now in its seventh year, the partnership supports PANDA's vital work delivering education, resources and accessible support services, helping ensure parents know help is available when they need it most.



Moving towards a more sustainable future

As Australia's largest specialty maternity and baby goods retailer, we recognise the role we play in supporting positive outcomes for both the community and the environment.

We remain focused on reducing the environmental impact of our operations and continuing to improve the sustainability of our business over time. Our priority areas include energy use, emissions reduction, waste management, packaging and product stewardship initiatives.

Reducing the energy intensity of our operations

Over recent years, we have continued implementing initiatives designed to improve energy efficiency across our operations. These initiatives include energy-efficient lighting upgrades, improvements to heating and cooling systems and operational measures designed to reduce overall electricity consumption.

Our largest operational site remains our Distribution Centre and Store Support Centre in Dandenong South, Victoria. The site incorporates energy-efficient design features, a 5-star energy rating and solar infrastructure that supports the charging of operational equipment and electric vehicle charging stations for team members.

We remain committed to increasing the proportion of electricity sourced from renewable energy across sites under our operational control as part of our long-term sustainability objectives.

Electricity and energy costs remain a significant operating expense for the business. As a result, we continue exploring opportunities to improve energy efficiency, optimise consumption and support increased renewable energy adoption over time.

Baby Bunting acknowledges the role businesses can play in supporting appropriate climate action. Our focus remains on reducing emissions through energy-efficient operations, infrastructure improvements, greater renewable energy usage and ongoing behavioural change initiatives across the business.

Energy consumption

Energy consumed across our operations (all sources) was 45,241 GJ.

Energy utilisation during FY2026 was:

- 86.5% from grid electricity
- 11.1% from renewable or green energy
- 1.9% from vehicle fuel consumption
- 0.4% from gas consumption

Total electricity consumed across the Group during FY26 was 44,165 GJ. Of this, 89% was sourced from grid electricity and 11% from renewable or green energy sources.

The Sustainability Report, which begins on page 64 of this Annual Report, contains information about our Scope 1 and Scope 2 emissions.



Product Stewardship

Supporting and expanding product stewardship initiatives

Baby Bunting recognises that retailers, suppliers, manufacturers and consumers all have a role to play in reducing the environmental impact of products throughout their lifecycle.

Product stewardship focuses on the responsible management of products and materials from design and manufacture through to reuse, recycling and end-of-life disposal.

We believe Baby Bunting can play an important role in supporting circular economy initiatives, particularly across nursery and hard goods categories where products contain durable materials including plastics, metals and textiles.

Our approach continues to focus on the principles of reduce, reuse and recycle while supporting practical and scalable solutions across the industry.

Car seat recycling program

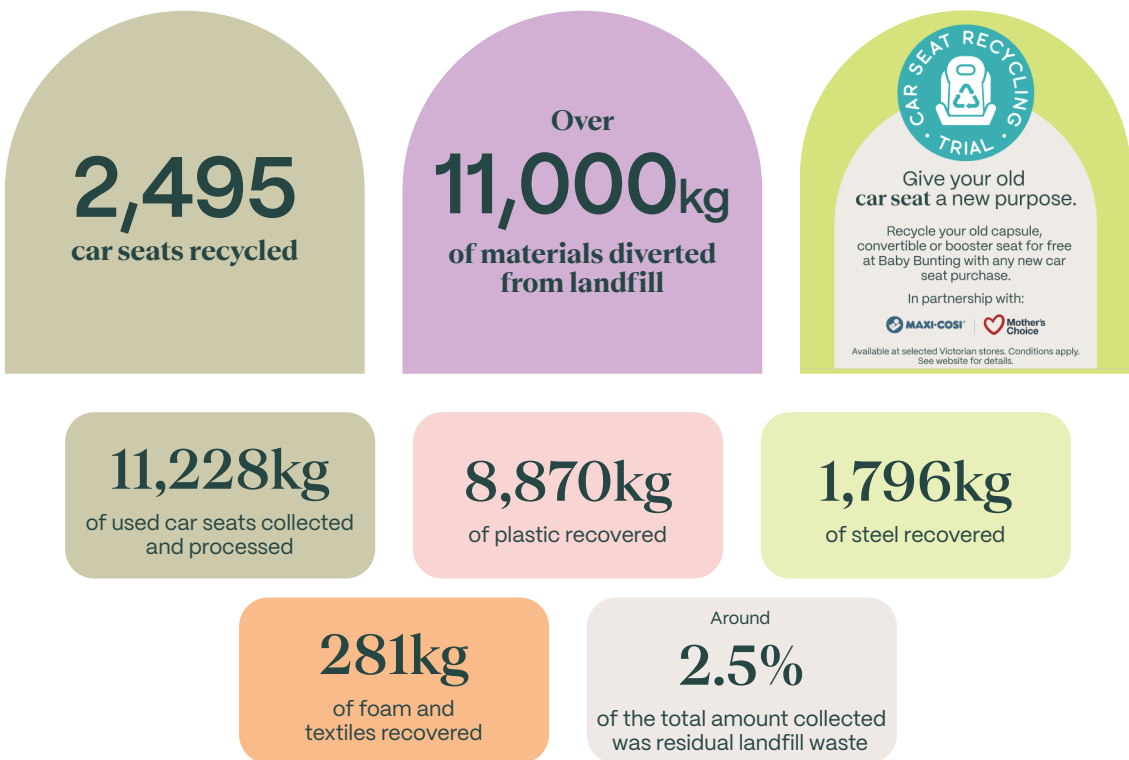
With the support of a key supplier, Dorel (maker of Maxi-Cosi and Mother's Choice car seats) we expanded our car seat recycling program during FY26. This is part of our commitment to reducing landfill and supporting better recovery outcomes for hard good materials.

Throughout the year, customers were able to return end-of-life car seats through participating Victorian stores, supporting the recovery and processing of plastics, metals, textiles and other components.

The program continued to provide valuable insights into:

- customer participation and engagement;
- recycling and operational processes;
- material recovery opportunities; and
- broader product stewardship solutions for nursery products.

Key outcomes during FY26



Processing of returned seats includes dismantling products into component materials to maximise recycling and diversion from landfill. Recovered materials may be repurposed for use across a range of secondary manufacturing applications and recycled material streams.

SeatSmart in New Zealand

In New Zealand, Baby Bunting continues participating in the SeatSmart product stewardship program supporting the recycling of used children's car seats.

The program enables customers to return eligible end-of-life car seats through participating stores, with recyclable materials diverted away from landfill for processing and reuse.

Waste in our operations

Packaging and recycling

We continue to explore opportunities to reduce waste and improve recycling outcomes across our operations.

Our suppliers are responsible for the packaging of their products and remain at different stages in their sustainability journeys. We continue working collaboratively with suppliers to support improved packaging outcomes where possible.

Online fulfilment operations

Our online fulfilment operations support the delivery of products to customers across Australia and New Zealand.

Packaging used in connection with online deliveries for first-party products continues to incorporate recyclable cardboard materials, water-based inks and recyclable paper tape designed to minimise environmental impact.

During FY26, we continued initiatives aimed at reducing unnecessary packaging and improving fulfilment efficiency across our online operations.

Operational waste

Baby Bunting's operations generate general waste and recyclable waste streams across stores, online fulfilment operations and support functions.

Total operational waste generated during FY26 was 2,384 tonnes (FY25: 2,209 tonnes).

Of this total:

- 966 tonnes were diverted from landfill through recycling initiatives; and
- the overall diversion rate was 40% (FY25: 38%).

E-waste initiatives

Baby Bunting continues to support responsible disposal and recycling practices for decommissioned technology and operational equipment.

Materials from decommissioned IT assets are recycled, repurposed or appropriately disposed of through environmentally responsible processes.

Battery and printer cartridge recycling programs also continue across relevant operational sites.

Looking Ahead

We remain focused on identifying opportunities to improve sustainability outcomes across our operations and supply chain.

We recognise that meaningful progress requires collaboration across our business, suppliers, customers and industry partners, and we remain committed to supporting a more sustainable future for the families and communities we serve.



The Board

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Stephen Roche

Chair, Non-Executive Director

B.Bus, FAICD
Member of the Audit and Risk Committee

Stephen has over 20 years' experience as a director of public companies, private family offices and not-for-profit enterprises. His previous roles have included Managing Director of Bridgestone Australia & New Zealand and Managing Director and CEO of Australian Pharmaceutical Industries Limited.

He brings extensive experience in strategy, business development and supply chains across retail, healthcare and consumer markets.

Stephen is currently a non-executive director and Chair of Australian Clinical Labs Limited (appointed in June 2025) and a director of the Adelaide Football Club. He was previously a non-executive director of Blackmores Limited (September 2021 to August 2023) and GWA Group Limited (November 2022 – August 2025).

He holds a Bachelor of Business from the University of South Australia and is a fellow of the Australian Institute of Company Directors.



Mark Teperson

Chief Executive Officer & Managing Director

Mark Teperson joined Baby Bunting as Chief Executive Officer and Managing Director in October 2023. He brings over 20 years of experience across retail and fintech, with expertise in omni-channel customer experience, data and technology, and building high-performance cultures.

Prior to Baby Bunting, Mark was Global Chief Product & Chief Strategy Officer at Afterpay, where he led strategy and product development. He also served as Chief Digital Officer at Accent Group, Australia's largest footwear retailer, where he built the digital business from the ground up.

He holds a Masters of Management and an MBA from the Macquarie Graduate School of Management.



Gary Kent

Non-Executive Director
BEC, GAICD, MAICD

Chair of the Audit and Risk Committee

Gary has an extensive background in the retail and services sector, with considerable experience in corporate finance transactions. He had a career of 18 years with Coles Myer and the Coles Group, during which time his roles included Chief Financial Officer of the Coles Group and Group General Manager for Finance at Kmart and Myer. Gary has served as the Chief Executive Officer of the Western Bulldogs AFL club, where he has also served as a non-executive director and as Chair of the club's audit and risk committee.

Gary holds an economics degree, is a chartered accountant and a graduate of the Harvard advanced management program.



Debra Singh

Non-Executive Director
MAICD

Chair of the People, Culture & Remuneration Committee

Debra has over 30 years of executive leadership in the retail sector, including in operations, human resources, business transformation and supply chain. She was previously CEO of Fantastic Furniture and Group CEO of Household Goods at Greenlit Brands after holding several senior positions at Woolworths. She has also served on the boards and various committees of several ASX listed companies as a non-executive director.

She is currently chair of G8 Education Limited (appointed director in November 2021) and a non-executive director of Shaver Shop Group Limited (appointed September 2020).



Donna Player

Non-Executive Director
BA, GAICD
Member of the People, Culture & Remuneration Committee

Donna has over 40 years' experience in retail, marketing and product development gained in both retail and wholesale industries. Currently she is Director of Merchandise for Camilla Australia and has had executive responsibilities for merchandise, planning, branding, sourcing and supplier strategies in previous roles.

Donna holds a Bachelor of Arts from the University of NSW and is a graduate of the Australian Institute of Company Directors.

She is currently a non-executive director of Accent Group Limited (appointed November 2017).



Gary Levin

Non-Executive Director
B.Comm, LLB, MAICD
Member of the Audit and Risk Committee

Gary has over 40 years' management, executive and non-executive experience in public and private companies including in the retail, investment and ecommerce industries.

As a founder, Gary has built and grown many successful businesses, and as a non-executive director he has been closely involved in the transformation and growth of retail and digital businesses. These companies include Rabbit Photo (former joint managing director), JB Hi-Fi (former non-executive director), Catch Group (former Chair), Kogan.com (non-executive Director, appointed August 2025), as well as his role at Baby Bunting since 2014.



Fran Ereira

Non-Executive Director
B.Bus, GAICD
Member of the People, Culture & Remuneration Committee

Fran is an experienced chief executive, company director and former senior executive with more than 20 years' experience leading growth, digital transformation and customer-focused businesses across retail, e-commerce, technology, payments and supply chain.

Fran is Chief Executive Officer of Northfield Foundation. Prior to this, she was Managing Director of Klarna Australia & New Zealand, where she led the company's market entry and rapid expansion. She has also held senior leadership roles at Zip Co Limited, Temando, Sheridan and The Walt Disney Company, with a strong focus on growth, digital transformation, customer experience and operational strategy.

Fran holds a Bachelor of Business from Monash University and is a Graduate of the Australian Institute of Company Directors.

She is also a non-executive director of Hammerstone (appointed August 2024) and Kogan.com Limited (appointed August 2025).

The Executive Team

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Mark Teperson

Chief Executive Officer & Managing Director

See details on page 26.



Darin Hoekman

Chief Financial Officer

Darin Hoekman has been Chief Financial Officer at Baby Bunting since January 2014, overseeing Finance, IT, Risk, and Investor Relations.

He previously held roles as Group Financial Controller at Godfreys and Finance Manager at Chemnet Australia (Orica). Darin began his career at Ernst & Young, focusing on retail and manufacturing clients.

He holds a Bachelor of Commerce, is a Chartered Accountant, and serves as Company Secretary of Baby Bunting Group Limited.



Corey Lewis

Chief Legal Officer & Chief of Staff

Corey Lewis joined Baby Bunting in February 2016 and leads the Legal and Compliance functions. He also serves as Company Secretary of Baby Bunting Group Limited.

Corey also serves as the Chief of Staff, responsible for communications, strategic coordination, and execution.

Prior to Baby Bunting, Corey worked at a national law firm, specialising in capital markets and head office advisory. He holds a Bachelor of Laws (Hons) and a Bachelor of Arts, and is a graduate of the Australian Institute of Company Directors.



Ciara McGoohan

Chief Customer Officer & Chief Data & Analytics

Ciara McGoohan joined Baby Bunting in March 2024 and leads the Customer and Data & Analytics functions.

She has extensive experience in customer science, CRM, and data analytics, having held senior roles at Afterpay, David Jones, Mastercard, Quantum, and dunnhumby, a global customer data science company.

Ciara's career spans both Australian and international markets, including leadership roles in China and the UK.

She holds a Bachelor of Science (Hons) in mathematics.



Matt Watson

General Manager – Store Operations & Supply Chain

Matt Watson joined Baby Bunting in September 2024 as General Manager – Supply Chain and was appointed to his current role in June 2025.

He is responsible for Store Operations and Supply Chain, including international logistics, freight, and warehouse operations.

Matt has held senior supply chain roles at Wesfarmers (Officeworks), Mecca, Coles, and ASDA (UK), with expertise in strategy and central operations.

He holds a Bachelor of Arts, Business Studies.



Hannah Styles

General Manager – Merchandise & Planning

Hannah Styles joined Baby Bunting in January 2026 and leads the Merchandise & Planning function.

She has held a range of senior leadership roles across merchandise, planning and strategy and holds a deep expertise in category growth and innovation. She is passionate about building high-performing teams and fostering a culture of collaboration and excellence.

Hannah holds a Bachelor of Commerce, majoring in International Business & Management.



Rod Williams

General Manager – Online & Digital

Rod Williams has led Baby Bunting's Online & Digital function since June 2020.

He brings over 18 years of global experience in technology consulting, e-commerce, digital transformation, and program management, including from roles at Treasury Wines and Ernst & Young.

Rod holds a Bachelor of Information Systems and was named among the Top 50 People in E-commerce in 2021, 2022 and 2023.



Michael Pane

General Manager – Store Design, Development & Retail Transformation

Michael Pane has been with Baby Bunting since December 2005 and currently leads the Store Design, Development & Retail Transformation function.

He has over 30 years of experience in the baby goods retail sector, beginning his career at Pram City (later Babyco) in 1988.

Michael previously held leadership roles in operations, buying, and logistics. He now oversees the Store of the Future program, including refurbishments, new store formats, and growth initiatives.



Matt Rodda

General Manager – IT & Program Management

Matt Rodda joined Baby Bunting in October 2019 and leads the IT and Program Management functions.

He has over 20 years of experience in IT transformation and operations across national and international businesses, including Andersen Consulting, Caltex, Shell, Coles, and Coles Express.

Matt holds a Bachelor of Engineering and an MBA, and is a member of the Project Management Institute and he has been recognised in the CIO 50 Awards in 2021.



Siobhan Pelc

General Manager – People & Culture

Siobhan joined Baby Bunting in early August 2026 and leads the People & Culture function.

Most recently, Siobhan was the General Manager People at Dan Murphy's, where she spent 6 years and was responsible for shaping and delivering the people strategy to support an extensive retail business. Her career has also involved roles in financial services, giving her strong experience across large, complex organisations.

She holds a Bachelor of Arts (Hons) and postgraduate qualifications in human resources and development.



Jessica Kahanoff

Executive Head of Property

Jess joined Baby Bunting in October 2025 and leads the Retail Property function.

She brings more than 18 years of experience across retail shopping centres, large format retail (LFR), and mixed-use asset portfolios.

Jess has held senior leasing roles with leading institutional owners and advisers including QIC, Mirvac, JLL, and Colonial First State Global Asset Management, delivering leasing strategies, portfolio planning, and strong tenant relationships across metropolitan and regional markets.

Directors' Report

The Directors of Baby Bunting Group Limited (the Group or Baby Bunting) submit the financial report of the Group and its controlled entities (the consolidated entity) for the financial year ended 28 June 2026.

1. Principal activities

During the financial period, the principal activity of the Group and its consolidated entities was the operation of Baby Bunting retail stores in Australia and New Zealand and related online stores.

Baby Bunting is Australia's largest specialty retailer of maternity and baby goods, primarily catering to parents with children from newborn to three years of age and parents-to-be.

The Group's principal product categories include prams, cots and nursery furniture, car safety, toys, babywear, feeding, nappies, manchester and associated accessories. Baby Bunting also provides services that are complementary to the products it sells, including car seat installation and hire services of certain nursery products.

2. Operating and financial review

2.1 The Group's business model

The Group's business model is centred around the sale of baby goods through its store network and digital channel, as well as product services offered to parents and parents-to-be.

Products sold by Baby Bunting include third-party produced and branded baby goods (many of which are sold exclusively by Baby Bunting) and private label products.

Baby Bunting's private label products include products sold under the 4baby, Bilbi and JENGO brands. Exclusive products are products sourced by the Group for sale on an exclusive basis (so that those products can only be purchased from Baby Bunting). Historically, exclusive supply arrangements have been arranged with suppliers in relation to selected products and for varying lengths of time. Baby Bunting's current strategy also includes establishing longer-term exclusive brand partnerships with selected leading baby goods brands.

Providing complementary services is also part of Baby Bunting's business model. The Group offers car seat installation services at its stores throughout Australia and New Zealand and the hire of certain nursery products.

Baby Bunting's business model is based on the following elements:

Extensive store network

With 75 stores around Australia, Baby Bunting's store network is within one hour travel time of around 80% of Australia's population.

The stores carry a wide selection of products across a variety of categories, providing a platform for consumers to compare and experience products and to meet consumer preferences.

Baby Bunting has 5 stores in New Zealand, with plans to open further stores in future periods.

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Consistent retail experience

Baby Bunting is focused on providing customers with a consistent retail experience across its network.

The Group's stores in major market catchments (with populations greater than 200,000) range in size from approximately 1,500 to 2,000 square metres and are typically located in either bulky goods centres or at stand-alone sites.

Baby Bunting has a number of stores located in shopping centres, where the format incorporates the key elements of the standard destination store format.

In regional centres (with populations of less than 200,000), the Group typically operates a smaller store format of approximately 1,200 to 1,500 square metres, without compromising product range or customer service.

In FY2025, the Group commenced a program of refurbishing its retail stores to enhance the retail experience for its customers. During FY2026, the Group continued the program and completed the refurbishment of 11 stores. Refurbishment of a twelfth store completed in early August 2026. At the date of this report, 15 stores have undergone refurbishment, and the Group has plans to complete the refurbishment of the balance of the network over the coming years.

Leading digital channel

The Group's website, babybunting.com.au, continues to be Australia's leading specialty baby goods website as measured by number of visits.

The Group is focused on delivering customers the best possible retail experience across all channels, in store, online or on mobile.

Omni-channel experience

All stores are enabled for online fulfilment. This means that orders can be allocated to the best location for fulfilment, with benefits in customer experience and inventory efficiency.

During the year, we launched our endless aisle in-store service, enabling team members to easily create customer online orders while in-store. The capability strengthens our omnichannel customer experience by providing seamless access to our extended range, including marketplace products. This improves customer choice and convenience while supporting inventory efficiency across our store network.

Customer centric team culture

Baby Bunting has a dedicated team of well-trained and knowledgeable staff to service customers' individual needs.

Baby Bunting collects feedback from customers in-store and online. Insights gained from customer feedback and preferences are enabling Baby Bunting to tailor its offering to focus on the steps in the customer journey of first time parents as well as parents with growing families.

Baby Bunting's Net Promoter Score at the end of the financial year was 74 (an increase from 73 in the prior year).

Widest product offering, in-stock and available

Baby Bunting offers what it believes to be the widest range of products. Through its Australian store network, approximately 22,000 square metre Distribution Centre and through the use of interstate third party warehouses, Baby Bunting aims to have its product range in-stock and available at the time of the customer's purchase.

Competitively priced

Baby Bunting's approach to pricing is centred on offering customers value every day, every visit. Baby Bunting also has a range of essentials priced at entry-level pricing.

Baby Bunting also offers a price promise to beat a competitor's lower price on an identical in-stock product, subject to certain conditions.

Complementary services

Across its entire store network, Baby Bunting provides additional services to its customers, including click & collect services, layby, parenting rooms which include baby weigh scales, and an in-store/online gift registry. Car seat installation services are provided at all Baby Bunting stores.

2.2 People

At the end of the financial year, the Group employed around 1,500 team members with the majority employed at the Group's stores, and others located at the Group's Store Support Centre and Distribution Centre at Dandenong South (Vic).

2.3 Review of the Group's operations

The Group's performance in FY2026 reflected another year of growth as the Group continues to focus on its strategy of investing in store refurbishments, improving operational efficiency, sustainably increasing gross margin, and positioning Baby Bunting for future growth.

This was achieved in a consumer environment that grew more difficult through the year as cost-of-living pressure persisted and interest rate rises and higher fuel costs left customers more cautious.

Operational highlights and developments

Operational highlights and developments during the year included:

- undertaking the refurbishment of 12 stores as part of the "Store of the Future" program, with 11 stores reopening during the year and the final store reopening in early August. There are now 15 stores that have been refurbished into the new format store;
- opening four new stores, Dubbo (NSW), Westgate (NZ), Mentone (Vic) and Tuggerah (NSW). Network optimisation also saw the closure of two Australian stores. These changes saw the store network grow to 80 stores;
- launching the new small format store, Baby Bunting Junior, at three locations in Australia. This format targets time-poor parents with a smaller, curated store format located in shopping centre locations;
- expanding the Group's exclusive brand partnership with the signing of an agreement with Stokke, one of the world's most respected premium children's product brands;
- growing our retail media business, BabyBuntingMedia, which contributed \$5.8 million in incremental revenue. This platform draws on Baby Bunting's digital and physical assets to create additional value from the customer base and brand partnerships;
- achieving supply chain improvements and efficiencies in the Group's Dandenong South DC and in its third party logistics facility in Wiri, Auckland. These efficiencies are contributing to reduced operating costs and improved performance;
- continuing the Group's support for community partners through the support for fundraising efforts for Perinatal Anxiety & Depression Australia (PANDA) and Life's Little Treasures Foundation (a foundation that provides support, friendship and information, specifically tailored for families of premature or sick babies). Funds raised and contributed by the Group for these and other causes during the year was over \$702,000.

Refer to the Chair's and CEO's Report on pages 4 to 6 for more information on the Group's operations during the 2026 financial year.

2.4 Review of the Group's financial performance

The full year statutory results for the 52-week period ended 28 June 2026 (FY2025: 52-week period ended 29 June 2025) are summarised below:

- total sales up 6.5% to \$556.0 million;
- gross profit margin of 41.2%, up 100 basis points year-on-year;
- statutory net profit after tax (NPAT) of \$11.2 million, an increase of 17.5% on the prior year;
- statutory basic earnings per share (EPS) of 8.3 cents;
- cash and cash equivalents less borrowings (net debt) of \$16.2 million (versus net debt of \$4.5 million at the end of FY2025); and
- cash flow from operations of \$64.9 million (up \$13.0 million year-on-year).

In relation to the 2026 and 2025 financial years, the underlying operating results (as measured by pro forma earnings) are more clearly demonstrated with the following exclusions or adjustments:

- employee equity incentive expenses: the primary economic impact is issued capital dilution if and when shares are issued; and
- pro forma earnings before interest, tax, depreciation and amortisation is calculated on a pre AASB 16 lease accounting basis.

The Directors consider that these adjustments are appropriate to better represent the underlying financial performance of the business and to facilitate comparisons with prior periods.

On a pro forma basis, the FY2026 financial results were:

- pro forma earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding the impact of AASB 16 lease accounting) was \$37.6 million, up 33.4% on the prior corresponding period;
- total sales up 6.5% to \$556.0 million, with comparable store sales being positive 3.5% for the financial year;
- gross profit of \$229.2 million up 9.3%, with a gross profit margin of 41.2%;
- pro forma NPAT of \$16.1 million, up 33.9% on the prior corresponding period;
- pro forma cost of doing business (CODB) (excluding the impact of AASB 16 lease accounting) was \$191.6 million or 34.5% of sales, a decrease of 30 basis points on the prior corresponding period (CODB of 34.8% of sales in FY2025).

A reconciliation between statutory and pro forma financial results is below.

Non-IFRS financial measures

The consolidated entity uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as "non-IFRS financial measures".

Non-IFRS financial measures are intended to supplement the measures calculated in accordance with Australian Accounting Standards and are not a substitute for those measures. Underlying operating and pro forma results and non-IFRS financial measures are intended to provide shareholders with additional information to enhance their understanding of the performance of the consolidated entity. Non-IFRS financial measures that are referred to in this report are as follows:

Non-IFRS financial measure	Definition
Cost of doing business (CODB)	Includes store, administrative, marketing and warehousing expenses (excluding the impact of AASB 16 Leases accounting).
EBIT	Earnings before interest and tax. EBIT eliminates the impact of the consolidated entity's capital structure and historical tax position when assessing profitability.
Operating EBIT	Excludes the effects of interest revenue, finance costs, income tax and other non-operating costs. The CEO assesses the performance of the two reportable segments, Australia and New Zealand, based on a measure of Operating EBIT.
Pro forma EBITDA	Earnings before interest, tax, depreciation and amortisation expense (excluding the impact of AASB 16 Leases accounting) and excludes pro forma adjustments included in the financial results below.

Pro forma financial results

In relation to the 2026 and 2025 financial years, the pro forma financial results have been calculated to exclude the impact of employee equity incentive expenses and business transformation project expenses. This has been done to more clearly represent the consolidated entity's underlying earnings (noting that this financial information has not been audited in accordance with the Australian Auditing Standards).

Year ended 28 June 2026

\$'000	Sales	NPAT
Statutory results	556,049	11,205
Employee equity incentive expenses ¹	–	6,109
Transformation project expenses ²	–	597
Tax impact from pro forma adjustments	--	(1,767)
Pro forma results	556,049	16,144

1. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs.

2. Transformation project expenses represent non-capital expenditure incurred to enable the future technology platform upgrade of the Group's ERP and POS environments.

The following table reconciles the statutory to pro forma financial results for the year ended 29 June 2025 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

Year ended 29 June 2025

\$'000	Sales	NPAT
Statutory results	521,935	9,537
Employee equity incentive expenses ¹	–	2,699
Transformation project expenses	–	–
Tax impact from pro forma adjustments	–	(182)
Pro forma results	521,935	12,054

1. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs.

Other drivers of operating results

Other drivers of the operating result for FY2026 as compared to FY2025 included:

- three stores opened in FY2025 trading for a full financial year in FY2026;
- four new large format stores and three Baby Bunting Junior stores opened in FY2026; and
- wage inflation of 3.5% which impacted both store labour and distribution centre activities. Wage inflation in stores was partly offset by productivity initiatives in the Group's comparable store sales base year-on-year.

2.5 Review of the Group's financial position

The Group finished the financial year in a net debt position of \$16.2 million, a change of \$11.6 million on the prior year net debt position of \$4.5 million.

Key items for the year include:

- operating cash conversion of 96.4%;
- capital expenditure of \$44.5 million in FY2026 relating to new stores, the Store of the Future refurbishment program, store sustenance and continued investment in IT and digital assets.

Dividends

Reflecting an approach to disciplined balance sheet management, the Board has chosen not to pay any dividends in respect of FY2026.

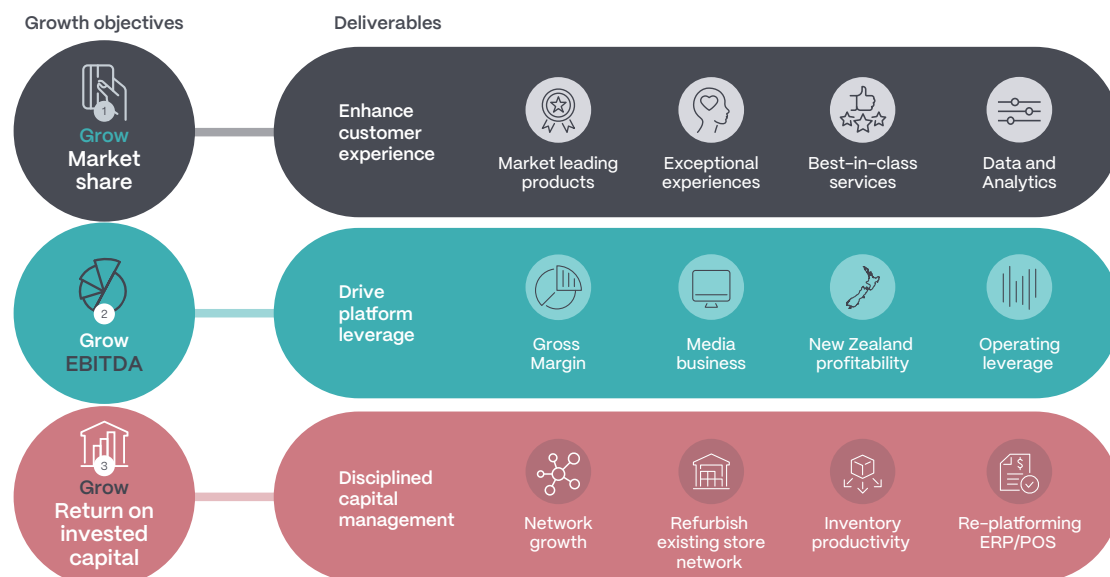
3. Business strategy and future developments

The Group's vision is the best start for the brightest future.

The Group's mission is to support and inspire confident parenting, from newborn to toddler.

The Group has the long-term financial objective of returning to be a 10% plus EBITDA margin business (on a pre-AASB 16 basis) and delivering shareholder value.

The Group's strategy involves three key objectives or pillars:



3.1 Grow market share

Market leading products

Growing market share targets growth in strategic product categories and improving the Group's product offer.

The Group is focused on broadening market share in the prams and strollers category and the furniture and nursery category, along with amplifying the Group's presence in the car seat category through the Group's expanding store network. The Group has expanded into food, formula and feeding, clothing and toys categories and this will continue.

The Group has a focus on range segmentation and expansion, fostering newness and innovation, enhancing customer experience and enriching offerings with valuable content.

Baby Bunting operates a curated marketplace which facilitates the offer for sale of additional SKUs by third-party sellers on babybunting.com.au. The marketplace capability builds on the Group's e-commerce site and provides consumers with access to a broader range of products through the Group's online channel. It also enables the Group to incubate new products and brands. Where third-party products prove successful on the marketplace, Baby Bunting seeks to include the products as part of its first-party range available in Baby Bunting stores.

Exceptional experiences

The Group seeks to provide exceptional experiences in store, with each store serving as an experience centre for customers, a distribution centre for products and a stage for the Group's brand partners to showcase their innovation and new products.

Towards the end of FY2024, the Group commenced a program to develop a brand and store redesign. The revised store plan moves from a category-led design to an activity-led design. This program, known as Store of the Future, was successfully launched in FY2025 and has continued in FY2026. Fifteen stores have now been refurbished, with twelve refurbishments undertaken during the year. It is intended that the balance of the store network be refurbished over the coming years.

During the year, three small format stores were opened, under the Baby Bunting Junior brand. These three pilot small format stores are testing the concept of a smaller format store with a curated range in shopping centres that consumers can reach on their daily shopping runs. In FY2027, the focus will be on refining the format before considering further plans for expanding the format.

The Group is also focused on using its store network and online channel together to drive greater customer lifetime value. The store network provides a platform to facilitate delivery of goods from stores to fulfil online orders, providing benefits in terms of speed of fulfilment, cost savings and inventory efficiency.

Best-in-class services

The Group, through its car seat installation team, installs around 120,000 car seats a year in Australia. Providing car seat installation services at its stores throughout Australia and New Zealand is a key service offer for the Group.

The Group has a breast pump hire service available in stores around Australia. The service involves hiring hospital-grade breast pumps to support mothers in the early stages of their lactation journey. There are plans to further expand this across more stores in future years.

Baby Bunting also offers one-on-one personalised service appointments. These appointments provide customers with extended consultations with experienced team members as they commence their pregnancy journey.

Data and Analytics

The Group has access to transaction and loyalty data that offers insights into customer behaviour and trends, including understanding customers through their early parenthood journey. The Group's Data & Analytics team supports the business with predictive analytics based on known milestones through pregnancy and the early years of raising children. This analysis and the insights into customer behaviour and product performance is enabling the Group to develop solutions and personalised offers that contribute to growing loyalty and lifetime customer value.

3.2 Grow EBITDA

The Group's long term goal is to return to being a 10% plus EBITDA margin business (on a pre-AASB 16 basis).

Gross margin

The Group started the year with a target to achieve a 41% gross margin in FY2026. Gross margin finished at 41.2%. This is 100 basis points improvement on the result in FY2025 and a significant improvement on 36.8% gross margin achieved in FY2024. The target is for further growth in future years.

Initiatives to achieve this goal have included:

- simplifying price architecture by eliminating layering of price discounting;
- working with suppliers on trading terms to support mutual profitability and growth;
- amplifying exclusive brands;
- scaling the private label range, with a multi-year target to double the size of the Group's private label sales from 10% to around 20%; and
- de-ranging underperforming brands and products.

In June 2024, the Group announced that it had entered into a 5-year exclusivity agreement with Nuna Baby for the supply of Nuna baby gear in Australia. The Group also announced that it had entered into a 3-year agreement with Bugaboo to be the exclusive retailer of Bugaboo products in New Zealand. In February 2026, the Group announced that it had been appointed the exclusive retailer in Australia of Stokke products, a globally recognised premium children's brand. Work continues to establish exclusive brand partnerships with other leading suppliers.

BabyBuntingMedia

With more than 860,000 active loyalty customers, 3.7 million annual transactions, over 32 million website visits and retail space in excess of 100,000 square metres, the Group has significant assets to offer brand partners an opportunity to engage with new and expectant parents.

In FY2026, the Group's retail media business, BabyBuntingMedia, expanded its operations and continued to monetise the Group's existing in-store and digital assets. The ambition continues to be to grow the retail media business further with the new store development and refurbishment program providing significant opportunities for further growth.

New Zealand profitability

The Group has an objective of scaling its New Zealand business to contribute positively to the Group's overall earnings. This scaling will focus on continuation of the store roll-out and achieving operating leverage.

There are five Baby Bunting stores in New Zealand, with plans to open at least a further five stores. The most recent store opened in December 2025 at Westgate in Auckland and was built in the new Store of the Future format.

The initial priority when establishing the New Zealand business was to grow market share and build brand awareness. In the future, a focus will be on growing gross margin to a level that supports ongoing profitability along with improving the supply chain economics.

Operating leverage

To support its objective of growing EBITDA margin, the Group will focus on operating leverage including lowering variable costs, leveraging investments made in systems and simplifying the operating structure. Through cost discipline, better use of existing systems and operational excellence in processes, the Group is seeking to achieve improved performance without increasing costs.

3.3 Grow return on invested capital

The Group seeks to unlock value from its existing assets combined with discipline in relation to future investments.

Grow store network

The Group has a network plan for Australia and New Zealand that sees more than 110 large format stores in Australia (72 large format stores presently) and more than 10 large format stores in New Zealand (5 stores presently).

The network plan is developed with the assistance of a third-party network planner and demographer, based on market share data, bureau of statistics information on growth rates and spend, as well as assessments of sales re-direction potential and retail growth areas. Network growth is an important element in further building omni-channel customers and growing customer lifetime value.

The development of a small format store, known as Baby Bunting Junior, provides opportunities to target higher traffic areas and grow customer lifetime value. It also provides the opportunity to unlock high value smaller catchments that do not currently support the Group's existing large format store, for example in inner urban and regional areas.

A pilot of three small format stores commenced in FY2026, with the opening of stores at Robina (Qld), Plenty Valley (Vic) and Marion (SA). Currently, the Group intends to continue monitoring the performance of these stores before determining whether to expand the small format store model. Subject to this, the Group estimates that the potential exists for between 20 to 40 small format stores over the longer term.

Store of the Future refurbishment program

With the development of its Store of the Future new store design, the Group commenced a program of existing store refurbishments. At the date of this report, 15 stores have been refurbished. To date, these stores have met the Group's performance targets of increasing store sales performance. The Group intends to roll-out the new store design over future years across the remaining store network. Refurbishments are targeted to occur in line with the renewal of existing store leases.

Inventory productivity

The Group has a significant investment in inventory. The Group intends to increase its focus on inventory productivity, to better inform range management and achieve improved returns from working capital.

Re-platforming ERP/POS

Modernising the Group's enterprise resource planning (ERP) and point of sale (POS) systems is important for improving the Group's productivity, enhancing customer engagement and improving operational efficiency. The Group intends to commence this multi-year program in FY2027, with the first stage being the replacement of the finance systems. Further stages are planned to commence in FY2028.

3.4 Capability platform

Achievement of the Group's strategy will be facilitated by building new capabilities in the Group and recalibrating existing capabilities.

The Group has:

- made investments in the use of artificial intelligence at the Store Support Centre to boost productivity and improve insights and analysis. This is an area in which further investments will be made in the future;
- undertaken store leadership programs to build the capability of store managers, with training focused on team leadership and the business operations of stores;
- plans to build out its private label product development team to support the growth in private label products; and
- plans to re-platform its ERP system (specifically the Finance system in FY2027) and to further build out the ERP and POS platform in future years.

Further information on likely developments in the Group's operations and the expected results of those operations has not been included in this Directors' Report. The Directors believe that the disclosure of such information, including certain business strategies, projects, and prospects would be likely to result in unreasonable prejudice to the Group's interests.

4. Material business risks and uncertainties

The Group's strategies take into account the expected operating and retail market conditions, together with general economic conditions, which are inherently uncertain.

The Group has a structured risk management framework and internal control systems in place to manage material risks (see page 10 of the Corporate Governance Statement for further information on the Group's risk management framework). Some of the other key risks and uncertainties that may have an effect on the Group's ability to execute its business strategies and the Group's future growth prospects and how the Group manages these risks are set out below.

Risk	Description	Mitigation
External economic factors affecting consumer sentiment	The Group's performance is sensitive to the current state of, and future changes in, the retail environment and general economic conditions. A deterioration in consumer confidence, including as a result of increases in interest rates, volatility in the price of fuel and increases in the rate of inflation, or more generally, may cause consumers to reduce the size or value of purchases with the Group, which could have an adverse effect on sales and the Group's financial performance.	The Group seeks to ensure that it has a broad range of products across a range of price points, with a focus on value for customers every day. Inventory levels are monitored to minimise the risk of being overstocked. A large proportion of the Group's inventory is non-seasonal. Attention is paid to ensuring that inventory levels are appropriate for trading conditions. The Group seeks to ensure that its cost profile is appropriate for the anticipated level of sales.
Competitive and technological disruption risks	The Group faces competition from specialty retailers as well as department stores, discount department stores and online only retailers. International online retailers and marketplaces are also sources of current and future competition. Second hand or buy, swap, sell markets, which facilitate the exchange of used baby goods, are also a source of competition for the Group. In addition, direct to consumer operators (without a physical store network) compete with the Group in specific product categories. Competition is based on a variety of factors including price, merchandise range, advertising, store location, store presentation, product presentation, new store roll-out and customer service.	The Group seeks to address competitive risks by focusing on providing customers with competitive prices and unique experiences. Product differentiation through exclusive access to key brands is a strategy to mitigate this risk. In addition, the Group is focused on providing an excellent customer experience — regardless of whether the customer is visiting a physical store or the online store. Elements of this experience include quality advice, high service levels and a very wide product range.

Risk	Description	Mitigation
Competitive and technological disruption risks (continued)	The rise of new technologies, including agentic commerce also pose risks and opportunities to the Group's operating model. A failure to adapt to changes in consumer behaviour resulting from changes in technology could have an adverse effect on the Group's financial performance.	
Supply chain and inventory risks	The Group's supply chain is important to ensuring that products are available in-store and online for customers. The key risks associated with Baby Bunting's supply chain include events of global significance that disrupt global supply chains, operational disruption due to catastrophic events such as fire or flood, delays in product delivery or complete failure to receive products ordered. In addition, there is a risk that inventory becomes obsolete or excess to requirements, through product life cycle changes, updates to safety standards or demand misalignment. Poor supply chain management and poor management of inventory could adversely affect the Group's financial performance and customers' experience of shopping with Baby Bunting.	The Group continues to focus on logistics and technology initiatives to ensure that this risk is managed appropriately. While the Group's Distribution Centre has reduced the need for third party logistics facilities, they remain available to assist in managing supply chain risks by carrying additional inventory. The Group also has processes designed to monitor inventory ageing and lifecycle management, along with appropriate provisioning to ensure appropriate valuation and timely recognition of markdown risk.
Supplier relationships	An element of the Group's strategy involves growing its private label and exclusive product offerings as well as exclusive brand relationships. The ability of the Group to continue to offer exclusive products depends upon the relationships it has with suppliers. Any deterioration of those relationships could adversely impact the Group's ability to supply exclusive products or, more generally, to successfully provide customers with a wide range of products at sustainable prices.	The Group continues to invest in its merchandising team to continue to ensure that it is appropriately managing relationships with its suppliers. During the year, the team managing exclusive relationships was expanded to co-ordinate planning and performance across key aspects of the Group's operations.
Workplace and people management risks	Failure to manage health and safety risks could have a negative effect on the Group's reputation and performance. The Group's future performance depends to a significant degree on its key personnel, and its ability to attract and retain experienced and high performing personnel. At times of full or near-full employment, competition to attract and retain employees can become more pronounced with the result that the time and costs to recruit increase. This may impact the Group's ability to achieve its operational and business transformation objectives.	The Group has a Safety Management System, with the aim of identifying and assessing workplace health and safety risks as well as educating team members in stores, at the Store Support Centre and at the Distribution Centre about safe ways of working. Further investments are being made in the Safety & Wellbeing team, with provision of updated incident reporting and risk management processes. The Group's remuneration policies and practices seek to ensure that executives and managers are provided with appropriate incentives and rewards to support their retention. In addition, the Group continues to make investments in training and development to further expand the skills of the Group's team members.

Risk	Description	Mitigation
Cyber, technology and information risks	In common with other retailers, the Group faces a range of cyber risks. This is a broad concept and encompasses a variety of risks that could impact computer systems and that could result in unauthorised access or disclosure of information held by the Group (including the personal information of our customers), the commission of fraud or theft, or the disruption of normal business operations. The Group relies on its IT systems, retail point of sale and inventory management systems, networks and backup systems, and those of its external service providers, such as communication carriers and data providers, to process transactions (including online transactions), manage inventory, report financial results and manage its business. A malfunction of IT systems or a cybersecurity violation could adversely impact Baby Bunting's ability to trade and to meet the needs of its customers. Unauthorised disclosure of, or unauthorised access to, personal information under the control of the Group could have an adverse effect on the Group's reputation and ultimately the Group's financial performance.	The Group has a continuing focus on IT systems and security, with the aim of ensuring that the IT systems are available to support the Group's operations and that steps are being taken to protect against adverse IT and cyber related events. Investments in security systems and processes continue to be made. IT infrastructure and data assets have been migrated to an external data centre and the Group remains focused on constantly improving its ability to prepare for and respond to a cyber attack or other adverse event. The Group also has systems and processes in place designed to appropriately use and secure customers' personal information.
Regulatory compliance and product safety	Baby Bunting is subject to laws and regulations, including competition and consumer laws, taxation and workplace health and safety laws. Many of the products sold in Baby Bunting's stores or online must comply with mandatory product safety standards. In addition, the products Baby Bunting sells must comply with general product safety requirements under applicable law and also meet the expectations of our consumers. Failure to do so may require the Group to, among other things, undertake a recall of products or take other actions. This may adversely affect the Group's reputation and performance and result in significant financial penalties.	The Group has procedures to assess compliance issues of the products that it supplies, as well as procedures to respond to and investigate reports of product safety incidents that it receives. Investments in the Group's quality assurance and compliance team and equipment continue to ensure that product compliance remains a key focus.
Business interruption and failure of the Store Support Centre	Other unanticipated events such as natural disasters, wars, strikes and epidemics have the potential to materially affect the Group through their impact on supply chain, consumer behaviour and company operations. Some may pose a threat to the health and safety of those who work and shop with the Group. These events can arise rapidly with little or no warning and their duration and the subsequent recovery period is uncertain and may be protracted.	The Group has a risk management framework intended to identify key risks and develop risk control measures. Mitigants include seeking to avoid over-concentration on a key supplier or provider (of goods or services). Business continuity and disaster recovery planning is also undertaken.
Business transformation risk	The Group undertakes a number of projects and deploys capital and resourcing in new initiatives and updated systems. The Store of the Future program is an example of a significant program of investment intended to drive future returns. There is a risk that business transformation projects are not delivered within planned timetables or budgets or that they fail to deliver expected benefits. This could result in reduced return on investment and adversely affect the Group's financial performance.	The Group seeks to manage these risks through program management and evaluation processes intended to assess proposed investments and projects before committing capital to them. In addition, the program management is put in place to monitor the deployment of capital and to assess returns to assess whether targeted returns are being achieved.

5. Significant changes in the state of affairs in FY2026

There were no significant changes in the state of affairs of the Group during the financial year.

6. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since the end of the financial year which has not been dealt with in this Directors' Report or the Financial Report, and which has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

7. Dividends

There were no dividends paid to shareholders during the financial year.

The Board has elected not to pay a final dividend in respect of the financial year ended 28 June 2026.

8. Directors and Company Secretaries

The following persons were Directors of Baby Bunting Group Limited during the financial period and/or up to the date of this Directors' Report:

Director	Position	Date appointed
Stephen Roche	Chair, Non-Executive Director	1 September 2021 (appointed Chair on 19 February 2025)
Mark Teperson	CEO & Managing Director	2 October 2023
Gary Levin	Non-Executive Director	25 August 2014
Donna Player	Non-Executive Director	16 January 2017
Gary Kent	Non-Executive Director	12 December 2018
Fran Ereira	Non-Executive Director	1 September 2021
Debra Singh	Non-Executive Director	21 May 2025

8.1 Directors' qualifications, experience and special responsibilities

Details of the qualifications, experience and special responsibilities of each current director are set out on pages 26 and 27 of the Annual Report.

8.2 Directors' attendance at Board and Committee meetings

The number of Board, and Board Committee, meetings held during the financial year and Directors' attendance at those meetings are set out below. All Directors are invited to attend Board Committee meetings and most Board Committee meetings are attended by all Directors. However, only attendance by Directors who are members of the relevant Board Committee is shown in the table below.

Director	Board		Audit and Risk Committee		People, Culture and Remuneration Committee	
	A	B	A	B	A	B
Stephen Roche	11	11	5	5		
Mark Teperson	11	11				
Gary Levin	11	11	5	5		
Donna Player	11	11			3	3
Gary Kent	11	11	5	5		
Fran Ereira	11	11			3	3
Debra Singh	11	11			3	3

Column A indicates the number of meetings the Director was eligible to attend as a member. Column B indicates the number of meetings attended.

A Special Committee of the Board can be convened to formally approve certain matters in relation to the half-year and full year results, where the Board had previously considered and provided in-principle approval for those matters subject to finalisation of certain procedural matters. The Special Committee met twice during the year, noting that membership is ad hoc.

There was one meeting of the Disclosure Committee, outside of a regular Board meeting. Membership of that committee is ad hoc.

There were no meetings of the Nomination Committee during the year.

8.3 Directors' relevant interests in shares

Details of the relevant interests that each Director has in the Group's ordinary shares or other securities as at the date of this Directors' Report are set out in the Remuneration Report on page 63.

8.4 Company secretaries

The Group has appointed two company secretaries, Corey Lewis and Darin Hoekman. Corey Lewis is the Chief Legal Officer (CLO). He is responsible for the provision of legal services to Baby Bunting.

Details of Corey's and Darin's experience and responsibilities are described on page 28.

Further details of the Group's company secretaries are set out in the Corporate Governance Statement.

8.5 Corporate Governance Statement

The Group's Corporate Governance Statement is available at investors.babybunting.com.au/corporate-governance.

9. Details of rights and options

Rights

The CEO was the only Director eligible to participate in the Group's long-term incentive plan (LTI Plan). Further details of the LTI Plan are set out on pages 54 to 60 of the Remuneration Report. Each right entitles the holder to receive one fully paid share in the Group, subject to the satisfaction of the applicable performance or service conditions.

All of the rights granted during the financial year are subject to performance or service conditions (see pages 54 to 60 of the Remuneration Report for more details).

Details of rights that were granted, lapsed or forfeited are set out below:

Event	Issue price	Number of rights
Opening balance (29 June 2025)		9,756,526
Lapse of rights (FY2022 to FY2025 award) (1 October 2025)		(991,993)
Exercise of rights (Service rights) (9 October 2025)		(480,763)
Grant of rights: FY2025 STI deferred equity (30 October 2025)		1,443,173
Forfeiture of rights (16 December 2025)		(371,362)
Grant of rights under the LTI Plan: FY2024 to FY2028 grant (22 January 2026)	nil	107,778
Forfeiture of rights (31 March 2026)		(237,433)
Closing balance		9,225,926

Options

There are no options over shares on issue as at the date of this Directors' Report and no shares were issued during the year as a result of the exercise of options.

10. Remuneration Report

The Remuneration Report, which forms part of this Directors' Report, is presented separately from page 45.

11. Indemnification and insurance of directors and officers and the auditor

Under the Group's Constitution, to the fullest extent permitted by law, the Group must indemnify every officer of the Group and its wholly owned subsidiaries, and may indemnify its auditor against any liability incurred as such an officer or auditor to a person (other than the Group or a related body corporate).

The Group has entered into a deed of access, indemnity and insurance with each Non-Executive Director and the Chief Executive Officer which confirms each person's right of access to certain books and records of the Group while they are a Director and after they cease to be a Director. The deed also requires the Group to provide an indemnity for liability incurred as an officer of the Group and its subsidiaries, to the maximum extent permitted by law.

The Constitution also allows the Group to enter into and pay premiums on contracts of insurance, insuring any liability incurred by a current or former Director and officer of the Group. The deed of access, indemnity and insurance requires the Group to use its best endeavours to maintain an insurance policy, which insures the Director against liability as a Director and officer of the Group from the date of the deed until the date which is seven years after the Director ceases to hold office as a Director.

During the financial year, the Group paid insurance premiums for directors' and officers' liability insurance that provides cover for the current and former directors, secretaries, executive officers and officers of the Group and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

12. External auditor

12.1 Auditor appointment and rotation

The Group's external auditor is Ernst & Young and shareholders approved the appointment of Ernst & Young as the Group's external auditor at the 2017 AGM. Katie Struthers, a partner of Ernst & Young, is the current signing audit partner for the Group's audit having commenced in that role for the 2025 financial year.

12.2 Non-audit services

The Group may decide to engage its external auditor on engagements additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to Ernst & Young for audit and assurance services \$415,400 (FY2025: \$260,000) and for non-audit services \$138,337 (FY2025: \$339,228) provided during the year are set out in the Financial Statements (at Note 25).

This year, the assurance services also included \$85,000 for assurance services related to the Sustainability Report prepared for the purpose of AASB S2. The major element of non-audit services during the year related to taxation services.

The Board has considered this and in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence imposed on auditors by the Corporations Act. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure that they do not impact on the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

12.3 Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out on page 128.

13. Proceedings on behalf of the Group

No proceedings have been brought or intervened in on behalf of the Group with the leave of the court under section 237 of the Corporations Act. No person has applied to the court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party.

14. Environmental regulation

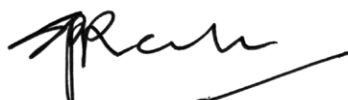
The Group is not involved in activities that have a marked influence on the environment within its area of operation. As such, the Directors do not consider that the Group's operations are subject to any particular and significant environmental regulation in Australia.

15. Rounding of amounts

The Group has taken advantage of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the Directors' Report and Financial Statements. Amounts in these reports have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The Directors' Report is made in accordance with a resolution of Directors.

On behalf of the Directors



Stephen Roche
Chair

14 August 2026

For personal use only

Remuneration Report – Audited

For the year ended 28 June 2026

The Remuneration Report sets out remuneration information for the Group's Non-Executive Directors and the other key management personnel identified in Section 1 (Disclosed Executives) for the year ended 28 June 2026.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

1. Key management personnel

The Group's key management personnel (KMPs) are its Non-Executive Directors and those executives who have been identified as having the greatest authority for planning, directing and controlling the activities of the Group.

Having regard to their roles and responsibilities and the authority limits contained in the Group's Delegation of Authority Policy, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are considered to be KMP. They are referred to in this report as Disclosed Executives.

Non-Executive Directors

Stephen Roche
Gary Levin
Donna Player
Gary Kent
Fran Ereira
Debra Singh

Disclosed Executives

Mark Teperson – CEO
Darin Hoekman – CFO

On 29 July 2026, the Group announced that Darin Hoekman will step down as CFO after more than 12 years with the Group. Subject to his ongoing employment (expected to be until a successor is appointed), the Board has determined that Darin Hoekman will retain the rights associated with the FY2025 and FY2026 short-term incentive. Of his existing long-term incentives, he will retain a pro-rated number of FY2024–FY2028 rights calculated by reference to the portion of the performance period he has served.

2. Executive reward strategy and framework

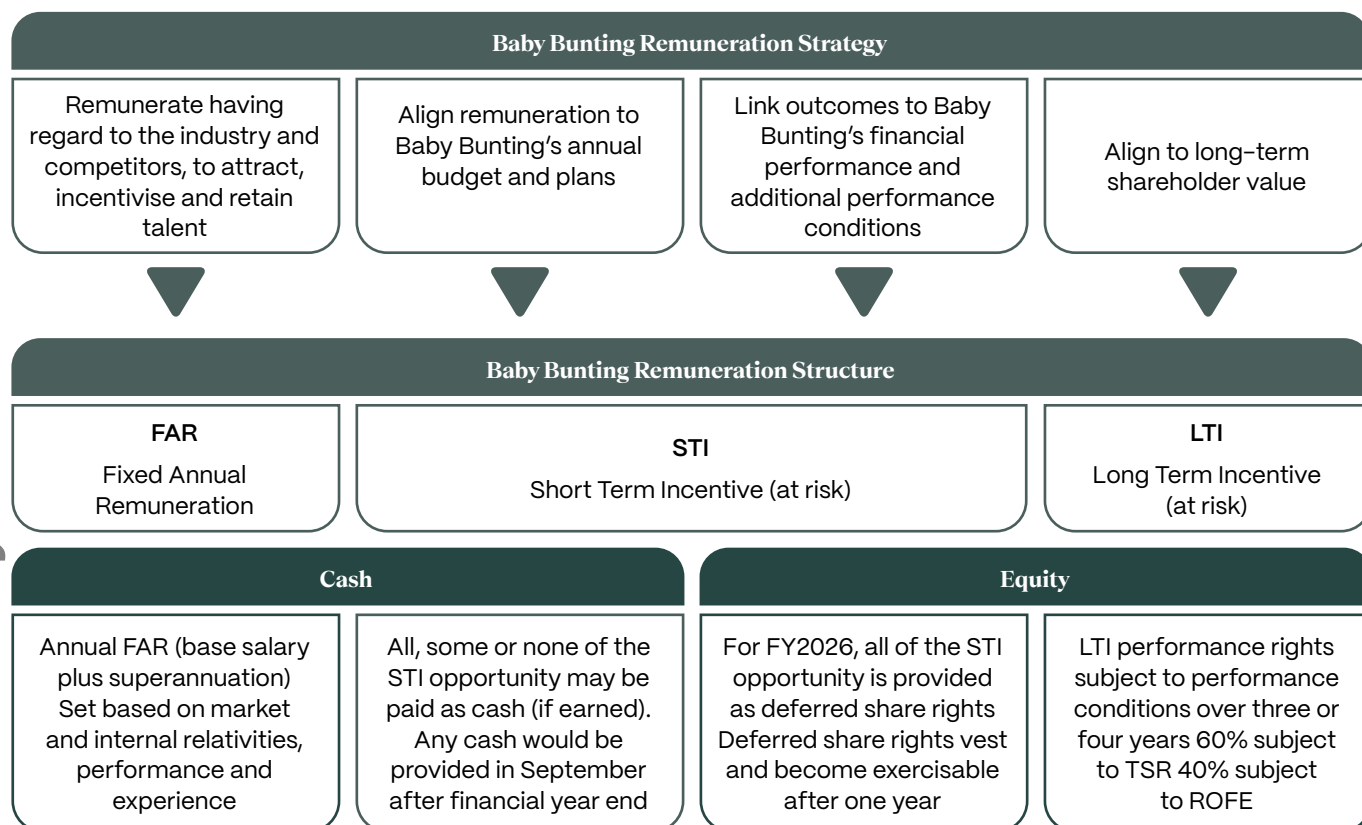
2.1 Strategy and framework – applied for FY2026

The Board recognises that attracting and retaining highly talented executives is vital to the long-term success of the business. The remuneration offered to executives is an important part of the Group's response to this fact, not only in terms of the amounts on offer, but in terms of the structure of remuneration. The remuneration is intended to be aligned with the delivery of the Group's annual plans and long-term strategy and the creation of long-term shareholder value.

The remuneration offered to executives is reviewed annually, drawing on, where necessary, benchmarking analysis of comparable companies, comprising similar sized, ASX-listed retail companies.

The Board views short-term incentive (STI) and long-term incentive (LTI) payments as an important part of an executive's remuneration that is at-risk and varies with performance. As such, provided a minimum threshold of performance is achieved, executives can expect to earn some at-risk pay in most years.

In setting the range over which rewards are paid, the Board recognises that financial performance in the retail sector can be quite volatile and subject to a range of exogenous factors, such as interest rate movements, exchange rate fluctuations and consumer sentiment.



Remuneration time horizon

The FY2026 remuneration structure for Disclosed Executives is outlined below.

Element	Year 1	Year 2	Year 3	Year 4
Fixed Annual Remuneration	Base salary plus superannuation			
STI	Annual financial and performance conditions	Deferred share rights 100%		
LTI	Performance rights tested at the end of the performance period. The outstanding FY2024 to FY2028 grant will be assessed over the four-year performance period (with the potential for accelerated vesting for some of the rights after three years)			

● Performance testing ◆ Payment/vesting¹

1. For the STI deferred share rights, vesting occurs in August. For LTI vesting may occur in September–October once the Board approves the performance testing.

The incentive available for the STI has, in the past, been a mixture of cash and deferred share rights. The Board has a discretion to determine whether an incentive will be paid under the STI, including the mix of that payment. For FY2026, the Board has determined that all of the STI is to be paid in the form of deferred share rights.

2.2 Fixed Annual Remuneration (FAR)

Fixed annual remuneration consists of base salary plus statutory superannuation contributions. Disclosed Executives receive a fixed remuneration package which is reviewed annually by the Remuneration Committee and the Board with reference to Group and individual performance, and external peer benchmark market data. There are no guaranteed base pay increases included in any Disclosed Executive contract.

2.3 Short Term Incentive

Disclosed Executives and other senior executives participate in the Group's STI Plan. The table below represents the annualised maximum annual STI opportunity as a percentage of FAR for Disclosed Executives:

Disclosed Executives	Maximum
Mark Teperson	100%
Darin Hoekman	100%

For FY2026, STI awards to Disclosed Executives were provided as deferred share rights with a 12-month deferral period. No cash was provided.

See Section 4.1 for further information on the STI opportunity and award for FY2026.

2.4 Long Term Incentive

Disclosed Executives and other senior executives and other selected employees are eligible to be invited to participate in the Group's LTI Plan.

Offers under the Group's LTI Plan are generally made on an annual basis. However, in FY2025 grants were made to participants in respect of a four-year performance period (the FY2024 to FY2028 grant). Accordingly, no grant was to be made in FY2026.

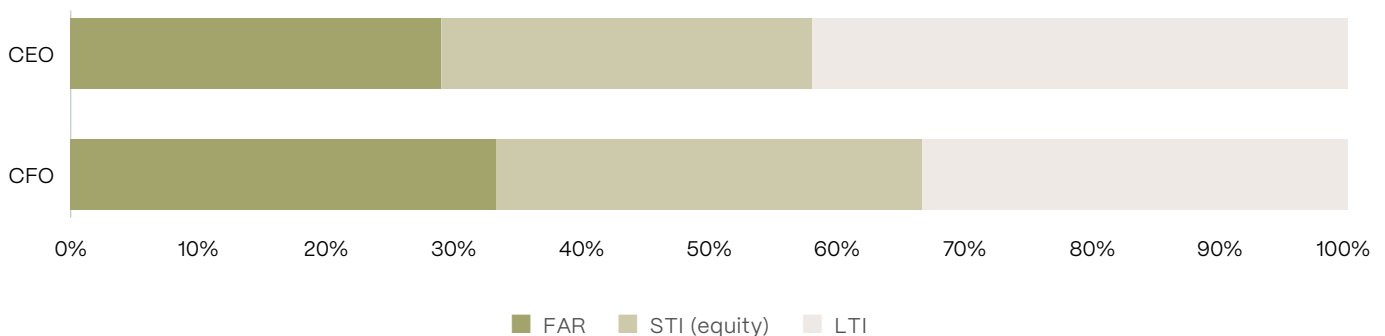
The table below represents the maximum LTI opportunity as a percentage of FAR (at grant) for the Disclosed Executives:

Disclosed Executives	Maximum
Mark Teperson	150%
Darin Hoekman	100%

2.5 Remuneration elements and mix

The Group's remuneration policy seeks to appropriately reward, incentivise and retain key employees, by providing an appropriate mix of remuneration components. The total remuneration mix for Disclosed Executives comprising FAR, STI at maximum opportunity and LTI at maximum opportunity for FY2026 is illustrated below.

FY2026 target remuneration mix



The LTI opportunity in FY2026 was represented by the grant of rights under the FY2024 to FY2028 grant. See Section 6.3 for further information.

3. FY2026 Group performance and Disclosed Executive remuneration outcomes

3.1 Group performance – FY2022 to FY2026 summary

The following table shows key performance indicators for the Group over the last five years.

	2022	2023 ¹	2024	2025	2026
EBITDA (statutory) \$'000	67,052	60,433	50,089	62,833	69,667
Net profit after tax (statutory) \$'000	19,521	9,854	1,696	9,537	11,205
Net profit after tax (pro forma) \$'000	29,573	14,503	3,676	12,054	16,144
Dividends per share – ordinary (cents)	15.6	7.5	1.8	0.0	0.0
Basic earnings per share (cents) (statutory)	14.9	7.4	1.3	7.1	8.3
Earnings per share (cents) (pro forma)	22.5	10.8	2.7	8.9	12.0
Market capitalisation at end of financial year \$'m	548.4	186.2	209.1	252.3	192.3
Share price at end of financial year \$	4.14	1.38	1.55	1.87	1.42
Change in share price \$	(1.28)	(2.76)	0.17	0.32	(0.45)

1. FY2023 was a 53 week financial period.

Assessed incentive outcomes – Short-term incentives

	2022	2023	2024	2025	2026
CEO – % of maximum STI	0%	0%	0%	100%	44%
CFO – % of maximum STI	0%	0%	0%	94%	35%

3.2 Remuneration outcomes for FY2026 – summary

Fixed Annual Remuneration (FAR)	The increases to FAR during FY2026 were: - Mark Teperson from \$852,533 to \$896,000 – effective 1 September 2025 (5.1% increase). In addition, Mark received annual leave valued at \$116,159 provided to him towards the start of the financial year. - Darin Hoekman from \$527,533 to \$545,733 – effective 1 September 2025 (3.4% increase). In addition, Darin also receives a \$7,500 car allowance.
Vesting of service rights during the year	Following shareholder approval at the 2023 AGM, Mark Teperson was granted 467,289 service rights under the Group's LTI Plan. One third of these rights vest and become exercisable on the first, second and third anniversary of 2 October 2023. During FY2024, Darin was granted, as part of retention and incentive arrangements, 250,000 service rights. Half of these rights vest and become exercisable on the first and second anniversary after 2 October 2023. Following the vesting and exercise of the second tranche of rights, on 13 October 2025: - Mark Teperson was provided with 155,763 shares; and - Darin Hoekman was provided with 125,000 shares.
FY2026 STI Plan outcomes	The Group's STI Plan operated again for the 2026 financial year. For the 2026 financial year, pro forma NPAT was \$16.1 million. The Board assessed the performance of the Disclosed Executives for the purpose of the STI as being eligible for 100% of their STI opportunity. Having regard to specific performance criteria: - Mark Teperson earned 44% of his STI opportunity; and - Darin Hoekman earned 35% of his STI opportunity. Details of the FY2026 STI and performance can be found in Section 4 of this Report.

Long Term Incentive: FY2022 to FY2025 grant	The Group had previously granted rights under its LTI Plan to certain participants, including Darin Hoekman. These rights were granted in relation to the FY2022 to FY2025 performance period. Having regard to the Group's EPS and TSR performance over the three-year period that ended after FY2025, these rights did not vest. They lapsed and the rights ceased in October 2025. Mark Teperson did not hold any rights under this grant.
Long Term Incentive: FY2023 to FY2026 grant	The Group had previously granted rights under its LTI Plan to certain participants, including Mark Teperson and Darin Hoekman. These rights were granted in relation to the FY2023 to FY2026 performance period. Having regard to the Group's EPS performance over the period and the current share price, these rights are not expected to vest and all rights will lapse. TSR performance will be calculated after the end of August 2026. On the current share price, these rights are not expected to vest.

3.3 Actual remuneration – summary

This section shows the remuneration actually received by the Disclosed Executives, payable in relation to FY2026.

The table in this section supplements, and is different to, the statutory remuneration tables (see Section 5.3) which presents the accounting expenses for both vested and unvested performance rights in accordance with Australian Accounting Standards.

The table shows the remuneration the CEO and the CFO realised in relation to the 2026 financial year as cash, or in the case of prior equity awards, the value which vested in FY2026.

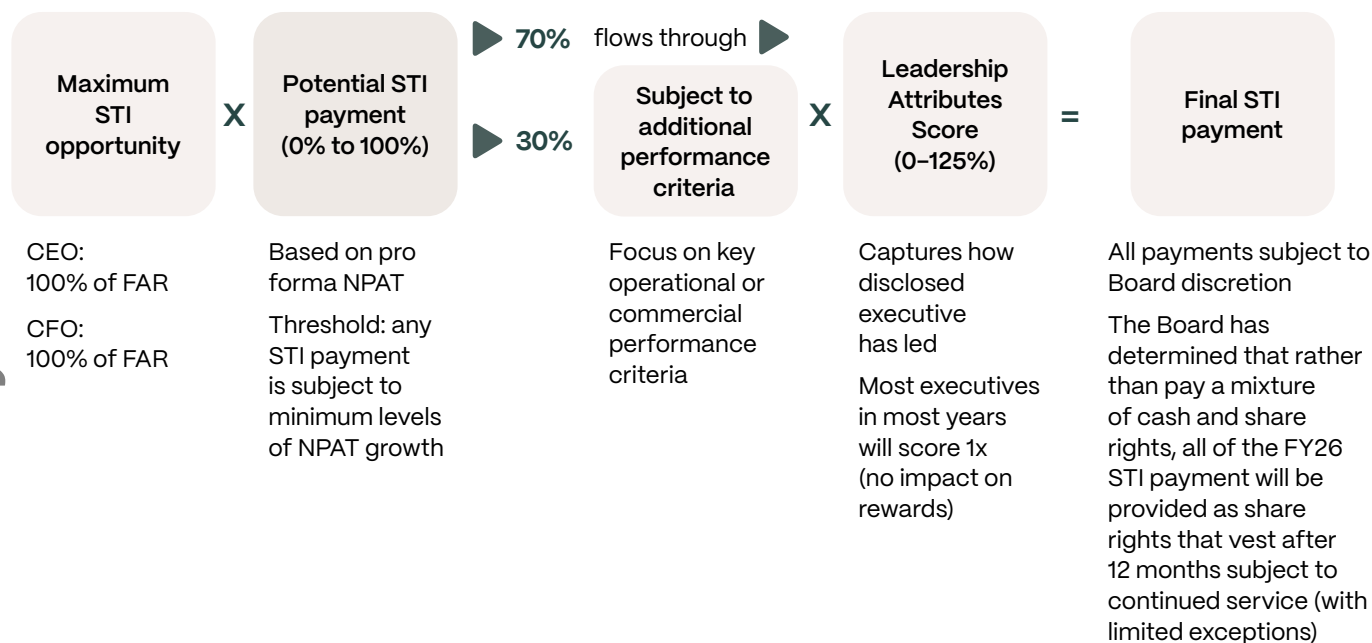
Disclosed executives		Fixed remuneration ¹ \$	STI cash payable ² \$	Total cash \$	Equity incentives which vested during the year ³ \$	Actual remuneration received \$	STI deferred ⁴ \$	Long term incentives which lapsed during the year ⁵ \$
Mark Teperson	2026	1,004,648	–	1,004,648	498,442	1,503,090	393,445	–
	2025	844,986	213,133	1,058,119	278,816	1,336,935	639,400	–
Darin Hoekman	2026	550,095	–	550,095	400,000	950,095	188,866	(542,500)
	2025	535,033	131,883	666,916	223,750	890,666	363,998	(315,000)

1. Fixed remuneration includes superannuation contributions. In the case of Darin Hoekman, it also includes a vehicle allowance of \$7,500 and for Mark Teperson, it also includes the value of additional annual leave (\$116,159) allocated to him towards the start of the financial year.
2. STI cash payable represents the cash portion of the FY2025 STI Plan. For FY2026 STI Plan, the entire STI award will be granted as deferred rights, with no cash component.
3. During FY2026, service rights vested and shares were provided to the Disclosed Executives upon exercise of those rights (155,763 to Mark Teperson and 125,000 to Darin Hoekman). To determine a monetary value for the rights that vested, the closing share price of \$3.20 (being the closing price on 10 October 2025 which was the date of issue of shares following the exercise of the vested rights) has been used.
4. For FY2026, all of a Disclosed Executive's STI opportunity is provided as deferred equity which is subject to a 12 month vesting period. The number of rights is determined by dividing the value of the deferred component by \$2.36 being the volume weighted average price of the Group's shares on ASX during August 2025. The grant of the rights to the CEO is subject to the approval of shareholders at the 2026 AGM. Subject to shareholder approval, Mark Teperson will receive 166,714 share rights and Darin Hoekman will receive 80,028 share rights. For FY2025, Disclosed Executive STI awards were based on 25% cash payment with the balance deferred for one year as share rights. Mark Teperson received 417,908 share rights and Darin Hoekman received 237,907 share rights.
5. The value of the long term incentives which lapsed during the year was determined by multiplying the number of rights that lapsed by \$3.10, being the closing share price on 1 October 2025. For FY2025, the amount was calculated using \$1.80, being the share price on 1 October 2024.

4. FY2026 Incentive plans – detailed outcomes

4.1 FY2026 Short Term Incentive

The Group's STI plan for executives (the STI Plan) is summarised below.



Under the Group's STI Plan, rewards are made to participants subject to financial and additional performance criteria. Participation in, and payments under, the STI plan for a financial year are at the discretion of the Board.

To provide greater alignment with shareholders, for FY2026, the Board determined that the full amount of any STI earned is to be provided in the form of rights that will vest approximately 12 months after the release of the FY2026 results (on 1 August 2027), subject to continued service. The grant of the rights to the CEO will also be subject to the approval of shareholders at the 2026 AGM.

All rewards under the STI Plan are determined based on the Group's financial performance, reflecting the principle that benefits under the STI plan are to be provided primarily when the Group has performed well for shareholders.

For participating executives to become eligible to receive a payment under the FY2026 STI plan, the Group's pro forma NPAT (after including the cost of the short term incentive) needed to be at least \$14.3 million, representing growth of 18% on FY2025 levels. This is referred to as "threshold" performance.

The potential STI payment then varies from:

- 25% of the executive's STI opportunity when pro forma NPAT is \$14.3 million; to
- 100% of the executive's STI opportunity when pro forma NPAT is \$17.9 million or more.

Pro forma NPAT includes the expenses of the STI plan (but excludes employee equity incentive expenses). A reconciliation of pro forma NPAT to NPAT is provided in Section 2.4 of the Directors' Report.

Outcome for FY2026

As pro forma NPAT was \$16.1 million, the potential STI payment for Disclosed Executives was 37.2%. Seventy percent of this amount is payable to the Disclosed Executives based on the financial performance. Whether the additional 30% of the potential STI payment is to be awarded is subject to an assessment of the achievement of measurable additional performance criteria. These additional performance criteria were selected to focus on particular commercial, operational or customer and employee goals.

The additional performance criteria that applied to the Disclosed Executives for FY2026, and the performance against those criteria, are set out below:

Additional performance criteria	STI %	Comment
Mark Teperson		
Completion of ≥12 store refurbishments within budget and deliver performance at or better than the 3-year payback	10	This was achieved. 12 store refurbishments were undertaken and payback metric maintained.
Achievement of FY2026 Gross Margin target	10	The level of achievement was assessed at 7.7%.
Performance Excellence Condition		See below
Darin Hoekman		
Achievement of FY2026 CODB target	10	The level of achievement was assessed at 6.3%
Delivery of property optimisation targets, relating to finalisation of new and refurbished store transactions at targeted commercial thresholds	10	This was achieved. New store leases and renewals at or above targeted commercial levels.
Performance Excellence Condition		See below

Performance Excellence Condition

The Performance Excellence Condition is a scorecard that measures three elements intended to drive a focus and improvement on business performance. Each of the CEO and the CFO were assessed against this condition.

Performance Excellence Condition element	Weighting	Comment
Safety: Lost time injury frequency rate to be below 10.66	One third of 10%	This was not achieved. LTIFR for FY26 was 13.89. While injury severity did not increase from the prior year, the number of lost time incidents was 24 (up from 20).
Customer: NPS above 70	One third of 10%	This was achieved. NPS for FY26 was 74.
Team: Pulse Survey Engagement score to be >46 (vs FY25: 40)	One third of 10%	This was achieved. Employee engagement score was 49.

These performance criteria were selected to provide an incentive to participating executives to achieve specific targets relevant to the business as well as contributing to the overall financial performance of the Group.

Assessment of whether the performance criteria have been satisfied for the Disclosed Executives is undertaken by the Board.

Outcome for FY2026 – Additional performance criteria

The additional performance criteria outcomes for FY2026 for Disclosed Executives was:

Disclosed Executives	Score out of 30%
Mark Teperson	24.3% out of 30%
Darin Hoekman	22.9% out of 30%

Leadership Attributes Score

While the STI Plan predominately rewards what has been achieved by executives during the year, the Group recognises the importance of how executives go about their roles and the impact that can have on performance over the short and long term.

A formal Leadership Attributes Score is included in the STI Plan to provide executives with greater clarity around how this element of STI rewards is to be determined and building on the leadership characteristics the Board judges to be vital to the Group's success under its strategic plan. The leadership attributes reflect and are tied to the Group's Values.

The leadership attributes, across each value, are expressed as being “developing”, “on-point” or “exceptional” levels. The Board assesses the performance of each of the Disclosed Executives against these leadership attributes annually and determine the Leadership Attributes Score. This is expected to be on point and at 100% for most executives in most years, but it could be as low as 0% (meaning the STI reward for that year would be \$0, regardless of financial performance) or, where an executive has demonstrated exceptional attributes, the Board may award up a Leadership Attributes Score of 125%. However, the outcome of the score is capped so that the total STI award received cannot exceed 100% of a Disclosed Executive’s STI opportunity.

Outcome for FY2026

The Leadership Attributes Scores for FY2026 for Disclosed Executives were as follows:

Disclosed Executives	Leadership Attributes Score
Mark Teperson	125%
Darin Hoekman	100%

Final FY2026 STI outcome

Having regard to the financial performance, the additional performance criteria and the Leadership Attributes Score, the STI award to be provided to each Disclosed Executive is:

Disclosed Executives	Potential STI payment of Maximum opportunity		Achieved KPIs			Leadership Attributes Score ¹		Final STI outcome % of maximum opportunity	STI earned (value) ² \$	
			Financial element		Additional performance criteria					
Mark Teperson	37.2%	x	70%	+	24.3%	x	125%	=	44%	393,445
Darin Hoekman	37.2%	x	70%	+	22.9%	x	100%	=	35%	188,866

1. Total STI award to be received cannot exceed 100% of the total STI opportunity (after applying the Leadership Attributes Score).

2. For FY2026, the STI earned will be provided in the form of share rights determined by dividing the STI earned by \$2.36.

As noted above, the amount of any FY2026 STI is to be provided in the form of rights that will vest approximately 12 months after the release of the FY2026 results (on 1 August 2027), subject to continued service.

The grant of the rights to the CEO will also be subject to the approval of shareholders at the 2026 AGM. If shareholder approval is not obtained at the AGM, the Board will consider alternative remuneration arrangements to appropriately remunerate the CEO, including payment in cash.

The volume weighted average price of the Group’s shares on ASX during August 2025 was \$2.36. This value will be used to determine the number of rights to be provided to each Disclosed Executive in relation to that part of the STI award that is to be deferred in the form of share rights.

The terms and conditions described in Section 6.6 below will apply to the share rights granted as the deferred STI payment.

5. Disclosed Executives – remuneration tables

5.1 FY2026 Short Term Incentive Plan outcomes

The STI payments received or receivable by Disclosed Executives for the year ended 28 June 2026 are summarised in the following table:

Disclosed executives		Total STI	Cash component ¹	Deferred share component ¹	Percentage of maximum STI opportunity ²
Mark Teperson	2026	\$393,445	–	\$393,445	44%
	2025	\$852,533	\$213,133	\$639,400	100%
Darin Hoekman	2026	\$188,866	–	\$188,866	35%
	2025	\$495,881	\$131,883	\$363,998	94%

1. For FY2026, Disclosed Executive STI awards will be provided wholly by way of deferred equity. Mark Teperson will, subject to shareholder approval at the 2026 Annual General Meeting, receive 166,714 share rights and Darin Hoekman will receive 80,028.

2. FY2026 STI outcome % to maximum is calculated based on the FY2026 maximum opportunity of 100% (for the CEO and CFO) of target.

5.2 FY2025 Short Term Incentive Plan outcomes

In relation to the financial year ended 29 June 2025, Mark Teperson received 417,908 share rights and Darin Hoekman received 237,907 share rights.

Details of the FY2025 Short Term Incentive were described in Section 4.1 of the 2025 Remuneration Report.

The terms of the share rights provide that they vest and become exercisable on 1 August 2026, subject to continued service. On 1 August 2026, the share rights vested and became exercisable. Mark Teperson and Darin Hoekman exercised their rights and will receive 417,908 and 237,907 fully paid ordinary shares, respectively.

5.3 FY2026 Long Term Incentive Plan outcomes

The Group had previously granted rights under its LTI Plan to certain participants, including the CFO. These rights were granted in relation to the FY2023 to FY2026 performance period.

Having regard to the Group's EPS performance over the performance period and the current share price, these rights are not expected to vest and all rights will lapse. TSR performance will be calculated after the end of August 2026. On the current share price, these rights are not expected to vest.

Disclosed executives	Total FY2023 to FY2026 rights granted	Rights anticipated to vest	Rights anticipated to lapse
Mark Teperson	612,980	–	(612,980)
Darin Hoekman	252,403	–	(252,403)

5.4 Statutory remuneration

The statutory remuneration for each Disclosed Executive for FY2026 and FY2025 is set out in the following table:

Disclosed Executives		Salary and fees ¹ \$	STI and other fees ² \$	Non-monetary benefits ³ \$	Super-annuation \$	Long service leave \$	Deferred STI ⁴ \$	LTI Plan rights ⁵ \$	Total \$	Performance related %
Mark Teperson	2026	974,648	–	–	30,000	10,007	983,772	802,646	2,801,073	63.8%
	2025	815,054	213,133	–	29,932	2,293	371,823	785,121	2,217,356	52.2%
Darin Hoekman	2026	512,595	–	7,500	30,000	13,117	270,682	224,556	1,058,450	46.8%
	2025	497,601	131,883	7,500	29,932	5,521	190,362	443,477	1,306,276	48.5%
Total	2026	1,487,243	–	7,500	60,000	23,124	1,254,454	1,027,202	3,859,523	59.1%
	2025	1,312,655	345,016	7,500	59,864	7,814	562,185	1,228,598	3,523,632	50.8%

1. Amount includes the value of annual leave accrued during the financial year and salary sacrifice arrangements and for Mark Teperson, it also includes the value of additional annual leave (\$116,159) allocated to him towards the start of the financial year.
2. STI represents the part of the STI Plan payment provided in cash. For FY2026, all of the STI payment is to be provided in the form of deferred STI with no cash component.
3. Non-monetary benefits relate to the provision of car allowance expenses.
4. The deferred STI comprises amounts from both the FY2025 and FY2026 STI plans. Mark Teperson's FY2025 STI award required shareholder approval at the 2025 AGM, and the fair value has been remeasured from the balance sheet date to the grant date. Mark Teperson's FY2026 STI award is also subject to shareholder approval at the 2026 AGM. For accounting purposes, the balance sheet date share price has been used to calculate the deferred STI for both Mark Teperson and Darin Hoekman.
5. The fair value of the LTI Plan is measured at grant date and progressively allocated to profit and loss over the vesting period. The amount including the remuneration above may not be indicative of the benefit (if any) that disclosed executives may ultimately realise should the rights vest.

6. Disclosed Executives – equity grants

6.1 Long term incentive plan and equity grants

The Long Term Incentive Plan (LTI Plan) is designed to align the interests of Disclosed Executives and participating employees more closely with the interests of the Group's shareholders by providing an opportunity for eligible employees to receive an equity interest in the Group through the grant of "rights". Upon vesting, each right entitles the participant to one fully paid ordinary share in the Group. Participation in a grant under the LTI Plan is by invitation. The Board may determine which executives or other employees are eligible.

6.2 Equity grants during FY2026

There were no grants under the LTI Plan to Disclosed Executives during the 2026 financial year.

This reflected that in the 2025 financial year, grants of rights were made to Disclosed Executives under the FY2024 to FY2028 grant. This grant relates to a four-year period and the number of rights granted to the CEO and CFO represented two years' worth of their respective long term incentive opportunity.

Accordingly, there was no long term incentive grant for FY2026 to the Disclosed Executives.

6.3 Prior Long Term Incentive awards – the FY2024 to FY2028 grant

During the 2025 financial year, a grant was made under the LTI Plan for the period FY2024 to FY2028. Two performance conditions apply to this grant, being:

- achievement of targeted Returns on Funds Employed levels by the end of the performance period; and
- growth in returns to shareholders (as measured by total shareholder returns, which includes share price appreciation and dividends reinvested).

The CEO was granted 1,696,707 performance rights in the FY2024 to FY2028 grant. This number was determined as:

$$\frac{(150\% \times [\text{FY25 FAR} + \text{FY26 FAR}])}{(\text{August 2024 VWAP})}$$

where FY25 FAR was \$852,533 and FY26 FAR is that amount increased by 3%. The August 2024 VWAP represents the volume weighted average price of the Group's shares traded on ASX during August 2024, being \$1.53.

The CFO was granted 699,929 performance rights in the FY2024 to FY2028 grant. This number was determined as:

$$\frac{(100\% \times [\text{FY25 FAR} + \text{FY26 FAR}])}{(\text{August 2024 VWAP})}$$

where FY25 FAR was \$527,533 and FY26 FAR is that amount increased by 3%. The August 2024 VWAP is \$1.53.

Details of the FY2024 to FY2028 grant are summarised below:

FY2024 to FY2028 grant

Performance conditions	40% of the rights granted are subject to the ROFE performance condition (ROFE Rights). 60% of the rights granted are subject to the TSR growth condition (TSR Rights).
ROFE performance condition	ROFE is measured as the Group's Net Operating Profit Before Tax divided by Funds Employed, expressed as a percentage. Net Operating Profit Before Tax (NOPBT) is calculated as profit before tax, after adding back interest on borrowings, deducting interest income and adding back any significant items before tax. This measure has been selected as it reflects underlying earnings and retains accountability for any significant items through the add-back to the funds employed amount. Lease related depreciation and interest costs are included in the net operating profit amount. Funds Employed is the sum of the opening balance of shareholders' equity, net debt and significant items after tax that have been excluded from NOPBT. The amount of any final dividend declared in respect of the year prior to the final year of the performance period (but which is paid in that final year), is also excluded from Funds Employed. Opening Funds Employed (rather than closing or average) is used; as returns from any capital deployed during the performance period are mostly delivered in subsequent periods. For example, investments in new store openings and refurbishments materially occur after the first year as the store's sales performance matures after the initial year of opening. However, all of the capital for the new store is deployed in advance of the store commencing trading.
ROFE vesting schedule	ROFE Rights vest and become exercisable if ROFE at the end of FY2028 based on the following schedule: • if FY2028 ROFE is 17% – then 30% of the ROFE Rights will vest; • if FY2028 ROFE is 24% – then 100% of the ROFE Rights will vest; • if FY2028 ROFE is within the range of 17% to 24% ROFE, the number of ROFE Rights that will vest will be pro-rated on a straight-line basis for between 30% and 100% of the ROFE Rights. For the ROFE Rights granted to the CEO, the ROFE vesting schedule is different – see further disclosure at the end of this table.
TSR growth performance condition	The TSR growth performance condition is a measure of the compound annual growth of the Group's TSR measured over the relevant performance period.
TSR performance period	Period to determine base share price: 1 to 31 August 2024. Period to determine finishing share price: 1 to 31 August 2028 or such other period as the Board considers appropriate.
TSR base level	\$1.53 (VWAP during August 2024).
TSR vesting schedule	TSR Rights vest and become exercisable if TSR CAGR is achieved over the performance period, as follows: • 30% of the TSR Rights will vest if the minimum TSR growth hurdle condition of 10% TSR CAGR is achieved; • 100% of the TSR Rights will vest if the TSR growth hurdle of 20% TSR CAGR is achieved; and • if the TSR CAGR is within the range of 10% to 20% TSR CAGR, the number of TSR Rights that will vest will be pro-rated on a straight-line basis for between 30% and 100% of the TSR Rights. For the TSR Rights granted to the CEO, the TSR vesting schedule is different – see further disclosure at the end of this table.
Number of participants (including Disclosed Executives)	56 participants

Approval for the grant obtained under ASX Listing Rule 10.14 for CEO	Yes, at the 2024 AGM
Number of rights initially granted	6,349,299
Number of rights granted to Disclosed Executives	CEO: 1,696,707 CFO: 699,929
Number of rights that have lapsed during the performance period	572,138 rights lapsed when certain participants ceased employment.
Number of rights outstanding as at 28 June 2026	5,884,939 being: • 2,358,868 ROFE Rights • 3,526,071 TSR Rights
Vesting outcome	To be determined at the end of FY2028
Accelerated vesting for exceptional performance	The Board considers that the two performance conditions provide challenging measures across the four year performance period aligned to returning the Group to growth and driving shareholder value. As an additional incentive and to reward exceptional performance, accelerated vesting may be available for up to half of the performance rights granted to a participant. Accelerated vesting will occur if the ROFE or TSR CAGR performance conditions, as applicable, are met at the end of FY2027.

Vesting schedule for ROFE Rights and TSR Rights granted to the CEO (FY2024 to FY2028 grant)

The CEO was granted rights under the FY2024 to FY2028 grant. The grant was structured to provide the CEO with a target variable LTI opportunity equal to 100% of his FAR when FY2028 ROFE is 24% and TSR CAGR is at 20%. The grant will provide him with a maximum variable LTI opportunity equal to 150% of his FAR, which will be achieved when FY2028 ROFE is 28% and TSR CAGR is 30% or above.

ROFE CAGR	ROFE Rights that vest
Less than 17%	No ROFE Rights vest
Equal to 17%	30% of the ROFE Rights vest
Equal to 24%	66.67% of the ROFE Rights vest
28% or more	100% of the ROFE Rights vest
TSR CAGR	TSR Rights that vest
Less than 10%	No TSR Rights vest
Equal to 10%	30% of the TSR Rights vest
Equal to 20%	66.67% of the TSR Rights vest
30% or more	100% of the TSR Rights vest

Vesting occurs on a straight line basis between the applicable performance levels.

6.4 Prior Long Term Incentive awards – earlier years

For grants made prior to FY2025, the Board had selected two performance conditions being:

- growth in the Group's profit (as measured by earnings per share growth); and
- growth in returns to shareholders (as measured by total shareholder returns, which includes share price appreciation and dividends reinvested).

These conditions are measured on an absolute basis – that is, growth is measured having regard to the Group's earnings or share price from a prior period. The Board has considered this to be appropriate as it seeks to drive an improvement in the Group's performance along with sustainable and profitable growth.

The following table outlines the terms of prior LTI grants outstanding:

FY2023 to FY2026 grant

Performance conditions	40% of the rights granted are subject to the EPS growth performance condition (EPS Rights). 60% of the rights granted are subject to the TSR growth condition (TSR Rights).
EPS growth performance condition	The EPS growth performance condition is a measure of the compound annual growth rate in the Group's EPS measured over the relevant performance period.
EPS base level	9.6 cents per share. This base level EPS was calculated by dividing the Group's pro forma NPAT for the financial year ended 2 July 2023 by the average weighted number of ordinary shares on issue for the 2023 financial year. Pro forma NPAT excludes any unusual items but includes the statutory employee equity incentive expense.
EPS vesting schedule	EPS Rights vest and become exercisable if EPS CAGR is achieved over the performance period, as follows: • 30% of the EPS Rights will vest if the minimum EPS growth hurdle condition of 10% EPS CAGR is achieved; • 100% of the EPS Rights will vest if the EPS growth hurdle of 20% EPS CAGR is achieved; and • if the EPS CAGR is within the range of 10% to 20% EPS CAGR, the number of EPS Rights that will vest will be pro-rated on a straight-line basis. For the EPS Rights granted to the CEO, the EPS vesting schedule is different – see further disclosure at the end of this table.
TSR growth performance condition	The TSR growth performance condition is a measure of the compound annual growth of the Group's TSR measured over the relevant performance period.
TSR performance period	Period to determine base share price: 1 to 31 August 2023. Period to determine finishing share price: 1 to 31 August 2026.
TSR base level	\$2.08 (VWAP during August 2023).
TSR vesting schedule	TSR Rights vest and become exercisable if TSR CAGR is achieved, as follows: • 30% of the TSR Rights vest if minimum TSR growth hurdle condition of 10% TSR CAGR is achieved; • 100% of the TSR Rights vest if the TSR growth hurdle of 20% TSR CAGR is achieved; and • If the TSR CAGR is within the range of 10% to 20% TSR CAGR, the number of TSR Rights that vest will be pro-rated on a straight-line basis for between 30% and 100% of the TSR Rights. For the TSR Rights granted to the CEO, the TSR vesting schedule is different – see further disclosure at the end of this table.
Post-vesting disposal restriction	None

Number of participants (including Disclosed Executives)	10 participants
Approval for CEO under ASX Listing Rule 10.14	Yes, at the 2023 AGM
Number of rights initially granted	1,844,736
Number of rights granted to Disclosed Executives	CEO: 612,980 CFO: 252,403
Number of rights that have lapsed during the performance period	102,685 rights lapsed when certain participants ceased employment
Number of rights outstanding as at 28 June 2026	1,742,051 being: • 699,333 EPS Rights • 1,042,718 TSR Rights
Vesting outcome	The EPS Rights will not vest, as the Group's EPS CAGR for the period FY2023 to FY2026 was negative. The EPS Rights will lapse at the same time as the TSR Rights are determined to lapse. The TSR Rights are unlikely to vest noting that the Group's current share price is below the base level share price of \$2.08. The final determination of TSR performance will occur after August 2026.

Vesting schedule for EPS Rights and TSR Rights granted to the CEO (FY2023 to FY2026 grant)

The CEO was first granted rights under the FY2023 to FY2026 grant. The grant was structured to provide the CEO with a target variable LTI opportunity equal to 100% of his FAR when EPS CAGR and TSR CAGR is at 20%. The grant will provide him with a maximum variable LTI opportunity equal to 150% of his FAR, which will be achieved when EPS CAGR and TSR CAGR is 30% or above.

EPS CAGR	EPS Rights that vest
Less than 10%	No EPS Rights vest
Equal to 10%	30% of the EPS Rights vest
Equal to 20%	66.67% of the EPS Rights vest
30% or more	100% of the EPS Rights vest
TSR CAGR	TSR Rights that vest
Less than 10%	No TSR Rights vest
Equal to 10%	30% of the TSR Rights vest
Equal to 20%	66.67% of the TSR Rights vest
30% or more	100% of the TSR Rights vest

Vesting occurs on a straight line basis between the applicable performance levels.

6.5 Service rights

No grants of service rights were made to Disclosed Executives during the 2026 financial year.

During FY2024, the Group granted service rights to the CEO and CFO. These rights vest and become exercisable on specified dates. Vesting is conditional upon the participant being employed by the Group (and not serving out a period of notice) at the time of vesting. No amount is payable upon the exercise of a vested right.

The Group agreed to provide the CEO with these rights as a condition of him being appointed as CEO. Service rights were granted to the CFO as part of his retention and incentive arrangements.

Shareholder approval for the grant of these rights to the CEO for the purpose of ASX Listing Rule 10.14 was obtained at the 2023 AGM.

Details of the rights granted to the CEO and the CFO are below:

	Grant to CEO	Grant to CFO
Number of rights granted	467,289 rights	250,000 rights
Rights exercised	155,763 rights exercised and shares provided on 11 October 2024	125,000 rights exercised and shares provided on 11 October 2024
	155,763 rights exercised and shares provided on 10 October 2025	125,000 rights exercised and shares provided on 10 October 2025
Rights remaining	155,763 rights vest on 2 October 2026	Nil

6.6 General terms relating to rights

Exercise period

If a right vests, a participant has two years from the vesting date in which they can elect to exercise the vested right and receive an ordinary share. If a vested right is not exercised in that period, it lapses.

Malus and clawback

The Long Term Incentive Plan provides for malus to be applied to unvested awards and for clawback provision to be applied for vested awards. This is to ensure that in the event of serious misconduct or the identification of a serious adverse subsequent event, the relevant participant does not inappropriately benefit in those circumstances.

Treatment on cessation of employment

Upon resignation or in instances where a participant's employment is terminated for cause or as a result of unsatisfactory performance, their unvested rights will lapse. In other circumstances, a person ceasing employment may retain unvested rights with vesting to be tested at the end of the relevant performance period. However, in all cases, the Board has discretion to permit a participant to retain unvested rights, including a discretion to reduce the number of retained unvested rights to reflect the part of the performance period for which the participant was employed.

Shareholder approval has been obtained for the purposes of sections 200B and 200E of the Corporations Act to permit the Group to give a benefit to a participant who holds a managerial or executive office in these circumstances. This approval was obtained at the 2024 annual general meeting and was expressed to be for the period up to the 2027 annual general meeting.

Treatment on change of control

In the event of a change of control of the Group, subject to the ASX Listing Rules, the Board has discretion to determine whether a change in control has occurred and the treatment of the rights at that time. Treatment may include permitting some or all outstanding unvested rights to vest or determining that unvested rights have lapsed.

Other conditions

Subject to the ASX Listing Rules (where relevant), a participant may only participate in new issues of shares or other securities if the right has been exercised in accordance with its terms and shares are issued or transferred and registered in respect of the right on or before the record date for determining entitlements to the issue.

Participants will also be entitled to receive an allocation of additional shares as an adjustment for bonus issues.

6.7 Rights granted and movement during the year

The aggregate number of rights that were granted as compensation, exercised or lapsed in relation to each Disclosed Executive for the 2026 financial year is set out in the following table:

Disclosed Executive	Balance at start of the year	Rights granted as compensation during the year ¹	Value of rights granted during the year ²	Rights vested and exercised during the year	Value of rights exercised during the year	Rights lapsed during the year	Rights held at end of the year (all unvested) ³
Mark Teperson	2,621,213	417,908	\$1,253,724	(155,763)	\$348,316	–	2,883,358
Darin Hoekman	1,252,332	237,907	\$387,788	(125,000)	\$228,750	(175,000)	1,190,239

- Share rights in relation to the FY2025 STI Plan were approved by shareholders for allocation to Mark Teperson on 14 October 2025. Share rights in relation to the FY2026 STI Plan are not included in the above table. These rights are expected to be allocated to Mark Teperson (subject to shareholder approval at the 2026 AGM) and Darin Hoekman by 30 October 2026 after the 2026 AGM.
- The value of rights granted during the year (or taken to have been granted for accounting purposes) represents the fair value of each performance right which is measured at grant date. Refer to Note 22(b) for further information on the fair value of the rights.
- All rights have no exercise price and once vested they may be exercised within 2 years of vesting.

6.8 Rights held (by plan) as at 28 June 2026

The number of rights held as at 28 June 2026 by plan for each Disclosed Executive is set out in the following table:

Disclosed Executive	FY2023 to FY2026 grant ¹	Service rights ²	FY2024 to FY2028 grant ³	FY2025 STI rights grant ⁴
Mark Teperson	612,980	155,763	1,696,707	417,908
Darin Hoekman	252,403	–	699,929	237,907

- Granted on 15 December 2023. Forty percent of these rights were subject to an EPS growth performance condition which was not met at the end of FY2026. The balance of the rights is subject to a TSR growth performance condition which will be measured at the end of August 2026. On the current share price, these rights are not expected to vest.
- Granted on 15 December 2023. These rights will vest and become exercisable on 2 October 2026.
- Granted on 1 November 2024.
- Granted on 30 October 2025. These rights vested on 1 August 2026 and were exercised in August 2026 and shares are to be provided upon exercise shortly. Upon exercise the rights ceased to exist, and the holders were provided with fully paid ordinary shares.

6.9 All rights outstanding as at 28 June 2026

Information on grants made in previous years and the rights that remain outstanding are set out below. The total rights include rights granted to Disclosed Executives and other participants in the relevant year.

As at 28 June 2026, the number of performance rights outstanding was:

Short Term Incentive and Long Term Incentive Plan grants

Performance rights	EPS Rights	TSR Rights	ROFE Rights
FY2023 to FY2026 grant ¹	699,333	1,042,718	
FY2024 to FY2028 grant		3,526,071	2,358,868
Service rights	Service rights		
FY2024 grant		155,763	
Short Term Incentive rights	Share rights		
FY2025 STI grant ²		1,443,173	
Total		9,225,926	

- The EPS Rights from the FY2023 to FY2026 grant have not met the performance condition and will lapse. The TSR Rights from that same grant will be assessed after August 2026; however, based on the Group's current share price it is unlikely that those rights will vest.
- The FY2025 STI grant represents rights provided to participants in relation to earned Short Term Incentive relating to FY2025 that was provided in the form of rights. The table shows the number of rights outstanding as at 28 June 2026. Those rights vested and became exercisable on 1 August 2026.

7. Disclosed Executives – contract terms

Each Disclosed Executive has an employment contract specifying, among other things, remuneration arrangements, benefits, notice periods and other terms and conditions. The contracts provide that participation in the STI and LTI arrangements are at the Board's discretion.

The employment contracts for each of Mark Teperson and Darin Hoekman do not have a fixed term. Employment may be terminated by the Disclosed Executive by providing 6 months' notice, or by the Group with 6 months' notice or by payment in lieu of notice, or with immediate effect in circumstances including serious or wilful misconduct.

The employment contracts with Disclosed Executives contain a 12-month post-employment restraint.

The employment contract for Mark Teperson provides that if the Group makes a payment to Mark arising out of the cessation of employment and he is subsequently found to have engaged in serious misconduct, clawback will apply to those payments. This applies for two years after employment ends.

8. Remuneration governance

8.1 People, Culture and Remuneration Committee

The role of the People, Culture and Remuneration Committee is to assist the Board in fulfilling its responsibilities relating to remuneration policies and practices for the Group.

Further details on the People, Culture and Remuneration Committee are set out in the Corporate Governance Statement in this Report.

8.2 Engagement of remuneration consultants

In accordance with the Corporations Act, any engagement of a remuneration consultant to provide a remuneration recommendation in respect of a Disclosed Executive must be received and approved by the People, Culture and Remuneration Committee. Where a remuneration recommendation is received it must also be accompanied by a declaration from the remuneration consultant that it was free from undue influence of a Disclosed Executive.

During the year, no remuneration recommendations were received from remuneration consultants.

9. Non-Executive Directors

9.1 Remuneration Policy

Under Baby Bunting's Constitution, Non-Executive Directors' remuneration for their services as a Director must not exceed in aggregate in any financial year \$1,000,000 (being the amount specified in the Constitution) or any other amount fixed by shareholders in a general meeting. Currently, the aggregate fee cap is \$1,000,000 (inclusive of superannuation contributions).

Non-Executive Directors' remuneration must not include a commission on, or a percentage of, operating revenue.

Non-Executive Directors are not entitled to participate in any of the Group's employee incentive plans. Non-Executive Directors may be reimbursed for travel and other reasonable expenses incurred on the business of the Group or in carrying out duties as a director. A director may be paid additional or special remuneration where a director performs extra services or makes special exertions.

9.2 Non-Executive Directors' fees

Similar to executive remuneration, the Committee undertakes reviews of Non-Executive Director remuneration from time to time.

A review was last undertaken by the Committee in July 2026 with fees adjusted by 5% with effect on 1 September 2026. Prior to that, the last fee adjustment occurred on 1 February 2022.

The per annum fees (inclusive of superannuation contributions provided by the Group) are set out below:

	Fees \$ per annum (for FY2026)	Fees \$ per annum (from 1 September 2026)
Chair	200,000	210,000
Non-Executive Director	100,000	105,000
Chair of a Board Committee	15,000	15,750
Member of a Board Committee	Nil	Nil

Recognising the expectation that Directors serve on Board Committees, no additional fees are provided for serving on one of the established Board Committees.

For the financial year ended 28 June 2026, the fees paid and superannuation contributions to all Non-Executive Directors were \$730,002 in aggregate.

9.3 Remuneration of Non-Executive Directors

Details of the remuneration of the Non-Executive Directors and other key management personnel of the Group are set out in the following table.

	Year	Salary and fees ¹ \$	Superannuation \$	Total \$
Non-Executive Directors				
Stephen Roche ²	2026	178,571	21,429	200,000
	2025	121,766	14,003	135,769
Gary Levin	2026	89,286	10,714	100,000
	2025	96,517	11,099	107,616
Donna Player	2026	89,286	10,714	100,000
	2025	89,686	10,314	100,000
Gary Kent	2026	102,679	12,322	115,001
	2025	103,139	11,861	115,000
Fran Ereira	2026	89,686	10,714	100,000
	2025	89,686	10,314	100,000
Debra Singh ³	2026	102,679	12,322	115,001
	2025	11,107	1,277	12,384
Former Non-Executive Director				
Melanie Wilson ⁴	2026	–	–	–
	2025	115,212	13,249	128,461
Total	2026	651,787	78,215	730,002
	2025	627,113	72,117	699,230

1. Amount includes the value of annual leave accrued during the financial year and salary sacrifice arrangements.

2. Stephen Roche became Chair on 19 February 2025.

3. Debra Singh was appointed as a Non-Executive Director on 21 May 2025.

4. Melanie Wilson ceased as a Non-Executive Director on 19 February 2025.

10. Shareholdings and other related party transactions

10.1 Shareholdings

The tables in this section show the number of shares and options in the Group that were held during the financial year by key management personnel, including close members of their family and entities related to them. No amounts remain unpaid in respect of the ordinary shares at the end of the financial year.

Minimum shareholding policy

The Board has adopted a minimum shareholding policy for directors and other key management personnel. A person subject to the policy is required to achieve and maintain a minimum shareholding in Baby Bunting's shares equivalent to 100% of their director's fees or fixed annual remuneration, as applicable. Participants must accumulate the shareholding within the later of 5 years after the adoption of policy (in November 2022) or their date of appointment.

The value of a shareholding is calculated using the greater of the purchase price paid by the person for the shares and the closing price of Baby Bunting shares on the last day of the financial year.

Ordinary shares

Shares held by key management personnel, including close members of their family and entities related to them.

	Balance at start of the year	Change ¹	Balance at end of the year	Shareholding value as a % of fees/FAR ²
Non-Executive Directors				
Stephen Roche	78,000	22,000	100,000	≥100%
Gary Levin	250,000	15,000	265,000	≥100%
Donna Player	46,000	14,000	60,000	≥100%
Gary Kent	40,000	–	40,000	≥100%
Fran Ereira	36,741	3,433	40,147	99%
Debra Singh	–	40,000	40,000	94%
Disclosed Executives				
Mark Teperson	155,763	155,763	311,526	49%
Darin Hoekman	677,630	125,000	802,630	≥100%

1. Change indicates shares purchased on-market.

2. Under the minimum shareholding policy, the required holding level must be met by November 2027, other than for Mark Teperson (October 2028) and Debra Singh (May 2030). The value of a shareholding is calculated using the greater of the purchase price paid by the person for the shares and the closing price of Baby Bunting shares on the last day of the financial year.

3. Change reflects shares acquired upon exercise of vested rights during the year. On 1 August 2026, the FY2025 STI rights held by Mark Teperson and Darin Hoekman vested and became exercisable. These rights have been exercised and the number of shares held by Mark Teperson will increase by 417,908 and the number of shares held by Darin Hoekman will increase by 237,907.

Options

There are no options over shares on issue as at the date of this Directors' Report.

10.2 Other KMP disclosures

Other than as disclosed in this Remuneration Report, no member of the Group's key management personnel (or their respective close family members or an entity over which they have control or significant influence) has entered into any transaction with the Group or a subsidiary during the reporting period, other than transactions that occur within a normal employee, customer or supplier relationship, on arms-length terms and that are trivial or domestic in nature.

There are no loans to key management personnel.

This is the end of the Remuneration Report.

Sustainability Report – AASB S2

1. Basis of preparation

About this Report

This Sustainability Report contains the climate-related financial disclosures of Baby Bunting Group Limited (**Baby Bunting** or the **Company**) and its subsidiaries (the **Group**) for the year ended 28 June 2026. It has been prepared in accordance with AASB S2 *Climate-related disclosures* (**AASB S2**), which is the mandatory Australian Sustainability Reporting Standard (**ASRS**) that has been issued by the Australian Accounting Standards Board (**AASB**), and the requirements of the Corporations Act 2001.

This report was approved and authorised for issue in accordance with a resolution of the Directors on 14 August 2026.

Connectivity with financial statements

This report should be read together with the Group's Consolidated Financial Statements (**Financial Report**), for the year ended 28 June 2026. The climate-related financial disclosures cover the same reporting period and same reporting entities as the Financial Report. This report is based on the same underlying data and assumptions used in preparing the Financial Report.

First time adoption of AASB S2 and transition relief

As a first-year reporter, the Group has elected to apply the available transition relief for:

- comparative information as per paragraph C3 of AASB S2 Climate-related Disclosures; and
- scope 3 emissions as per paragraph C4b of AASB S2 Climate-related Disclosures.

How to read this report

This report sets out the Group's climate-related risks and opportunities and is structured around the four core content areas of AASB S2: **governance**, **strategy**, **risk management**, and **metrics and targets**. Table 1 below outlines the information included in each section and how these disclosures support an understanding of the Group's approach to climate-related matters.

Section	Topics Covered
Overview of the Group and Value Chain	• Business model and value chain
Organisational Boundary	• Operational control approach and emissions reporting boundary
Judgements and measurement uncertainty	• Key judgements, assumptions and estimation uncertainty applied in climate-related disclosures
Governance	• Board oversight and management's role • Climate-related skills and experience • Emissions targets and climate roadmap
Strategy	• Scenario analysis and time horizons • Climate-related risks and opportunities • Transition planning, climate related strategic goals and climate resilience
Risk Management	• Identification, assessment and monitoring of climate-related risks and opportunities
Metrics and Targets	• Scope 1 and 2 GHG emissions and emissions methodology

This report is subject to limited assurance by Ernst & Young, whose report is provided on pages 83 to 86.

2. Overview of the Group and Value Chain

2.1 Overview of the Group

Our Business Model

Baby Bunting is a specialist retailer of maternity and baby goods, primarily catering to parents with children from newborn to three years of age and parents-to-be. The Group offers a curated range of products, specialist in-store services and expert advice, delivered through a national store network in Australia, a growing store presence in New Zealand, and digital channels including online sales and click and collect.

The Group's principal product categories include prams, cots and nursery furniture, car safety, toys, babywear, feeding, nappies, manchester and related accessories. Baby Bunting also provides services that are complementary to the products it sells, including car seat installation and hire services of certain nursery products.

2.2 Our Value Chain

Baby Bunting's value chain comprises the activities, resources and relationships involved in sourcing, transporting, selling and supporting maternity, nursery and baby products across Australia and New Zealand. Upstream, this includes national brand and private label suppliers, manufacturing sites, raw material inputs, packaging and international freight. Within the Group's own operations, it includes online channels and a store network, the National Distribution Centre and the Store Support Centre comprised wholly of leased premises. Downstream, it includes customer delivery, product use, returns, packaging disposal and product end-of-life.

3. Organisational boundary

In accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), Baby Bunting uses the operational control approach to define its organisational boundary for greenhouse gas (GHG) emissions reporting. Under the operational control approach, the Group accounts for GHG emissions that the Group can practically influence and manage through its own operating decisions and mitigation actions, rather than emissions tied to ownership or financial interest in the underlying property. The Group has selected this approach because its store network and support office are comprised wholly of leased premises over which it has operational control and it is therefore considered the most relevant to the Group's emissions profile. Accordingly, reported emissions cover leased retail stores, the National Distribution Centre and Store Support Centre in Australia and New Zealand over which Baby Bunting has operational control.

Third party logistics providers are excluded from the Group's organisational boundary as the Group does not exercise operational control over those sites. Emissions associated with third-party logistics activities are expected to be included within future Scope 3 emissions disclosures.

4. Judgements and measurement uncertainty

The preparation and presentation of this Report involved applying judgement to determine what information is relevant to disclose. Additionally, the preparation of this Report required the use of estimates for certain amounts, which could not be measured directly. Measurement uncertainty arises from data gaps, external factors and forward-looking information.

The below summarise key judgements applied and measurement uncertainty affecting the amounts disclosed:

4.1 Judgements:

Material information

Management applied judgement in identifying and assessing the climate-related risks and opportunities (CRROs) that could reasonably be expected to affect the Group's prospects, and in determining the material information for disclosure. This judgement involved evaluating the Group's climate-related impacts and dependencies across the Group's business model and value chain and assessing the potential effects that could affect the Group's strategic objectives, financial performance, operational resilience, safety outcomes, regulatory compliance and reputation. The assessment was undertaken using all reasonable and supportable information available at the reporting date without undue cost or effort. Where management has made significant judgements, estimates and assumptions this has been disclosed within the report. This includes Sections 6.1, 6.2, 6.4, 6.5, 7.2, 8.2 and any other sections that specifically refer to judgements, estimates or assumptions made.

Scenario analysis – physical hazard modelling

Management applied judgement in determining the scope and boundaries of the Group's climate-related scenario analysis and physical hazard modelling. Physical hazard modelling was performed for the Group's retail stores, National Distribution Centre, and Store Support Centre. Third-party logistics locations were not included within the scope of physical hazard modelling. This reflects a judgement by management as to the appropriate scope and boundaries of the Group's scenario analysis, applied on a basis proportionate to the Group's reliance on third-party logistics providers and consistent with the use of reasonable and supportable information available without undue cost or effort. Further detail on the Group's treatment of third-party logistics locations is set out below under Value chain scope.

Management also applied judgement in determining the operational footprint included in the analysis. The assessment was based on locations operating during the reporting period and assumes a static operational footprint over the assessment horizon. This assumption was considered appropriate as the Group's business model, operating activities and asset mix are not expected to change significantly in a manner that would materially alter the nature of its exposure to climate-related physical risks. Accordingly, the analysis does not reflect potential future changes in store footprint, lease renewal decisions, relocations, site exits or acquisitions.

The analysis also relies on historical data and forward-looking climate projections, which are inherently uncertain and may vary across climate models and downscaling methods. Hazard and risk assessments are further affected by data availability, modelling assumptions and the completeness of local hazard information. Transition risk analysis is based on current policy settings, market conditions and technology pathways, which may change over time. As a result, climate scenario analysis supports the Group's assessment of potential CRROs, but does not predict future outcomes.

Value chain scope

Management applied judgement in determining the extent of the upstream and downstream value chain assessed for climate-related risks and opportunities. Physical hazard modelling and climate scenario analysis were undertaken for the Group's operational footprint comprising its retail stores, distribution centres and support centre. Third party logistics locations and the Group's broader upstream and downstream value chain, including suppliers and customers, were not included within the scope of physical hazard modelling. Given the size and diversity of the Group's supplier base and customer network, a detailed, location by location assessment across the full value chain was not considered practicable or proportionate. The broader value chain, including third party logistics providers, was therefore considered qualitatively, drawing on available information and management judgement, rather than being subject to detailed physical hazard modelling. As this exposure has not been subject to physical hazard modelling, it is not reflected in the vulnerability metrics disclosed in Section 6.4, and the Group's assessment of this risk is subject to greater measurement uncertainty than for locations within the modelled scope. This approach reflects the Group's use of reasonable and supportable information available at the reporting date without undue cost or effort.

Climate resilience assessment

Management applied judgement in determining the approach to assessing the resilience of the Group's strategy and business model to climate-related risks. This included judgement as to the use of qualitative and quantitative scenario analysis, the climate scenarios and time horizons applied, and the scope of operations covered by the assessment. The results of the scenario analysis and physical hazard modelling were used, together with management's qualitative assessment of the broader value chain, to inform conclusions on the Group's climate resilience. These judgements were applied having regard to the Group's assessed exposure to climate-related risk and the maturity of currently available data and modelling tools.

4.2 Measurement uncertainty

GHG emissions

GHG emission calculations are subject to inherent uncertainty due to the use of estimations, emission factors and proxy data where direct measurement is unavailable. Management applied judgement in selecting the methodologies, assumptions and data sources used to estimate GHG emissions where complete activity data was not available. The Group's Scope 1 and Scope 2 emissions disclosures include estimated electricity consumption. These estimates are based on reasonable and supportable information available at the reporting date. Refer to Section 8.2 for further details.

5. Governance

5.1 Board and Committee Governance Structure

Baby Bunting's governance framework integrates CRROs into the Group's broader corporate governance arrangements.

Consistent with the Group's Board Charter, the Board has ultimate responsibility for overseeing and monitoring the establishment of risk management by approving risk management policies and procedures and systems of internal controls. The Board has established an Audit and Risk Committee (**ARC**) and People, Culture and Remuneration Committee to assist the Board in exercise of its authority. The charters of those Committees set out the roles and responsibilities of the Committees and the authority delegated to them by the Board. In respect of climate-related matters, the Board has delegated the following authority to its Committees in their respective Charters:

- **The Audit and Risk Committee:** Assists the Board in fulfilling its responsibilities for overseeing the Group's financial and corporate reporting, risk management and compliance structures and external audit function. In the climate context, this includes oversight of management's processes for identifying, assessing and managing CRROs, monitoring compliance obligations, and reviewing climate-related disclosures through standard ARC reporting.
- **The People, Culture and Remuneration Committee:** Assists the Board in fulfilling its responsibilities in relation to people and culture, safety and remuneration policies and practices for the Group. This includes consideration of incentive arrangements and whether CRRO measures should be incorporated into executive remuneration as the Group's strategy and performance monitoring mature.

5.2 Board composition, expertise, skills and training

The Board comprises directors with a mix of skills and experience. The Board has adopted a skills matrix setting out the mix of skills and diversity that the Board is looking to achieve in its membership.

CRROs are considered by the Board as part of its broader identification and oversight of material business risks and opportunities, rather than assessed as a distinct Board skill. Whether the Board has appropriate skills and competencies to oversee CRROs is currently assessed through the combined "Governance, risk management and compliance and sustainability" competency, covering experience in overseeing risk management and compliance frameworks and related policies and processes, setting risk appetites, identifying and providing oversight of material business risks. When assessed against this skill, Directors are expected to demonstrate experience in formulating, implementing and/or overseeing corporate governance and strategies focused on conducting business responsibly and ethically, enhancing corporate culture and generating long-term sustainable value for shareholders, employees, stakeholders and the community.

Individual director capability is assessed through the Board skills matrix process as outlined in the Group's Corporate Governance Statement issued with this report. The Board skills matrix currently assesses Directors as a mix of proficient and advanced in Governance, risk management and compliance and sustainability skills and experience.

The Board is progressing capability development through director education and engagement with external advisers. This includes consideration of whether the skills matrix should be enhanced to separately identify climate-related skills and experience, distinct from the broader "Governance, risk management and compliance and sustainability" competency. The Board will continue to periodically review the skills matrix and consider whether a more specific climate-related competency should be incorporated as the Group's climate governance and reporting obligations mature.

5.3 Climate Strategy and Board Oversight

The Group's governance arrangements support oversight of climate-related matters through existing Board and Committee responsibilities for strategy, risk management, compliance, corporate reporting, internal controls and remuneration governance. Specifically, the Board's oversight responsibilities described above, CRROs are considered within the Board's existing strategy, risk management and compliance responsibilities under the Board Charter, where relevant. The Board also reviews and approves the Group's AASB S2 disclosures. Climate-related matters are reported to and considered by the ARC. The Board did not separately receive climate-related reporting outside of the ARC during the reporting period, beyond its review and approval of the Group's annual sustainability related financial disclosures.

Under the ARC Charter, the Board has delegated responsibility for the oversight of climate-related matters, including CRROs, to the ARC. During the reporting period, the ARC considered climate-related matters at three ARC meetings, including AASB S2 readiness, climate scenario analysis, CRROs and related disclosures. CRROs are a regular agenda item at ARC meetings to support ongoing oversight through periodic management reporting and review of disclosures, risk assessments and compliance obligations.

Where CRROs are material to the Group's strategy, financial performance, risk appetite, compliance, disclosure approval or capital expenditure decisions, they are escalated through management, ARC and Board reporting channels in accordance with the Group's governance and risk management processes.

No formal assessment of CRROs against specific strategic transactions, major capital allocation decisions or capital expenditure was undertaken during the reporting period, reflecting Management's assessment, informed by the Group's scenario analysis, that the physical and transition risks identified did not indicate a need for climate-related considerations to be separately factored into individual investment or transaction decisions. Consistent with this position, no separate Board decisions or material climate-related trade-offs related to strategic planning, major transactions, capital allocation or long-term value creation were undertaken during the reporting period.

5.4 Management's role and accountability

Management is responsible, among other things, for implementing the risk management process, assigning accountabilities and responsibilities for key risks, allocating appropriate resources, and reporting material risk matters through established governance channels in accordance with the Group's risk management framework. Specifically, the Chief Financial Officer has executive level accountability for climate-related reporting and CRROs assessment, with coordination delegated to the Head of Finance. The Head of Finance coordinates climate-related reporting and CRROs assessment with support from relevant members of the Executive and cross functional teams. During the reporting period, this included identifying and assessing CRROs, integrating them into the Group's risk register, escalating matters to the ARC, overseeing the preparation of AASB S2 disclosures, engaging external advisers where required, and coordinating cross-functional input from operations, supply chain, merchandise and property teams.

Management controls supporting climate-related disclosures and CRRO assessment include documented management review of external adviser outputs, cross-functional review of relevant inputs, review against AASB S2 disclosure requirements, finance review of data used in disclosures, legal review, auditor review and ARC review and endorsement prior to Board approval. These controls are integrated with the Group's existing internal functions rather than operating as a standalone process. For example, financial review is conducted through the Group's established financial reporting and internal controls processes, legal review is undertaken by the Group's in-house legal function and cross functional input is drawn from different functions within the Group who are responsible for the underlying data and activities giving rise to CRROs. Outputs from this process feed into the Group's existing Risk Management Framework and reporting channels described above, ensuring CRROs are considered alongside other strategic risks rather than in isolation.

Training

During the reporting period, the executive and senior management team participated in climate training covering governance, risk management and reporting requirements. A scenario-based workshop facilitated by external advisers and attended by executives and senior management also supported capability development as climate considerations continue to be embedded into governance and risk management processes.

Directors also participated in ad hoc climate-related training during the reporting period relevant to the Board's oversight of climate-related risks and opportunities.

5.5 Emissions Targets and Climate Roadmap

As at the reporting date, the Group has not established formal Scope 1 and Scope 2 emissions reduction targets. This reflects the early stage of the Group's climate maturity and the need to further develop emissions data, decarbonisation pathways and target-setting assumptions. The Group's current emissions-related initiatives, including renewable electricity procurement, energy efficiency activities and improvements to emissions data and reporting processes, do not currently represent formal emissions reduction targets or a formal transition plan.

The Group has engaged external consultants to support development of its FY2027 climate roadmap, which is expected to include Scope 1 and Scope 2 target setting and a transition to more quantitative disclosures. Formal targets will be reviewed through the Group's existing governance framework before approval, including ARC review of relevant metrics, data, controls and disclosures and endorsement to the Board. The Board retains ultimate oversight and accountability for all Group targets, including climate-related targets.

5.6 Incentives and Remuneration

The Group recognises that, over time, executive remuneration may play an important role in supporting accountability for delivery against climate-related priorities. The People, Culture and Remuneration Committee is responsible for considering remuneration measures and performance targets. Whether climate-related measures should be incorporated into executive incentive arrangements is a matter it will consider.

No executive remuneration or incentive outcomes were linked to climate-related targets, metrics or performance measures during the reporting period. This reflects the current stage of the Group's approach to managing CRROs. This position will be reviewed periodically and any future linkage will be considered through the Group's existing remuneration governance processes.

Further detail on the Group's executive remuneration framework is set out in the Remuneration Report.

6. Strategy

6.1 Identification and assessment of CRROs

The Group assesses CRROs on an inherent basis over the time horizons defined in Section 6.3. The assessment is informed by management judgement, climate scenario analysis, physical hazard modelling, transition risk analysis and the Group's existing risk management processes. In assessing whether a CRRO could reasonably be expected to affect the Group's prospects, management considers its potential effects on the Group's strategy, business model, operations, financial position, financial performance, and cash flows. Management then evaluates if information related to a CRRO would reasonably be expected to influence the decisions of primary users of the Group's general purpose financial reports, including through its potential effect on the Group's cash flows, access to and cost of finance, and financial position and performance over the short, medium and long term, and therefore represents material information for disclosure. Management applies judgment in identifying CRROs and determining the information disclosed in this report, including the scope and boundaries of climate scenario analysis and physical hazard modeling. Further detail on these judgments is set out in Section 4 of this report.

The assessment considered the Group's operations and value chain informed by climate scenario analysis and by consideration of past events, current conditions and reasonably supportable forecasts of future conditions available to the Group at the reporting date without undue cost or effort. Climate scenario analysis, including physical hazard modelling, was undertaken for the Group's operational footprint, comprising its retail stores, distribution centres and support office, and informed the Group's identification and assessment of CRROs. Third-party logistics locations were not included within the scope of physical hazard modelling. The Group's exposure arising from its reliance on third-party logistics providers was instead considered qualitatively, as further explained in Section 4. CRROs associated with other upstream and downstream value chain participants were considered qualitatively through management assessment, stakeholder engagement and external information, but were not subject to detailed scenario analysis during the reporting period.

External adviser outputs, including scenario analysis, physical hazard modelling and risk scoring, provide key inputs to the assessment but are not applied as automatic thresholds for disclosure. Management reviews these outputs through the Group's existing risk management processes, including cross-functional review across legal, finance, property and operations, before incorporating identified CRROs into the CRRO register and assessing whether the matter could reasonably be expected to influence the decision of primary users of the Group's general purpose financial reports in determining the disclosures included in this report.

Further information on the risk assessment process can be found in Section 7.

6.2 Climate scenario analysis

Baby Bunting undertook climate scenario analysis during FY2026 with the support of an external adviser.

For the purposes of the assessment, the Group considered a low emissions scenario, moderate emissions scenario and high emissions scenario (SSP1-2.6, SSP2-4.5 and SSP5-8.5 respectively) as outlined in the table below. These scenarios were applied across current, 2030 and 2040 time horizons with the low and high emissions scenarios used to test the resilience of the Group's strategy and business model under alternative plausible future conditions.

Low emissions	Moderate emissions	High emissions
1.5°C to 2.0°C	2.1°C to 3.5°C	3.3°C to 5.7°C
SSP1-2.6: Sustainability	SSP2-4.5: Middle of the Road	SSP5-8.5: Fossil-Fuelled Development
Global emissions reduce in line with Paris Agreement pathway limiting warming to approximately 1.5°C above pre-industrial levels. This scenario is characterised by heightened transition risks, including more stringent regulation, accelerated technological change and evolving customer and market expectations.	Global emissions decline gradually through uneven transition, resulting in warming of approximately 2.7°C to 3.2°C by 2100. Governments, markets and businesses progressively strengthen climate responses, although the pace varies across regions and sectors. This results in a balanced risk profile, with both transition risks and physical climate risks becoming increasingly significant over time.	Global emissions continue to increase throughout the century, driven by strong economic growth and ongoing reliance on fossil fuels. This results in approximately 4°C of warming by 2100, leading to severe physical climate risks, while transition risks are comparatively lower due to more limited policy and market intervention.

For physical risk exposure analysis, the Group completed a physical climate exposure assessment using the Munich Re Climate Model. This assessment covered 82 locations across Australia and New Zealand, including the Group's leased retail stores, Distribution Centre and Store Support Centre, and selected local third-party logistics provider locations included for exposure assessment purposes.

The physical assessment considered short, medium and long-term time horizons under the IPCC Shared Socioeconomic Pathway (SSP) scenarios emissions pathways outlined above. Where model outputs were not available for a specific time horizon, the nearest available output was used as a proxy. Physical risk screening of store, distribution centre and support office locations were completed, with hazards assessed including tropical cyclone, river flood, storm surge, subsidence, heat stress, heat-humidity stress, cold stress, fire weather stress, precipitation stress, drought stress, sea level rise and water scarcity.

Transition risks and opportunities were assessed using the same emissions pathways and time horizons to evaluate potential financial and operational effects arising from changes in policy, technology and markets. The assessment considered potential changes in electricity prices, projected energy costs for stores and distribution centres.

Scenario analysis informed the identification of the CRROs disclosed in Section 6.4 and the assessment of the resilience of Baby Bunting's strategy and business model across a range of plausible future climate conditions. Specifically, physical hazard modelling identified heat, heat-humidity and precipitation stress as the hazards with the most significant exposure across the Group's store and distribution network, while transition scenario analysis identified electricity price volatility and supplier cost pass-through as the most significant transition exposures. These outputs directly informed which CRROs were identified for disclosure in Section 6.4.

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6.3 Time horizons

Baby Bunting considers CRROs over the short, medium and long term, having regard to its strategic planning horizon and the timeframes over which the effects of CRROs could reasonably be expected to occur. The time horizons used to assess when these effects may arise are set out below:

- **Short term** (0 – 12 months): Aligned with the Group's annual budgeting and operational planning cycle, reflecting near-term climate-related policy, regulatory and market developments expected to affect the Group within the current financial year.
- **Medium term** (1 – 5 years): Aligned with the Group's strategic planning cycle, during which changes in customer demand, climate-related regulation, supply chain resilience and product availability could reasonably be expected to affect the Group's operations, financial performance and strategic objectives.
- **Long term** (5 – 10 years) – Reflects the outer bound of the Group's planning horizon over which climate-related physical and transition risks and opportunities could reasonably be expected to have a more significant effect on the Group's strategy, operations and long-term prospects, having regard to the typical lifecycle of the Group's store network, lease agreements and capital investment planning.

These time horizons are distinct from the time periods used in the Group's climate-related scenario analysis (up to 2030, 2030 to 2040 and beyond 2040), which are designed to stress test the resilience of the Group's strategy against a range of long-dated climate scenarios rather than to reflect the Group's own strategic planning cycle.

6.4 Climate-related risks and opportunities (CRROs)

Baby Bunting has identified CRROs that could reasonably be expected to affect the Group's prospects through the climate scenario analysis and process described in Sections 6.1 and 6.2. These comprise physical risks arising from the effects of changing climate conditions and transition risks arising from the transition to a lower-emissions economy.

The tables below summarise the Group's CRROs, their potential financial impacts, and the current management responses. The time horizons applied are those in Section 6.3.

Anticipated financial effects

The potential financial effects of the Group's identified CRROs are described qualitatively in the tables that follow. Where management has not been able to quantify the anticipated financial effects of a CRRO, this is because the level of measurement uncertainty is so high that the resulting information would not be useful, or because the financial effects cannot currently be separately identified from the effects of other commercial, operational and economic factors. Qualitative information regarding those anticipated financial effects, including, where applicable, the financial statement line items, totals or subtotals likely to be affected, is provided at the individual CRRO level in the tables below.

Where financial effects arise, they are expected to primarily affect cost of sales, operating expenses, inventory, property, plant and equipment and capital expenditure, depending on the nature of the relevant CRRO.

No material mitigation initiatives requiring significant additional expenditure have been identified over the short term. Over the medium and long term, mitigation is expected to be delivered by the outcomes of the Group's FY2027 climate roadmap, which is expected to inform future investment and funding requirements as it is developed. No separate or incremental material investment or funding requirement has been identified for the medium or long term at this time. Management will continue to assess the anticipated financial effects of CRROs and progressively enhance its quantitative assessment as data, systems and methodologies mature.

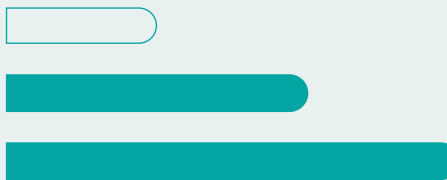
Exposure to CRROs and reporting period financial impacts

The Group did not experience any material financial impacts arising from CRROs during the reporting period. While CRROs have been identified, Management's assessment indicated that the financial effects are expected to arise over the medium and longer term. The Group does not expect a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements in relation to the CRROs identified.

Physical risks

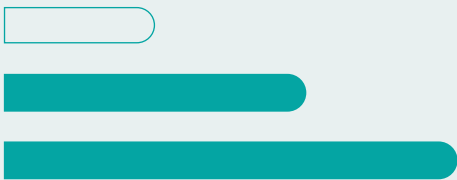
The Group's physical climate-related risks that could reasonably be expected to affect Baby Bunting's prospects arise primarily from acute and chronic climate hazards that may affect its operations, value chain and financial performance.

Physical risk 1: Heat stress and heat humidity stress

		Time horizon (see Section 6.3)		
Summary of anticipated impact		S	M	L
Periods of extreme heat, including elevated heat–humidity conditions, may affect the Group’s retail stores and distribution centre by reducing the ability to operate safely and efficiently. Increased temperatures may affect team member safety, productivity and customer comfort, resulting in higher cooling and energy costs, operational adjustments during extreme conditions and changes in customer visitation and purchasing behaviour. Heat–related disruption affecting suppliers and third–party logistics providers may also impact product availability and replenishment across the Group’s store network and online fulfilment operations. Exposure is concentrated in Queensland, New South Wales and Western Australia, and outdoor customer services. It is expected to increase over time.				
Current impacts	→ Anticipated impacts	→ Management response		
Baby Bunting experienced normal seasonal temperature variation during the reporting period, including periods of elevated heat in Queensland, New South Wales and Western Australia consistent with prior years. No extreme heat events, HVAC failures, operational disruptions or store closures occurred as a result of this risk. The Group’s existing lease arrangements require the maintenance and operation of HVAC systems across the store network, and existing energy supply agreements and maintenance programs continued to operate throughout the period without elevated cost directly attributable to climate–related risk. Current financial impact Not quantified. Quantification methodology Any incremental costs attributable to periods of elevated heat cannot be separately identified from ordinary energy and maintenance costs. Accordingly, the financial effects of this risk have not been quantified for the current reporting period.	Increased capital expenditure, operating costs and asset replacement to adapt store and distribution operations and maintain resilience to more frequent and severe heat events. Anticipated financial impact Not quantified. Quantification methodology Any incremental cost attributable to periods of elevated heat cannot be separately identified from ordinary energy and maintenance costs. Accordingly, anticipated financial effects has not been quantified over the short, medium and long–term.	• Existing work health and safety procedures for managing work during periods of elevated temperatures, including heat–related health and safety risks where relevant. • Operational adjustments, where appropriate, to support team member and customer safety during periods of extreme heat (e.g. car seat installation appointments are not scheduled after lunchtime on high temperature days). • Monitoring of significant weather events to support operational decision–making. • Routine maintenance and repair of cooling systems. • Existing incident reporting and escalation processes for operational disruptions and work health and safety incidents.		
Relevant metrics				
Vulnerability metric Currently 18% of the Group’s leased premises are exposed to very high Heat Humidity Stress Index, and a further 4% face extreme.	Assumptions This metric is based on the Group’s physical hazard modelling which classifies heat–humidity stress exposure by asset location under current conditions. It reflects modelled hazard exposure only and does not account for mitigation measures already in place.			

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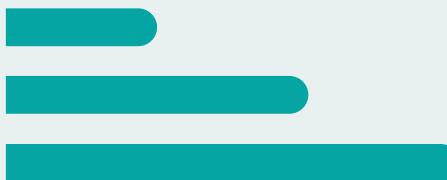
Physical risk 2: Precipitation stress

		Time horizon (see Section 6.3)		
Summary of anticipated impact		S	M	L
More frequent and intense heavy rainfall events may disrupt the Group's retail store network, distribution centre and supply chain by increasing the risk of flooding and transport network disruption. This may affect inbound logistics, store replenishment and distribution centre operations, resulting in delays to product availability, increased freight costs and inventory losses. Exposure is concentrated in higher-risk regions, particularly Queensland and New South Wales, and is expected to remain elevated over time.				
Current impacts	→ Anticipated impacts	→ Management response		
The Group experienced periods of heavy rainfall during the reporting period consistent with normal seasonal variation, with no notable disruption to store, distribution centre or transport network operations. Current financial impact Not quantified. Quantification methodology Any incremental freight, operating or inventory cost attributable to heavy rainfall events cannot be separately identified from ordinary seasonal variation in freight and logistics costs. Accordingly, this has not been quantified for the current reporting period.	More frequent disruption to inbound logistics, replenishment and distribution centre operations may reduce product availability and increase freight costs. Reduced customer access during severe weather may increase reliance on online fulfilment, with lost sales, inventory damage and write-offs, and clean-up and repair costs partially offset by online sales. Anticipated financial impact Not quantified. Quantification methodology Any incremental freight, inventory, clean-up or repair cost, and any lost sales or offsetting online sales, attributable to more frequent or severe precipitation events cannot currently be separately identified from other commercial, operational and economic factors. Accordingly, the anticipated financial effects of this risk have not been quantified over the short, medium or long-term.	• Documented emergency response procedures. • Monitoring of significant weather events. • Periodic review of insurance coverage. • Existing incident reporting and escalation processes. • Established supplier and logistics arrangements to support business continuity where practicable. • Online fulfilment capabilities that may partially offset disruption to physical store operations.		
Relevant metrics				
Vulnerability metric	Assumptions			
Currently 10% of the Group's leased premises are exposed to very high Precipitation Stress Index, and a further 10% face extreme.	This metric is based on the Group's physical hazard modelling, which classifies precipitation stress exposure by asset location under current conditions. It reflects modelled hazard exposure only and does not account for mitigation measures already in place.			

Transition risks

The Group's climate-related transition risks that could reasonably be expected to affect Baby Bunting's prospects arise primarily in connection with increased operating and compliance costs, and broader supply chain and cost pressures associated with the transition to a lower-emissions economy.

Transition risk 1: Changing stakeholder expectations and scrutiny

		Time horizon (see Section 6.3)		
Summary of anticipated impact		S	M	L
Increasing expectations from investors, regulators and customers regarding demonstrable progress on the Group's climate-related performance may expose the Group to reputational and regulatory risk if its climate-related performance does not keep pace with evolving stakeholder expectations regarding matters such as the achievement of climate-related targets, emissions reduction progress and the sustainability of products offered. As a specialist retailer, the Group's brand and customer trust may also be affected if climate-related performance is perceived to be inconsistent with stated targets, insufficiently progressed or not supported by appropriate governance. The risk is concentrated at the corporate level through governance, investor relations and sustainability reporting, with broader exposure to customer trust and brand perception				
Current impacts	→ Anticipated impacts	→ Management response		
No specific instances of investor, regulator or customer scrutiny of the Group's climate-related performance were identified during the reporting period. Current financial impact Not quantified. Quantification methodology Any effect on customer demand, investor confidence or access to capital arising from stakeholder perceptions of the Group's climate-related performance cannot currently be reliably estimated or separately identified from other commercial and market factors.	Potential reputational and regulatory impact on customer trust and brand value if the Group's climate-related performance is perceived by investors, regulators or customers to be inconsistent with stated targets, insufficiently progressed, or not supported by appropriate governance, which could in turn affect customer demand, investor confidence, or access to capital. Anticipated financial impact Not quantified. Quantification methodology Any effect on customer demand, investor confidence or access to capital arising from stakeholder perceptions of the Group's climate-related performance cannot currently be reliably estimated or separately identified from other commercial and market factors. Accordingly, this has not been quantified over the short, medium or long term.	• Governance processes overseeing the Group's climate-related strategy, target setting and performance, including Board and Audit and Risk Committee oversight (see Section 5). • Board and Audit and Risk Committee oversight of climate-related performance, together with periodic investor and stakeholder engagement, to help ensure the Group remains responsive to evolving stakeholder expectations (see Section 5).		
Relevant metrics				
Vulnerability metric No quantitative vulnerability metric has been disclosed for this risk.		Assumptions This risk relates to stakeholder perception of the Group's climate-related governance, disclosure and performance and is not readily susceptible to measurement on an asset or activity vulnerability basis. Refer to Section 8.3 for further detail on the limitation and scope of current metrics.		

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Transition risk 2: Supplier cost pass-through

		Time horizon (see Section 6.3)		
Summary of anticipated impact		S	M	L
Climate-related regulation, decarbonisation initiatives and increasing transition costs may increase manufacturing, freight and compliance costs across the Group's supply chain. These costs may be passed through by suppliers and logistics providers, increasing product and freight costs and placing pressure on gross margins where they cannot be fully recovered through pricing. The risk is concentrated in the upstream value chain, particularly national brand suppliers, private label suppliers, manufacturers, freight providers and imported products.				
Current impacts	→ Anticipated impacts	→ Management response		
Baby Bunting experienced routine supplier and freight cost movements during the reporting period. No cost increases directly attributable to climate-related regulation, decarbonisation initiatives or transition-related cost pass-through from suppliers or logistics providers were identified.	Additional operating expenditure associated with supply chain adaptation, supplier diversification and sourcing strategies to maintain cost competitiveness and resilience, together with margin compression where higher supplier costs cannot be fully recovered through pricing.	- Gross margins are monitored on a regular basis, providing early visibility of cost pressures and enabling proactive mitigation. - Trading terms are formally renegotiated and reviewed annually, ensuring the Group's cost base remains competitive and resilient to supplier-driven inflation. - A diversified supplier and sourcing base spanning national brand and private label suppliers reduces reliance on any single source, supporting the Group's ability to manage cost pass-through from suppliers and logistics providers.		
Current financial impact Not quantified.	Anticipated financial impact Not quantified.			
Quantification methodology Any incremental supplier or freight cost attributable to climate-related regulation or decarbonisation-related cost pass-through cannot be separately identified from ordinary commercial cost movements, including inflation, currency and other supply chain factors. Accordingly, this has not been quantified for the current reporting period.	Quantification methodology Refer to current impacts quantification methodology. This risk has not been quantified over the short, medium or long term.			
Relevant metrics				
Vulnerability metric No quantitative vulnerability metric has been disclosed for this risk.	Assumptions This risk relates to cost exposure arising from supplier and logistics provider cost pass-through associated with climate-related regulation, decarbonisation initiatives and transition-related market changes, over which the Group has limited visibility or control. The Group has not identified a reasonable and supportable basis for expressing this exposure as a quantitative vulnerability metric beyond the qualitative disclosures above. Refer to Section 8.3 for further detail on the limitations and scope of current metrics.			

Transition risk 3: Rising energy and logistics costs

		Time horizon (see Section 6.3)		
Summary of anticipated impact		S	M	L
Rising electricity prices, energy market volatility, climate-related policy changes and the transition to lower-emissions energy sources may increase costs across the Group's operations and supply chain. This may increase occupancy costs and require additional investment in energy procurement and energy efficiency initiatives over time, and may also affect delivery timing, product availability and customer service levels where third-party logistics networks are disrupted or face increased transport and fuel costs.				
Current impacts	→ Anticipated impacts	→ Management response		
The Group experienced routine electricity and logistics cost movements during the reporting period, other than the incremental cost associated with the Group's renewable electricity procurement referred to below. No cost increases were directly attributable to climate-related policy changes or logistics disruption. Current financial impact \$63,239 relating to the incremental cost of sourcing renewable energy during the reporting period, compared to standard grid electricity pricing. No incremental logistics costs were quantified. Quantification methodology This amount reflects the price premium paid under the Group's renewable electricity procurement arrangements, as compared to prevailing standard electricity rates. Beyond this, the financial effects of this risk cannot currently be separately identified.	Continued increases in electricity prices, network costs and logistics costs may increase occupancy and operating costs, affect product availability and place pressure on margins and customer service levels where these costs cannot be offset through operational efficiencies. Additional operating expenditure and targeted capital investment may be required to improve energy efficiency and invest in logistics capability, inventory planning and fulfilment strategies to support long-term supply chain and cost resilience. Anticipated financial impact Not quantified. Quantification methodology Any incremental cost attributable to future electricity price movements, energy market volatility or logistics disruption cannot currently be separately identified from other commercial, operational and economic factors. Accordingly, this has not been quantified over the short, medium or long term.	• Approximately 11% of the Group's electricity is currently sourced from renewable electricity. • Energy efficiency initiatives, including the rollout of LED lighting across stores. • Regular monitoring of electricity costs through the Group's procurement, budgeting and financial management processes. • Engagement with electricity retailers and suppliers as part of the Group's energy procurement processes. • Use of diversified third-party logistics providers to reduce reliance on any single provider • Inventory planning, pre-deploying inventory to third-party logistics facilities closer to key demand centres ahead of peak trading periods. • Flexible fulfilment options, including ship-from-store, reducing reliance on any single fulfilment point. • Ongoing monitoring of supply chain performance and costs		
Relevant metrics				
Vulnerability metric No quantitative vulnerability metric has been disclosed for this risk.		Assumptions This risk relates to cost exposure arising from electricity market movements and third-party logistics network disruption, over which the Group has no visibility or control. The Group has not identified a reasonable and supportable basis for expressing this exposure as a vulnerability metric beyond the current period cost disclosed above. Refer to Section 8.3 for further detail on the limitations and scope of current metrics.		

Climate-related opportunities

Baby Bunting considered climate-related opportunities as part of its climate scenario analysis and CRRO assessment process. The assessment covered a range of potential opportunities, including workforce heat resilience and productivity, store design, demand for sustainable and circular baby products, stakeholder confidence and access to capital associated with high-quality climate disclosure and product stewardship programs. Management concluded that none of the opportunities identified could reasonably be expected to affect the Group's prospects at this time.

6.5 Transition plan and climate-related strategic goals

The Group does not currently maintain a standalone climate transition plan or specific climate-related strategic goals.

The Group has a long-term financial objective of returning to be a +10% EBITDA margin business and delivering shareholder value. The strategy is built around three growth pillars: grow market share, grow EBITDA and grow return on invested capital. There were no climate-related strategic goals in the reporting period.

A number of existing strategic initiatives support the Group's ability to respond to evolving climate-related risks, opportunities and operating conditions over the short, medium and long term. These include:

- store network optimisation, which allows the Group to consider physical climate risks over time when assessing the composition and location of its store network;
- omnichannel fulfilment and supply chain efficiency, which is expected to support operational flexibility where climate-related disruptions affect distribution, logistics or product availability;
- inventory productivity and enterprise resource planning and point of sale systems investment, which is anticipated to improve visibility over inventory, demand and operational performance during periods of disruption; and
- product quality assurance and compliance, which support compliance with evolving product and regulatory requirements.

While these initiatives are not climate-specific, they may enhance the resilience and adaptability of the Group's business model as CRROs continue to evolve.

During FY2026, key climate-related activities of the Group have included preliminary climate scenario analysis, and identification of CRROs as described in Section 6.4. The assessment did not result in material changes to the Group's strategy, business model or capital allocation during the reporting period.

The Group's business model demonstrates inherent resilience, supported by structural characteristics including its leased store network, omnichannel and ship-from-store capability, geographically diversified footprint, and focus on essential product categories. As described in Section 6.4, these characteristics provide flexibility in responding to both physical and transition-related risks and support continuity of operations and customer demand.

6.6 Climate resilience

Baby Bunting's CRROs were assessed under both a low-emissions and a higher warming scenario, consistent with the scenarios described in Section 6.2 to test the resilience of the Group's strategy and business model. This assessment is subject to inherent limitations and uncertainties which are outlined further below.

Resilience under a low-emissions scenario

Under a low-emissions scenario, the Group's risks that could reasonably be expected to affect Baby Bunting's prospects are primarily transition-related, including changing stakeholder expectations and scrutiny, rising supplier cost pass-through, electricity prices, and transition-related logistics costs and supply chain disruption. Existing cost management disciplines, diversified supply chain arrangements, and progressive sourcing of renewable electricity provide a degree of resilience under this scenario.

Baby Bunting's expected response under a low emissions scenario includes continued diversification of electricity and logistics sourcing, ongoing supplier trading term renegotiation, and pricing adjustments where cost increases cannot otherwise be absorbed. The Group retains flexibility to adjust its sourcing, pricing and supplier arrangements in response to these factors as they develop, given the absence of long-dated fixed commitments constraining these decisions.

Overall, the Group considers its business model to be reasonably resilient under a low-emissions scenario, noting that impacts are primarily cost-related and expected to be manageable within existing operational and financial disciplines. Management has therefore concluded that no change to the Group's strategy, store network or sourcing model is currently required, with cost pressures identified above expected to be managed as an extension of the Group's existing commercial and operational disciplines.

Resilience under a higher warming scenario

Under a higher warming scenario, physical risks, including heat and heat-humidity stress and precipitation stress, are expected to intensify, with concentration in higher-risk regions including Queensland, coastal New South Wales, Western Australia and South Australia.

The Group's operating model provides a degree of resilience under a higher warming scenario through flexible leased store network, omnichannel and ship-from-store capability, diversified freight and logistics arrangements and established operational response procedures and insurance coverage. While the Group's current operating model is not expected to require fundamental change, sustained physical risk intensity over the medium to longer term may increasingly influence site selection, lease renewal and store location decisions in higher-exposure regions.

Should physical risk intensity increase materially under a higher warming scenario, Baby Bunting's expected response includes greater reliance on omnichannel and ship-from-store fulfilment to offset localised store disruption, closer engagement with insurers and logistics providers servicing higher-exposure regions, and, where practicable, engagement with landlords on asset-level resilience measures such as drainage and cooling infrastructure. Relocation may also be considered at lease renewal for sites assessed as persistently high risk.

The Group's capacity to adapt is supported by the flexibility of its leased store network and omnichannel model but is constrained in some respects by its reliance on leased premises and third-party logistics infrastructure over which the Group has limited direct control, particularly where structural resilience upgrades require landlord consent.

Limitations and uncertainty in assessing climate resilience

Scenario analysis is subject to inherent limitations and uncertainties and is not intended to indicate likely outcomes. The scenarios used are illustrative only, do not represent probabilities, and are based on assumptions that are inherently uncertain. Key areas of uncertainty in assessing the Group's climate resilience are set out below.

Area of uncertainty	Description
Frequency and intensity of weather events and their impact on the Group's stores and distribution centre	Climate models provide macro assumptions for physical weather changes by geographic region, which may not be directly attributable to the specific location of individual sites.
Regulatory change	There is significant uncertainty about the pace and scale of future climate-related regulation and policy change in Australia.
Stakeholder expectations	Stakeholder expectations regarding climate performance and disclosure are shaped by a range of evolving factors and are inherently uncertain.
Cost pass-through and customer demand	The degree to which rising input, energy and logistics costs can be passed through to customers without affecting demand is uncertain.

Maturity of climate risk management

The Group's climate risk management capabilities continue to evolve. Consistent with management's assessment that the financial effects of those CRROs are expected to arise over the medium and longer term, the Group will continue to enhance its climate-related capabilities as data, systems and methodologies mature. This assessment is consistent with, and should be read together with, the assessment of anticipated financial effects in Section 6.4, rather than as a separate or repeated conclusion.

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7. Risk Management

7.1 Integration into the Group's Risk Management Framework

The Group operates a Risk Management Framework designed to identify, assess, monitor and manage risks across its operations. The framework is aligned with the principles of ISO 31000 and supports the achievement of the Group's business objectives.

CRROs are integrated into the Group's Risk Management Framework and considered alongside other strategic, operational, financial and compliance risks through established risk management processes, including risk identification, assessment, treatment planning and governance reporting. Physical and transition CRROs are maintained in a dedicated climate risk register, with outcomes reported through the same governance channels as the Group's broader risk management processes, ensuring CRROs remain subject to consistent oversight alongside other categories of risk.

Integration of CRROs occurs across the enterprise risk management cycle as follows:

- **Identification and assessment:** CRROs are identified and initially assessed using the process described in Section 6.1.
- **Evaluation:** Identified CRROs are considered within the Group's Risk Management Framework having regard to the Group's risk appetite and their potential effect on the Group's prospects over the relevant time horizons.
- **Monitoring and oversight:** CRROs and related management actions are monitored by Management, the ARC and ultimately the Board (if necessary) through the Group's existing Risk Management Framework. A dedicated CRRO register, established during the reporting period, supports structured monitoring of climate-related exposures.
- **Strategic integration:** Outputs from scenario analysis and CRRO assessment inform the Group's broader risk profile, strategic planning and resilience considerations.

During the reporting period, external advisers were engaged to provide specialist inputs, including physical hazard modelling and climate scenario analysis. Management reviewed these inputs and retained responsibility for identifying, assessing, responding to and disclosing CRROs.

7.2 Processes for identifying and assessing CRROs

CRROs are identified and assessed using the process described in Section 6.1 and includes climate scenario analysis, physical hazard modelling, cross-functional management review and management judgement. Section 7.2 describes how those processes are applied within the Group's Risk Management Framework to prioritise and monitor CRROs and should be read together with Section 6.1 rather than as a repeated description of the identification and assessment process itself.

Management applies the Group's Risk Management Framework to assess the potential effect of CRROs on the Group's prospects and determine the information disclosed in this report, having regard to whether the information could reasonably be expected to influence the decisions of primary users of the Group's general purpose financial reports. This includes consideration of qualitative factors such as reputational impact, regulatory requirements and stakeholder scrutiny, alongside quantitative outputs where available.

The assessment process draws on a combination of:

- **Internal inputs:** operational knowledge and cross-functional engagement, including input from store operations, supply chain and finance; and
- **External inputs:** climate hazard data and scenario analysis supported by external advisers, with outputs reviewed by management before incorporation into the climate risk register.

Climate scenario analysis is used to assess how CRROs may evolve under different plausible climate futures across the Group's defined time horizons. This informs management's assessment of the potential effect of CRROs on the Group's prospects and supports strategic planning and resilience assessments.

Relationship to the Group's Enterprise Risk Management Framework

Climate scenario analysis identifies and assesses the potential impact of CRROs assuming the relevant climate scenario occurs. The identification of CRROs for disclosure is based on management's assessment of whether they could reasonably be expected to affect the Group's prospects and is not determined by the effectiveness of existing controls or residual enterprise risk ratings.

CRROs are prioritised by reference to the Group's Risk Management Framework, applying the same likelihood and consequence ratings used to assess the Group's other strategic, operational, financial and compliance risks, ensuring climate-related risks are considered consistently and proportionately alongside other risk categories. CRROs are monitored on an ongoing basis through the Group's climate risk register (see Section 7.1), with outcomes reported through the Group's established governance channels, and are reassessed as scenario analysis, physical hazard modelling and regulatory conditions evolve.

Residual enterprise risk is assessed separately under the Group's Risk Management Framework after considering existing controls, current business operations, financial exposure and the Group's risk appetite, supporting internal risk management as distinct from the CRRO disclosure assessment described above.

8. Metrics and Targets

8.1 Scope 1 and Scope 2 GHG emissions

The table below sets out the Group's total absolute gross Scope 1 and location based Scope 2 GHG emissions for the year ended 28 June 2026.

	FY26 (Tonnes CO ₂ -e)
Scope 1 emissions	70
Scope 2 emissions	6,753
Total Scope 1 and Scope 2 emissions	6,823

Scope 1 GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by the Group and primarily stem from transportation activities. Scope 1 emissions also include stationary combustion from natural gas use at the Group's premises, in addition to emissions from the Group's owned and leased vehicle fleet.

Scope 2 GHG emissions refer to indirect GHG emissions from the generation of electricity acquired and consumed by the Group. The Group's Scope 2 GHG emissions are measured using the location-based method, which reflects the average emissions factors of the electricity grids on which the Group consumes electricity.

8.2 Methodology for the calculation of GHG emissions

For the calculation of Scope 1 and Scope 2 emissions, the Group applies the GHG Protocol Corporate Accounting and Reporting Standard (2004). In accordance with the GHG Protocol, the Group uses the operational control approach to define its emissions boundary, which includes operations within the consolidated Group over which Baby Bunting has operational control. The Group has no joint ventures or associates. Accordingly, Baby Bunting's organisational boundary for Scope 1 and Scope 2 emissions includes only wholly owned and controlled entities.

The Group's energy consumption is measured in gigajoules (GJ), with emissions reported in tonnes of carbon dioxide equivalent (tCO₂-e). Scope 1 and Scope 2 emissions are calculated using activity data inputs multiplied by relevant Government National Greenhouse Accounts (NGA) emissions factors. Activity data is sourced from supplier invoices, utility billing records and internal operational records, where available. It is collected through requests for information issued to relevant third party providers, including the Group's fleet management, electricity management and air-conditioning maintenance contractors, who report consumption or servicing data for the reporting period. This data is consolidated centrally by the Group for the purpose of calculating Scope 1 and Scope 2 emissions.

Emissions associated with third party operated logistics warehouses have been excluded from the Scope 1 and Scope 2 calculation boundary, consistent with the operational control approach described in Section 3.

This methodology and measurement approach was selected because it reflects the most reliable and available activity data for the Group's operations and is consistent with calculating emissions based on actual energy and fuel consumption where possible. Where source data is incomplete, estimation methods have been applied using reasonable and supportable assumptions, such as comparable store energy use by size and location as outlined below.

Scope 1 and Scope 2 estimates are based on information available at the time of preparation and may be refined as better quality data becomes available.

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Scope 1 emissions

Scope 1 emissions relate primarily to fuel and gas consumption, including petrol used in vehicles and gas used in one store. Scope 1 emissions are calculated using litres of fuel consumption activity data provided by the Group's fleet management provider, converted to CO₂-e using relevant NGA emissions factors published in the NGA Factors (2025). Stationary combustion emissions are calculated from natural gas usage data and converted to CO₂-e using relevant NGA emissions factors published in the NGA Factors (2025).

Actual fuel consumption data is unavailable for 3 of the Group's 17 fleet vehicles. For these vehicles, fuel consumption is estimated based on kilometers travelled and an externally sourced fuel efficiency factor, with the estimated fuel consumption then used to calculate associated greenhouse gas emissions. Where litres data is unavailable for part of the reporting period for a vehicle, fuel consumption is estimated using the average fuel consumption derived from available data for that vehicle during the reporting period, with the estimated fuel consumption then used to calculate associated greenhouse gas emissions.

Fugitive emissions from refrigerant losses have not been included in the Group's Scope 1 emissions for the current reporting period. Refrigerant loss data is provided to the Group by third-party air-conditioning maintenance contractors, and this data was not available for the current reporting period. The Group does not currently have a reliable internal estimation methodology to independently determine fugitive emissions in the absence of contractor-reported data. In addition, the majority of air-conditioning systems across the Group's leased store network are owned by landlords, who are responsible for the management of these assets. Management has assessed the materiality of this exclusion and concluded that fugitive emissions are not material to the Group's Scope 1 emissions profile. This assessment reflects their relatively small historical contribution to Scope 1 emissions (approximately 4%), the predominance of landlord-controlled HVAC assets, and the reliance the Group would otherwise place on unvalidated third-party contractor data to estimate this figure. Accordingly, fugitive emissions have been excluded from the Group's Scope 1 emissions disclosed in this report.

Scope 2 emissions

Scope 2 emissions are calculated from purchased electricity consumption using the location-based method. Electricity emissions factors are applied on a jurisdictional basis, using the relevant state or territory grid emissions factor corresponding to the physical location of each Baby Bunting store, distribution centre or support office. Electricity activity data is collected and consolidated across the Group's locations based on available billing and meter information. Where no consumption data is available for a store, consumption is estimated using an internally derived benchmark based on comparable store by size and location. Where only a portion of a reporting period is missing, electricity consumption is estimated using available consumption data for the specific store, such as the store's average monthly consumption during the reporting period. In the reporting period, electricity consumption for 13 stores was estimated on this basis, representing approximately 16% of the Group's total grid electricity consumed and included in the Scope 2 calculation. This benchmark is derived internally from the Group's own consumption data for comparable stores rather than from externally sourced or third party benchmark data. As Scope 2 emissions have been calculated using the location-based method, contractual arrangements for the purchase of renewable electricity have not been applied to reduce or adjust reported Scope 2 emissions.

GreenPower accredited renewable electricity has formed part of the Group's electricity procurement since FY2022 and currently covers approximately 11% of electricity consumption. Consistent with the location-based method applied above, this contractual instrument has not been used to adjust or reduce the Scope 2 figure disclosed.

Emissions factors for Scope 1 and Scope 2 are sourced from the NGA Factors, as published annually. The NGA Factors express emissions in CO₂-e using IPCC Fifth Assessment Report (AR5) Global Warming Potential values. As these factors already convert constituent gases into CO₂-e, the Group does not separately recalculate emissions using IPCC Sixth Assessment Report values.

There have been no changes in the Group's measurement approach, inputs or assumptions during the reporting period.

8.3 Limitations and scope of current metrics

The Group has disclosed vulnerability metrics for heat–humidity stress and precipitation stress, expressed as a percentage of assets exposed, based on physical hazard modelling of its operational footprint (refer to Section 6.4).

The corresponding dollar value of assets or business activities exposed to these risks has not been disclosed. Mapping this exposure to individual store size and book value has not been undertaken having regard to the use of reasonable and supportable information available without undue cost or effort.

The Group has not disclosed quantitative vulnerability metrics for its identified transition risks, or alignment metrics for climate–related opportunities, including capital deployed across these areas. This is because the identified transition risks arise from market movement or third–party arrangements over which Baby Bunting has limited visibility or control, and which are not readily expressed as a percentage or value of the Group’s own assets. Further detail is set out against each relevant transition risk in Section 6.4.

8.4 Internal carbon price

Baby Bunting has not set an internal carbon price in the reporting period.

8.5 Targets

Baby Bunting has not set any targets in this reporting period.

9. Events after the reporting period

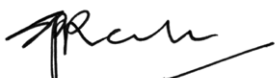
No transactions, events or conditions have occurred after the end of the reporting period and before the date this Sustainability Report was authorised for issue that require disclosure in this Sustainability Report.

10. Directors’ Declaration

The Directors declare that, in their opinion, the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries for the year ended 28 June 2026, as presented on pages 64 to 82, are in accordance with the Corporations Act 2001, including:

- a. complying with Australian Sustainability Reporting Standard AASB S2 Climate–related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and
- b. containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 296A(6) of the Corporations Act 2001.



Stephen Roche
Chair

14 August 2026

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Auditor's Review Report



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Independent auditor's review report to the members of Baby Bunting Group Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Baby Bunting Group Limited (the Company) and its subsidiaries (collectively the Group) for the 52 weeks ended 28 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 5 - Governance
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 6 - Strategy
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 8 - Metrics and Targets

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

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We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report and the Remuneration Report.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.



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Inherent limitations

As discussed in Section 4 of the Report, 'Judgements and Measurement Uncertainty', climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

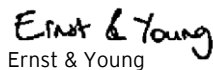


Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Baby Bunting Group Limited's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.


Ernst & Young


Katie Struthers
Partner
Melbourne
14 August 2026

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Financial Report

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 28 June 2026

	Note	28 June 2026 \$'000	29 June 2025 \$'000
Revenue	6	556,049	521,935
Cost of sales		(326,849)	(312,271)
Gross profit		229,200	209,664
Other Income		–	798
Store expenses	7	(133,005)	(123,475)
Marketing expenses		(13,282)	(11,337)
Warehousing expenses	7	(11,939)	(12,296)
Administrative expenses	7	(43,992)	(39,905)
Transformation project expenses	7	(597)	–
Restructuring costs	7	(886)	(408)
Finance expenses	7	(9,588)	(8,729)
Profit before tax		15,911	14,312
Income tax expense	8	(4,706)	(4,775)
Profit after tax		11,205	9,537
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(165)	55
Net (loss)/gain on cash flow hedges		1,004	(43)
Income tax effect relating to the components of OCI		(301)	13
Net other comprehensive (loss)/gain that may be reclassified to profit or loss in subsequent periods		538	25
Net other comprehensive (loss)/gain for the period, net of tax		538	25
Total comprehensive income for the period, net of tax		11,743	9,562
Profit for the period attributable to:			
Equity holders of Baby Bunting Group Limited		11,205	9,537
Total comprehensive income attributable to:			
Equity holders of Baby Bunting Group Limited		11,743	9,562
		Cents	Cents
Earnings per share			
From continuing operations			
Basic (cents per share)	35	8.3	7.1
Diluted (cents per share)	35	7.9	6.7

Notes to the consolidated financial statements are included in pages 92 to 126.

Consolidated Statement of Financial Position

as at 28 June 2026

	Note	28 June 2026 \$'000	29 June 2025 \$'000
Current Assets			
Cash and cash equivalents		12,981	12,408
Trade and other receivables	9	10,035	4,425
Inventories	10	99,167	95,626
Derivative Financial Instruments	32	961	-
Other assets	11	5,307	4,375
Total Current Assets		128,451	116,834
Non-Current Assets			
Property, Plant and equipment	12	59,408	28,700
Intangibles	14	9,563	9,546
Goodwill	14	45,321	45,321
Right-of-use asset	13	131,525	127,509
Deferred tax assets	15	12,924	10,914
Total Non-Current Assets		258,741	221,990
Total Assets		387,192	338,824
Current Liabilities			
Trade and other payables	16	55,937	45,303
Other liabilities	17	6,110	5,224
Provision for income tax		4,570	629
Derivative Financial Instruments	32	-	43
Lease liabilities	13	31,912	31,641
Provisions	19	7,492	6,517
Total Current Liabilities		106,021	89,357
Non-Current Liabilities			
Borrowings	18	29,190	16,930
Lease liabilities	13	120,347	117,845
Provisions	19	1,796	2,026
Total Non-Current Liabilities		151,333	136,801
Total Liabilities		257,354	226,158
Net Assets		129,838	112,666
Equity			
Issued capital	20	88,694	88,694
Reserves	21	24,022	18,055
Retained earnings		17,122	5,917
Total Equity		129,838	112,666

Notes to the consolidated financial statements are included in pages 92 to 126.

Consolidated Statement of Changes in Equity

for the year ended 28 June 2026

	Issued Capital \$'000	Shares Held in Trust \$'000	Share-based Payments Reserve \$'000	Share-based Payment Tax Reserve \$'000	Cash Flow Hedge Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2024	88,694	(1,045)	16,694	2	-	(80)	(3,620)	100,645
Profit for the period	-	-	-	-	-	-	9,537	9,537
Other comprehensive income	-	-	-	-	(30)	55	-	25
Total comprehensive income for the period	-	-	-	-	(30)	55	9,537	9,562
Purchase of shares in relation to equity incentive plan (Note 20)	-	1,045	(1,045)	-	-	-	-	-
Share-based payment expense	-	-	2,446	-	-	-	-	2,446
Tax effect of share-based payments	-	-	-	13	-	-	-	13
Balance at 29 June 2025	88,694	-	18,095	15	(30)	(25)	5,917	112,666
Balance at 29 June 2025	88,694	-	18,095	15	(30)	(25)	5,917	112,666
Profit for the period	-	-	-	-	-	-	11,205	11,205
Other comprehensive income	-	-	-	-	703	(165)	-	538
Total comprehensive income for the period	-	-	-	-	703	(165)	11,205	11,743
Purchase of shares in relation to equity incentive plan (Note 20)	-	-	-	-	-	-	-	-
Share-based payment expense	-	-	5,768	-	-	-	-	5,768
Tax effect of share-based payments	-	-	-	(339)	-	-	-	(339)
Balance at 28 June 2026	88,694	-	23,863	(324)	673	(190)	17,122	129,838

Notes to the consolidated financial statements are included in pages 92 to 126.

Consolidated Statement of Cash Flows

for the year ended 28 June 2026

	Note	28 June 2026 \$'000	29 June 2025 \$'000
Cash flows from operating activities			
Receipts from customers		618,284	575,068
Payments to suppliers and employees		(539,696)	(508,463)
Income tax paid		(3,663)	(6,422)
Finance costs paid		(10,001)	(8,292)
Net cash from operating activities		64,924	51,891
Cash flows from investing activities			
Payments for plant and equipment	12	(41,066)	(8,503)
Payments for intangibles	14	(3,427)	(4,420)
Net cash used in investing activities		(44,493)	(12,923)
Cash flows from financing activities			
Net borrowings/(repayments)		12,260	(5,640)
Payments of principal portion of lease liability		(31,977)	(30,484)
Net cash used in financing activities		(19,717)	(36,124)
Net increase/(decrease) in cash and cash equivalents		714	2,844
Net foreign exchange difference		(141)	10
Cash and cash equivalents at beginning of the period		12,408	9,554
Cash and cash equivalents at end of the period		12,981	12,408

Notes to the consolidated financial statements are included in pages 92 to 126.

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Notes to the Consolidated Financial Statements

for the year ended 28 June 2026

Note 1: Reporting Entity

The financial statements cover Baby Bunting Group Limited (Company, parent entity or Baby Bunting) as a Group consisting of Baby Bunting Group Limited and the entities it controlled at the end of, or during, the year (Group). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Baby Bunting is a public company limited by shares, listed on the Australian Securities Exchange (ASX), incorporated and domiciled in Australia. Its registered office and principal place of business is 153 National Drive, Dandenong South, Victoria 3175, 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 statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 August 2026.

Note 2: Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, except for where applicable:

- Derivative financial instruments which have been fair valued at balance date. Refer to Note 32; and
- Share-based payments which have been measured at fair value at grant date. Refer to Note 23.

The current financial year, 30 June 2025 to 28 June 2026, represents 52 weeks and the comparative financial year is from 1 July 2024 to 29 June 2025 which represents 52 weeks.

Critical accounting estimates

The preparation of consolidated financial statements requires the Group to make estimates and judgements that affect the application of accounting policies and the reported amounts. The estimates and judgements that may give rise to a significant risk of material adjustment to the carrying amount of assets and liabilities within the next 12 months are disclosed in the following notes:

- Note 6 Revenue recognition – loyalty program and gift cards
- Note 10 Net realisable value of Inventory
- Note 12 Impairment of property, plant and equipment and right of use assets
- Note 13 Right of use assets and lease liabilities
- Note 14 Impairment of goodwill
- Note 15 Recoverability of deferred tax assets

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Baby Bunting Group Limited as at 28 June 2026 and the results of all subsidiaries for the year then ended. A list of subsidiaries at year end is contained in Note 30. Supplementary information about the parent entity is disclosed in Note 29.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intragroup transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method.

If the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign operations

The functional currencies of overseas subsidiaries are listed in Note 30. The assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate as at reporting date and the income statements are translated at the average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with the current period.

Note 3: Accounting Policies

Material and other accounting policies adopted in the preparation of the financial statements are provided throughout the notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 4: New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all relevant new and amended Accounting Standards and Interpretations issued by the AASB which are effective for annual reporting periods beginning on or after 1 July 2025. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period.

The effects of Standards that are issued but not yet effective:

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (effective 1 January 2026)

AASB 2024-2 amends AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures in relation to the classification and measurement of financial instruments, including clarifications regarding the settlement of financial liabilities through electronic payment systems and the assessment of contractual cash flow characteristics of financial assets.

The Group is assessing the impact of the amendments, including the classification of cash in transit balances arising from EFT, credit card and debit card point-of-sale transactions, and the timing of derecognition of trade payables where payments have been processed but not yet received by suppliers or creditors. The amendments are not expected to impact profit or loss or net assets; however, they may result in a reclassification between cash and cash equivalents, trade and other receivables, and trade and other payables within the consolidated statement of financial position.

AASB 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)

AASB 18 replaces AASB 101 Presentation of Financial Statements and introduces new requirements for the presentation of financial statements, including defined categories and subtotals in the statement of profit or loss, disclosures about management-defined performance measures, and enhanced principles for aggregation and disaggregation of information.

The Group has not yet completed its assessment of the impact of the standard on the consolidated financial statements.

Note 5: Operating Segments

Management has determined the Group's operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic and operating decisions.

The Chief Executive Officer considers the business primarily from a geographic perspective. On this basis, management has identified two reportable segments, Australia and New Zealand. The Chief Executive Officer monitors the performance of these two segments separately.

The segment information provided to the Chief Executive Officer for the reportable segments for the financial year ended 28 June 2026 is as follows:

52-week financial year ended 28 June 2026	Australia \$'000	New Zealand \$'000	Consolidated \$'000
Revenue	536,957	19,092	556,049
Cost of sales	(317,329)	(9,520)	(326,849)
Store expenses	(127,012)	(5,993)	(133,005)
Marketing expenses	(12,230)	(1,052)	(13,282)
Administrative expenses	(42,867)	(1,125)	(43,992)
Warehousing expenses	(10,968)	(971)	(11,939)
Operating EBIT	31,820	385	32,205
Total segment assets	364,524	22,668	387,192
Total segment liabilities	244,311	13,043	257,354
Additions to property, plant & equipment and intangibles	43,034	2,051	45,085
Reconciliation of Operating EBIT to profit before tax is as follows:			
Operating EBIT	31,820	385	32,205
Finance costs	(8,882)	(706)	(9,588)
Share-based payments expense ¹	(6,109)	-	(6,109)
Transformation project expenses	(597)	-	(597)
Profit before tax	16,232	(321)	15,911

1. Share-based payments expense is inclusive of payroll tax.

52-week financial year ended 29 June 2025	Australia \$'000	New Zealand \$'000	Consolidated \$'000
Revenue	505,447	16,488	521,935
Cost of sales	(305,466)	(6,805)	(312,271)
Store expenses	(117,700)	(5,775)	(123,475)
Marketing expenses	(10,271)	(1,066)	(11,337)
Administrative expenses	(38,692)	(1,213)	(39,905)
Warehousing expenses	(10,781)	(1,515)	(12,296)
Operating EBIT	24,828	114	24,942
Total segment assets	316,866	21,958	338,824
Total segment liabilities	213,367	12,791	226,158
Additions to property, plant & equipment and intangibles	12,693	230	12,923
Reconciliation of Operating EBIT to profit before tax is as follows:			
Operating EBIT	24,828	114	24,942
Finance costs	(8,040)	(689)	(8,729)
Share-based payments expense ¹	(2,699)	-	(2,699)
Other income	798	-	798
Profit before tax	14,887	(575)	14,312

1. Share-based payments expense is inclusive of payroll tax.

Revenue reported above represents revenue generated from external customers. Inter-segment sales are eliminated on consolidation in the current reporting period of \$5.819 million (2025: \$4.385 million). Intercompany assets and liabilities between the Australia and New Zealand segments are eliminated on consolidation and are excluded from the segment assets and liabilities disclosed above.

The accounting policies applied to the reportable segment are consistent with those applied by the consolidated entity, as described throughout the notes to the financial statements. The Chief Executive Officer assesses the performance of the Group's operating segments based on a measure of Operating EBIT. This measurement excludes the effects of interest revenue, finance costs, income tax, equity expenses and other non-operating costs.

Note 6: Revenue

	28 June 2026 \$'000	29 June 2025 \$'000
Revenue from contracts with customers ¹	556,049	521,935

1. Revenue from contracts with customers includes online revenue (including click & collect) \$140.506 million (2025: \$120.441 million).

Recognition and measurement

Revenue from contracts with customers is recognised at the amount of consideration the Group expects to receive in exchange for transferring goods or services to customers. Revenue is recognised principally at a point in time, when control of the goods or services transfers to the customer.

Revenue from contracts with customers

The Group retails maternity and baby products through its store network and digital channel. Each sale represents a separate identified contract with a customer. Revenue from contracts with customers is measured at the transaction price, net of discounts, markdowns and loyalty vouchers. Sales to customers are stated net of tax. Revenue is recognised when performance obligations are satisfied, typically being when goods are delivered to the customer and the control of goods is transferred to the buyer.

Right of return

Revenue is recognised net of expected product returns. The Group estimates expected returns using the expected value method based on historical return patterns and applies the variable consideration requirements of AASB 15 to determine the amount of revenue that is highly probable not to reverse.

A refund liability is recognised for expected customer refunds, together with a corresponding right to recover returned goods, measured at the former carrying amount of the inventory less any expected recovery costs.

Customers may return goods under the Group's change-of-mind policy within 30 days of purchase, or within 60 days for members of the Group's loyalty program.

Layby

The Group offers a layby service whereby customers pay a deposit and subsequent instalments, with goods collected once the final payment has been received. Revenue is recognised when control of the goods transfers to the customer, being when the goods have been fully paid for and collected. Amounts received from customers prior to collection are recognised as a contract liability within sundry payables until the revenue recognition criteria are met.

At year end, the Group recognised a layby contract liability of \$5.094 million (2025: \$4.681 million). Under the Group's layby terms and conditions, customers may cancel a layby arrangement; however, cancellation fees may apply and are capped at 20% of the initial layby value. The non-refundable portion of the arrangement, including the service fee and any applicable cancellation fee, is recognised as revenue when the Group is entitled to retain those amounts. The remaining balance is refundable to the customer until the layby arrangement is completed or cancelled in accordance with the Group's layby terms.

Gift cards

Gift cards are considered a prepayment for goods to be delivered in the future. The Group has an obligation to transfer the goods in the future, creating a performance obligation. The Group recognises deferred revenue when the gift card is purchased and recognises revenue when the customer redeems the gift card and the Group fulfills the performance obligation. Expected breakage is estimated based on historical redemption patterns and recognised as revenue when it is highly probable that a significant reversal will not occur.

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Note 7: Expenses

	28 June 2026 \$'000	29 June 2025 \$'000
<i>Profit before income tax includes the following expenses</i>		
Finance expenses		
Interest and finance charges paid/payable on lease liabilities	6,919	6,725
Interest and finance charges paid/payable on borrowings	2,669	2,004
Total finance expenses	9,588	8,729
Depreciation and amortisation		
Right of use assets	31,450	30,633
Property, plant and equipment	9,341	6,513
Software	3,377	2,646
Total depreciation and amortisation	44,168	39,792
Employee benefits		
Employee expenses	99,309	97,987
Share-based payments	6,109	2,699
Total employee benefits	105,418	100,686

Depreciation and amortisation

Depreciation and amortisation are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within Store expenses, Warehousing expenses and Administrative expenses, as detailed below:

	As reported \$'000	Depreciation and amortisation on PPE and Intangibles \$'000	Depreciation on right of use Asset \$'000	Excluding depreciation and amortisation \$'000
52-week financial year ended 28 June 2026				
Store expenses	(133,005)	10,751	28,516	(93,738)
Warehousing expenses	(11,939)	106	2,621	(9,212)
Administrative expenses	(43,992)	1,861	313	(41,818)
Total	(188,936)	12,718	31,450	(144,768)

	As reported \$'000	Depreciation and amortisation on PPE and Intangibles \$'000	Depreciation on right of use Asset \$'000	Excluding depreciation and amortisation \$'000
52-week financial year ended 29 June 2025				
Store expenses	(123,475)	7,539	27,519	(88,417)
Warehousing expenses	(12,296)	151	2,933	(9,212)
Administrative expenses	(39,905)	1,469	181	(38,255)
Total	(175,676)	9,159	30,633	(135,884)

Employee benefits

Employee benefits are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within Store expenses, Warehousing expenses, Administrative expenses and Transformation project expenses, as detailed below:

	As reported \$'000	Employee benefits expense \$'000	Share-based payments expense \$'000	Excluding employee benefits \$'000
52-week financial year ended 28 June 2026				
Store expenses	(133,005)	63,559	–	(69,446)
Warehousing expenses	(11,939)	7,456	–	(4,483)
Administrative expenses	(43,992)	27,982	6,109	(9,901)
Transformation project expenses	(597)	312	–	(285)
Total	(189,533)	99,309	6,109	(84,115)

	As reported \$'000	Employee benefits expense \$'000	Share-based payments expense \$'000	Excluding employee benefits \$'000
52-week financial year ended 29 June 2025				
Store expenses	(123,475)	63,328	–	(60,147)
Warehousing expenses	(12,296)	7,237	–	(5,059)
Administrative expenses	(39,905)	27,422	2,699	(9,784)
Transformation project expenses	–	–	–	–
Total	(175,676)	97,987	2,699	(74,990)

Transformation project expenses

Transformation project expenses represent non-capital expenditure incurred to enable the future technology platform upgrade of the Group's ERP and POS environments.

Restructuring costs

Restructuring costs comprise costs associated with organisational restructuring, including the disestablishment of certain head office roles.

Note 8: Income Tax

	28 June 2026 \$'000	29 June 2025 \$'000
Current tax	7,643	6,316
Deferred tax	(2,598)	(1,666)
Adjustment recognised for prior periods – Current tax	(16)	125
Adjustment recognised for prior periods – Deferred tax	(323)	–
Total tax expense	4,706	4,775

The income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit before tax from continuing operations	15,911	14,312
Income tax expense calculated at 30% (2025: 30%)	(4,773)	(4,294)
Non-deductible expenditure	(146)	(44)
Adjustment recognised for prior periods	16	(125)
Share-based payments	(119)	(132)
New Zealand temporary differences recognised for prior periods	323	–
New Zealand temporary differences unrecognised	–	(180)
Difference in overseas tax rates	(7)	–
Income tax expense recognised in profit or loss	(4,706)	(4,775)

The tax rates used in the reconciliation for 2026 and 2025 reflect the applicable corporate tax rates under Australian and New Zealand tax law, being 30% for large Australian corporate entities and 28% for New Zealand corporate entities.

Recognition and measurement

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities at the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. Deferred tax liabilities are recognised for taxable temporary differences, while deferred tax assets are recognised for deductible temporary differences to the extent it is probable that future taxable profits will be available to utilise them.

Deferred tax assets are reviewed at each reporting date and reduced where it is no longer probable that sufficient taxable profits will be available to recover all or part of the asset.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or in relation to the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using tax rates and laws enacted or substantively enacted at reporting date and are offset where there is a legally enforceable right to offset current tax assets and liabilities and the balances relate to income taxes levied by the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except where they relate to items recognised in other comprehensive income or equity. Deferred tax is recognised for expected tax deductions on LTI share-based payments, measured using the share price at reporting date, with any excess tax benefit recognised in equity.

Tax Consolidation

Baby Bunting Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Tax funding and tax sharing arrangements

Entities within the Australian tax-consolidated group have entered into a tax funding arrangement and tax sharing agreement with the head entity. Under the tax funding arrangement, members make tax-equivalent payments to or from the head entity based on their current tax balances.

The tax sharing agreement limits each member's liability for income tax payable by the tax-consolidated group to the amount payable under the tax funding arrangement, including where the head entity defaults or a member leaves the group.

Note 9: Trade and other receivables

	28 June 2026 \$'000	29 June 2025 \$'000
Current		
Trade receivables	37	59
Other receivables	9,998	4,366
	10,035	4,425

Recognition and measurement

Trade receivables

Trade receivables generally have terms of between 30 to 90 days. At reporting date, all trade receivables were within agreed credit terms, with no balances past due.

Other receivables

Other receivables include fit-out contributions from landlords, amounts receivable from payment providers and rebates receivable, all of which are considered fully recoverable and therefore no allowance has been recognised.

Note 10: Inventory

	28 June 2026 \$'000	29 June 2025 \$'000
Finished goods	100,191	96,788
Less: Provision for shrinkage, obsolescence and mark-down	(1,024)	(1,162)
	99,167	95,626

The cost of inventories recognised as an expense during the current reporting period in respect of continuing operations was \$326.849 million (2025: \$312.271 million). During the financial year, there was a decrease in the provision for shrinkage, obsolescence and mark-down of \$0.138 million (2025: a decrease of \$0.620 million in provision).

Recognition and measurement

Finished goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to sell. Cost is comprised of the purchase price on a weighted average basis and logistic expenses incurred in bringing the inventories to their present location and condition.

Inventory-related supplier rebates are recognised as a reduction in the cost of inventory and subsequently recorded as a reduction in cost of goods sold when the related inventory is sold.

Determining the net realisable value of inventories relies on key assumptions that require the use of management judgement. Management's estimate of the net realisable value is based on historical finished goods sold below cost and weeks of cover for inventory held at distribution centres.

Note 11: Other assets

	28 June 2026 \$'000	29 June 2025 \$'000
Prepayments	3,711	2,969
Right of return	1,596	1,406
	5,307	4,375

Prepayments primarily relate to technology licenses, and other operating expenditure paid in advance.

A right of return asset is recognised for the Group's right to recover inventory from customers where a refund liability has been recognised. The asset is measured by reference to the carrying amount of the inventory expected to be returned, less any expected costs to recover the goods and any potential reduction in value. The Group's change of mind returns policy is 30 days, extended to 60 days for members of the Group's loyalty program.

Note 12: Property, plant and equipment

Costs	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 29 June 2025	14,594	61,660	76,254
Additions	25,665	15,989	41,654
Disposals	(625)	(14,674)	(15,299)
Exchange differences	(451)	(199)	(650)
Balance at 28 June 2026	39,183	62,776	101,959
Accumulated depreciation			
Balance at 29 June 2025	(7,986)	(39,568)	(47,554)
Depreciation	(4,203)	(5,138)	(9,341)
Disposals	625	13,586	14,211
Exchange differences	24	109	133
Balance at 28 June 2026	(11,540)	(31,011)	(42,551)
Carrying amount as at 28 June 2026	27,643	31,765	59,408

Costs	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2024	14,681	59,144	73,825
Additions	1,179	7,324	8,503
Disposals	(1,320)	(4,834)	(6,154)
Exchange differences	54	26	80
Balance at 29 June 2025	14,594	61,660	76,254
Accumulated depreciation			
Balance at 1 July 2024	(6,929)	(39,748)	(46,677)
Depreciation	(1,918)	(4,595)	(6,513)
Disposals	863	4,782	5,645
Exchange differences	(2)	(7)	(9)
Balance at 29 June 2025	(7,986)	(39,568)	(47,554)
Carrying amount as at 29 June 2025	6,608	22,092	28,700

Recognition and measurement

The carrying value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation, and impairment.

Depreciation and amortisation

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The useful lives are 3 to 10 years for plant and equipment and 5 to 10 years for leasehold improvements. Estimated useful lives and depreciation methods are reviewed at each reporting date, with any changes recognised prospectively. Assets under construction are not depreciated until they are available for use.

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Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss between the carrying amount and the disposal proceeds are included in the income statement in the period the item is derecognised.

Impairment

Refer to Note 13 for details on impairment testing.

Note 13: Right of use assets and lease liabilities

Set out below are the carrying amounts of the Group's right of use assets and lease liabilities, together with movements during the period.

Right-of-Use Assets	Property \$'000	Equipment \$'000	Total \$'000
As at 30 June 2024	127,850	3,410	131,260
Additions	7,632	391	8,023
Remeasurements ¹	18,831	28	18,859
Depreciation expense	(29,641)	(992)	(30,633)
As at 29 June 2025	124,672	2,837	127,509
Additions	12,343	1,283	13,626
Terminations ²	(2,916)	(29)	(2,945)
Remeasurements ¹	24,754	31	24,785
Depreciation expense	(30,743)	(707)	(31,450)
As at 28 June 2026	128,110	3,415	131,525

Lease Liabilities	28 June 2026 \$'000	29 June 2025 \$'000
Opening balance	149,486	152,843
Additions	13,626	8,023
Terminations ²	(3,327)	-
Accretion of interest	6,919	6,725
Remeasurements ³	24,450	19,101
Payments	(38,896)	(37,206)
Closing balance	152,258	149,486
Current	31,620	37,838
Non-current	120,638	111,648
Total lease liabilities	152,258	149,486

1. Remeasurements of right of use assets primarily represents lease extensions of stores.

2. Lease terminations relate to closed or exited stores, with the associated right of use assets and lease liabilities derecognised and any resulting gain or loss recognised in profit or loss.

3. Remeasurements of lease liabilities primarily represents lease extensions of stores.

The maturity analysis of lease liabilities is disclosed in Note 32 Financial Instruments.

The following amounts are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within Store expenses, Warehousing expenses and Administrative expenses:

	28 June 2026 \$'000	29 June 2025 \$'000
Depreciation expense – right of use assets	31,450	30,633
Interest expense – lease liabilities	6,919	6,725
Rent expenses – short term	231	123
Rent expenses – leases of low value assets	700	738
Rent expenses – variable lease payments	6,569	3,857
Total	45,869	42,076

Recognition and measurement

A right of use asset and corresponding lease liability are recognised at the commencement date of a lease. The Group leases land and buildings for its offices and retail stores under agreements with terms of 5 to 12 years. The Group also leases equipment which has a term of 1 to 6 years. The right of use asset is measured initially at cost based on the value of the associated lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred. The Group's lease obligations are secured by the lessor's title to the leased assets, and leases generally restrict the Group from assigning or subleasing the leased assets.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less, or for leases of low-value assets.

Lease liabilities are initially recognised at the present value of the lease payments to be made over the lease term, discounted using the Group's incremental borrowing rate. Leases are entered into for varying terms and rent reviews are based on CPI increases or fixed increases. Variable lease payments are expensed in the period in which they are incurred.

The carrying amount of a lease liability is remeasured if there is a change in the lease payments arising from a change in an index or a rate used and a change in lease term. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

Key judgements

Lease term

The lease term is determined at lease commencement or at the effective date of a lease modification. The lease term comprises the non-cancellable period of the lease, together with any periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option.

After lease commencement, the Group reassesses the lease term where there is a significant event or change in circumstances within its control. In determining whether extension options are reasonably certain to be exercised, the Group considers factors including its property strategy, the importance of the leased asset, option pricing, market maturity, make-good obligations, the availability of alternative sites, relocation costs and broader retail market trends. Lease payments for extension options assessed as reasonably certain to be exercised are included in the right of use asset and lease liability.

As at reporting date, the undiscounted potential future lease payments at current rental rates relating to extension options not considered reasonably certain to be exercised, and therefore not included in lease liabilities, are \$298.960 million (2025: \$293.302 million), including \$39.574 million (2025: \$36.920 million) within the next five years.

The Group has entered into lease commitments that have not yet commenced and are therefore not recognised as right of use assets or lease liabilities. The undiscounted future payments at current rental rates for these commitments are \$1.621 million (2025: \$7.343 million).

Incremental borrowing rate for each lease

Where the interest rate implicit in a lease is not readily determinable, the Group determines the incremental borrowing rate for each lease using relevant market-based inputs, including the Group's corporate borrowing margin, adjusted for lease tenure, and the applicable government bond rate at lease commencement.

Impairment of property, plant and equipment and right of use assets

For impairment testing purposes the Group has determined that each store is a separate cash-generating unit (CGU). Each CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified.

The impairment test as at 28 June 2026 was carried out based on value in use for each CGU. The recoverable amount was determined using the Company's Board approved FY27 budget. Cash flows beyond year one assumes a steady growth rate of 3% to 4%. Cash flows were discounted to present value using a mid-point pre-tax discount rate of 12.37% (2025: 12.94%).

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairment. The key assumptions in the value in use calculations are growth rates of sales, gross profit margins and the pre-tax discount rate.

Management has performed sensitivity analysis using reasonably possible changes in the key assumptions across the store portfolio. Based on this analysis, no reasonably possible change in key assumptions would result in a material impairment charge being recognised.

Note 14: Intangible assets and goodwill

Cost	Goodwill \$'000	Intangibles \$'000
Balance at 29 June 2025	45,321	18,055
Additions	–	3,431
Exchange differences	–	(62)
Balance at 28 June 2026	45,321	21,424
Amortisation and impairment losses		
Balance at 29 June 2025	–	(8,509)
Amortisation	–	(3,377)
Exchange differences	–	25
Balance at 28 June 2026	–	(11,861)
Carrying amount as at 28 June 2026	45,321	9,563

Cost	Goodwill \$'000	Intangibles \$'000
Balance at 30 June 2024	45,321	13,635
Additions	–	4,420
Balance at 29 June 2025	45,321	18,055
Amortisation and impairment losses		
Balance at 30 June 2024	–	(5,863)
Amortisation	–	(2,646)
Balance at 29 June 2025	–	(8,509)
Carrying amount as at 29 June 2025	45,321	9,546

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Computer software and Software-as-a-Service (SaaS) arrangements

Intangible assets comprise computer software with a finite useful life. These assets are measured at cost less accumulated amortisation and impairment losses and are amortised on a straight-line basis over five years. Useful lives are reviewed annually and adjusted prospectively where appropriate. Expenditure on internally generated intangible assets, other than qualifying development costs, is recognised in profit or loss as incurred.

Impairment testing of goodwill

Goodwill is tested annually for impairment, or more frequently where events or changes in circumstances indicate that it may be impaired. As at 28 June 2026, goodwill has been allocated to the Australian operating segment, representing a group of CGUs, for impairment testing purposes.

The impairment assessment as at 28 June 2026 was performed using a value-in-use model. The recoverable amount was determined based on the Board approved FY27 budget. Forecast cash flows include ongoing capital expenditure required to maintain the store network and capital commitments considered probable. Cash flows beyond year one have been extrapolated using growth rates ranging from 3.3% to 5.1% (2025: 2.5% to 4.5%), with a terminal growth rate of 2.0% (2025: 2.0%). Forecast cash flows were discounted to present value using a mid-point after-tax discount rate of 8.7% (2025: 9.06%).

Sensitivity analysis was performed using reasonably possible changes in the key assumptions. Based on this analysis, no reasonably possible change in key assumptions would result in a material impairment charge being recognised.

Note 15: Deferred tax assets

Deferred tax balances are presented in the consolidated statement of financial position as follows:

	28 June 2026 \$'000	29 June 2025 \$'000
Deferred tax assets		
Australia	10,754	8,907
New Zealand	2,170	2,007
Total	12,924	10,914

2026 - Consolidated \$'000	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing balance
Trade Receivables	15	(9)	-	-	6
Employee benefits	2,352	222	(40)	-	2,534
Non-deductible accruals	275	591	-	-	866
Non-refundable layby income	817	(168)	-	-	649
Inventories	587	(39)	-	-	548
Gift vouchers	836	120	-	-	956
Right of return	282	47	-	-	329
Right of use asset	(38,618)	(2,254)	401	-	(40,471)
Lease liability	45,024	2,209	(443)	-	46,790
Plant and equipment	(2,723)	1,022	-	-	(1,701)
Share-based payment tax reserve	325	1,083	-	(339)	1,069
Cash flow hedge reserve	13	-	(301)	-	(288)
Tax losses carried forward (NZ)	1,729	97	(189)	-	1,637
Total	10,914	2,921	(572)	(339)	12,924

2025 - Consolidated \$'000	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing balance
Trade Receivables	-	15	-	-	15
Employee benefits	2,095	257	-	-	2,352
Non-deductible accruals	319	(44)	-	-	275
Non-refundable layby income	747	70	-	-	817
Inventories	742	(155)	-	-	587
Gift vouchers	836	-	-	-	836
Right of return	203	79	-	-	282
Right of use asset	(39,139)	521	-	-	(38,618)
Lease liability	45,596	(572)	-	-	45,024
Plant and equipment	(3,906)	1,183	-	-	(2,723)
Share-based payment tax reserve	-	312	-	13	325
Cash flow hedge reserve	-	-	13	-	13
Tax losses carried forward (NZ)	1,729	-	-	-	1,729
Total	9,222	1,666	13	13	10,914

Of the total net deferred tax assets of \$12.924 million recognised as at 28 June 2026 (2025: \$10.914 million), \$1.637 million (2025: \$1.729 million) relates to historical tax losses of Baby Bunting NZ Limited. The recognition of these deferred tax assets is supported by management's assessment that it is probable that sufficient future taxable profits will be available to utilise the losses. This assessment is performed annually and is based on Board approved budgets and business plans, including forecast trading performance, planned commercial initiatives and other relevant factors expected to support the generation of taxable profits in future periods.

At 28 June 2026, all available tax losses of Baby Bunting NZ Limited were recognised as deferred tax assets. There were no unrecognised unused tax losses at reporting date (2025: \$0.075 million).

Note 16: Trade and other Payables

	28 June 2026 \$'000	29 June 2025 \$'000
Current		
Trade payables	35,068	24,844
Sundry payables	20,869	20,459
Total	55,937	45,303

Trade payables and sundry payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Sundry payables includes \$5.094 million (2025: \$4.681 million) of deposits and instalment payments received from customers in relation to layby sales. Trade and other payables are stated at amortised cost. The amounts are unsecured and are usually settled within 30 to 60 days of recognition.

Details of the Group's liquidity risk management processes are disclosed in Note 32.

Note 17: Other Liabilities

	28 June 2026 \$'000	29 June 2025 \$'000
Unredeemed gift cards and vouchers	3,255	2,801
Refund liability	2,717	2,353
Other liabilities	138	70
Total	6,110	5,224

Unredeemed gift cards are expected to be redeemed within three years, while loyalty vouchers expire after 60 days. Revenue is recognised when gift cards or loyalty vouchers are redeemed, or when the Group's obligation expires. The Group estimates breakage based on historical redemption patterns for gift cards and loyalty vouchers and recognises the related contract liability net of expected breakage.

The Group recognises a refund liability for expected customer returns where customers have a right to return goods. The liability is measured based on the consideration received for which the Group does not expect to be entitled, using historical return rates. Refund liabilities are recognised within trade and other payables, with a corresponding adjustment to revenue.

Note 18: Borrowings

	28 June 2026 \$'000	29 June 2025 \$'000
Non-current – secured		
Bank loans	29,190	16,930

The ongoing funding requirements of the consolidated entity are provided by the National Australia Bank ('NAB'). During the year, the corporate market loan facility (CML) was renewed and its maturity date extended from 30 September 2027 to 30 September 2029. Security consists of a Deed of Charge over the assets of Baby Bunting Pty Ltd. Baby Bunting Group Limited is the guarantor to the facility.

The facility limit at balance date was \$90,000,000 (2025: \$70,000,000) and may be drawn to the lower of \$90,000,000 or 2.5 times the Group's last 12 months historical rolling EBITDA. Interest on the facility is charged at a variable rate. The facility does not require the consolidated entity to amortise borrowings.

The facility is subject to two covenants: an operating leverage ratio and financial charge cover ratio. The Group reviews its compliance with these covenants quarterly and provides quarterly compliance reporting to NAB. The Group has met all covenant requirements to date, and there is no indication that the Group will have difficulty meeting these covenants.

The Group has access to a bank guarantee facility with a total limit of \$8,000,000 (2025: \$8,000,000). The facility is used to issue guarantees primarily in respect of property leases. Refer to Note 26 for further details.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Derecognition

Borrowings are derecognised when the Group's contractual obligations are discharged, cancelled or expire, or when existing borrowings are replaced by another lender or substantially modified on terms that are materially different. Any difference between the carrying amount derecognised and the consideration paid is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting date and intends to do so.

Note 19: Provisions

	28 June 2026 \$'000	29 June 2025 \$'000
Current		
Employee benefits	7,492	6,517
Total current	7,492	6,517
Non-current		
Employee benefits	1,127	1,357
Make-good provision	669	669
Total non-current	1,796	2,026

Movements in make-good provision

Movements in make-good provision during the current financial year is set out below:

	28 June 2026 \$'000	29 June 2025 \$'000
Opening balance	669	819
(Utilised)/arising during the period	-	(150)
Closing balance	669	669

Recognition and measurement

Liabilities for annual leave, bonuses and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision represents the best of the expenditure required to settle the present obligation at the reporting date. The provision primarily relates to make-good obligations expected to be incurred when leased premises are vacated at the end of their lease terms.

Note 20: Issued capital

	28 June 2026 Shares	29 June 2025 Shares	28 June 2026 \$'000	29 June 2025 \$'000
Ordinary shares – fully paid	135,400,726	134,919,963	88,694	88,694

Ordinary shares

Ordinary shares are classified as equity and entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

Movements in ordinary share capital Details	Date	Shares	Issue Price	\$'000
Balance	30 June 24	134,906,489	-	88,694
Shares issued during the period ⁽ⁱ⁾	11 October 24	13,474	-	-
Balance	29 June 25	134,919,963	-	88,694
Shares issued during the period ⁽ⁱⁱ⁾	10 October 25	480,763	-	-
Balance	28 June 26	135,400,726	-	88,694

i. The Company has established an employee share plan trust, with Baby Bunting EST Pty Ltd acting as the trustee. Shares held by the trust are ordinary shares purchased on-market and held to satisfy future obligations under employee share plans. During the year ended 29 June 2025, 480,763 rights vested and were exercised. Of the shares required, 467,289 were transferred from existing unallocated shares held by the trust, with the remaining 13,474 shares issued by the Company.

ii. A total of 480,763 ordinary shares were issued in relation to the vesting and exercise of rights.

Note 21: Equity – Reserves

	28 June 2026 \$'000	29 June 2025 \$'000
Foreign currency translation reserve	(190)	(25)
Cash flow hedge reserve	673	(30)
Share-based payments reserve	23,539	18,110
	24,022	18,055

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Cash flow hedge reserve

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income with the remaining change in fair value recognised in the hedging reserve. Any ineffective portion is recognised immediately in the statement of profit or loss and other comprehensive income. Refer to Note 32 for further details on derivative financial instruments.

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. The reserve includes a share-based payment tax reserve, which reflects future income tax benefits recognised to the extent they exceed the cumulative share-based payment expense recognised in profit or loss.

Note 22: Equity – Dividends

No dividends were paid, or determined to be paid during the current or prior financial year.

Franking credits

	28 June 2026 \$'000	29 June 2025 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30%	14,957	7,630

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax.

Note 23: Share-based payments

Performance rights and share rights

The Group operates equity-settled share-based payment arrangements under which eligible executives and selected employees may be granted rights to acquire fully paid ordinary shares in the Company for nil exercise price. These arrangements include long-term incentive performance rights, service rights and deferred short-term incentive rights.

The long-term incentive plans are designed to align the interests of participating employees with those of shareholders by providing an opportunity to receive an equity interest in the Group, subject to the satisfaction of applicable performance or service conditions. Upon vesting, each right entitles the participant to one fully paid ordinary share in the Company. No dividends or voting rights attach to rights before vesting.

Eligibility and grant of performance rights

Participation in the plans is by invitation and at the discretion of the Board. The Board determines which executives and other employees are eligible to participate. The Chief Executive Officer is the only Director eligible to participate in the Group's employee incentive plans. Non-Executive Directors are not eligible to participate.

Rights granted under the plans are subject to the terms of the relevant plan and any additional terms and conditions determined by the Board, including applicable performance or service conditions.

Deferred STI share rights

For FY2025, the Group introduced a deferred equity component to the short-term incentive plan for executives, with 25% of the STI award paid in cash, with the remaining amount delivered as deferred rights vesting on 1 August 2026. For FY2026, the STI award is delivered entirely as deferred rights, vesting on 1 August 2027, subject to continued service. CEO grants are subject to shareholder approval.

The FY2025 cash component was recognised as an employee benefits expense in the period earned. The portion delivered as deferred rights is recognised as a share-based payment expense over the service period, with a corresponding increase in the share-based payments reserve.

Vesting of performance rights

Vesting of LTI performance rights is subject to prescribed performance conditions over the relevant performance period. The number of rights that vest depends on performance against the applicable vesting schedule and management's assessment of the likelihood of the vesting conditions being satisfied.

The most recent LTI grant (made in October 2024) is subject to Return on Funds Employed (ROFE) and Total Shareholder Return (TSR) performance conditions. Prior grants were subject to Earnings Per Share (EPS) growth and Total Shareholder Return (TSR) performance conditions.

Service rights and deferred STI rights vest on specified dates, subject to the rules of the grant which require (subject to some exceptions) that the participant remains employed by the Group and not serving out a period of notice at the relevant vesting date. Vested rights may be exercised for a period of two years from the vesting date, after which they lapse if not exercised.

Recognition and measurement

The fair value of equity-settled awards is measured at grant date and recognised as an employee benefits expense, with a corresponding increase in the share-based payments reserve, over the period in which the relevant service and, where applicable, performance conditions are fulfilled. The cumulative expense recognised at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments expected to vest.

Service and non-market performance conditions are not included in the grant date fair value of awards; however, the likelihood of those conditions being satisfied is considered in estimating the number of equity instruments expected to vest. Market-based performance conditions are reflected in the grant date fair value.

No expense is recognised for awards that do not ultimately vest because service or non-market performance conditions are not satisfied. Where an award includes a market-based performance condition, the expense is recognised provided all service and non-market performance conditions are satisfied, irrespective of whether the market condition is ultimately met.

The fair value of rights subject to non-market performance conditions, including ROFE, is determined using the Black-Scholes model. The fair value of rights subject to market-based performance conditions, including TSR, is determined using a Monte Carlo simulation. The valuation models take into account factors including the exercise price, expected life, share price at grant date, expected volatility, expected dividend yield and the risk-free interest rate.

The dilutive effect of outstanding rights is reflected in the calculation of diluted earnings per share.

Lapsing of performance rights

Unvested rights lapse where the applicable performance or service conditions are not satisfied, unless the Board determines otherwise. Upon resignation, or where a participant's employment is terminated for cause or unsatisfactory performance, unvested rights generally lapse. In other circumstances, a participant may retain unvested rights, with vesting tested at the end of the relevant performance period, subject to Board discretion.

The LTI Plan includes malus and clawback provisions to ensure participants do not inappropriately benefit in circumstances involving serious misconduct or a serious adverse subsequent event. In the event of a change of control, the Board has discretion to determine the treatment of outstanding rights, including whether some or all unvested rights vest or lapse.

Performance rights outcomes

During the year, the LTI grant for the 2022 to 2025 performance period was tested. Having regard to the Group's EPS and TSR performance over the three-year performance period, the rights did not vest and lapsed during the year.

The LTI grant for the 2023 to 2026 performance period remains subject to final testing. Based on the Group's EPS performance over the period and the current share price, these rights are not expected to vest. The TSR performance condition will be assessed after the end of August 2026, with any rights that do not satisfy the applicable vesting conditions to lapse in accordance with the plan rules.

Service rights granted during the 2024 financial year continued to vest in accordance with their terms. During the year, the second tranche of service rights vested and was exercised, resulting in shares being provided to the relevant participants.

The following table reconciles the outstanding performance rights and share rights.

28 June 2026

Details	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
TSR performance rights	5,469,744	64,667	–	(965,622)	4,568,789
EPS performance rights	1,110,538	–	–	(411,205)	699,333
ROFE performance rights	2,539,718	43,111	–	(223,961)	2,358,868
Service rights	636,526	–	(480,763)	–	155,763
Deferred rights	–	1,443,173	–	–	1,443,173
Total	9,756,526	1,550,951	(480,763)	(1,600,788)	9,225,926

29 June 2025

Details	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
TSR performance rights	2,372,842	3,809,581	–	(712,679)	5,469,744
EPS performance rights	1,581,894	–	–	(471,356)	1,110,538
ROFE performance rights	–	2,539,718	–	–	2,539,718
Service rights	1,117,289	–	(480,763)	–	636,526
Deferred rights	–	–	–	–	–
Total	5,072,025	6,349,299	(480,763)	(1,184,035)	9,756,526

The following table details the outstanding performance rights and share rights and the respective fair value.

Performance rights series	Grant date	Number of rights	Grant date fair value	Exercise price	Expiry date
2023–2026 (EPS)	08 December 2023	699,333	\$1.83	nil	28 June 2026 ¹
2023–2026 (TSR)	08 December 2023	1,042,718	\$0.83	nil	31 August 2026
Service rights	08 December 2023	155,763	\$2.24	nil	02 October 2026
Deferred STI	17 September 2024	1,025,265	\$1.63	nil	01 August 2026
2024–2028 (TSR) – CEO	15 October 2024	1,018,024	\$0.97 ²	nil	31 August 2028
2024–2028 (ROFE) – CEO	15 October 2024	678,683	\$1.67 ²	nil	28 June 2028
2024–2028 (TSR)	29 October 2024	1,902,071	\$1.05 ²	nil	31 August 2028
2024–2028 (ROFE)	29 October 2024	1,276,202	\$1.67 ²	nil	28 June 2028
2024–2028 (TSR)	18 June 2025	541,309	\$0.96 ³	nil	31 August 2028
2024–2028 (ROFE)	18 June 2025	360,872	\$1.53 ³	nil	28 June 2028
Deferred STI – CEO	14 October 2025	417,908	\$3.00	nil	01 August 2026
2024–2028 (TSR)	22 January 2026	64,667	\$1.31 ⁴	nil	31 August 2028
2024–2028 (ROFE)	22 January 2026	43,111	\$2.08 ⁴	nil	28 June 2028

1. The 2023–2026 EPS Rights remain outstanding at reporting date pending formal lapse with the TSR Rights after final TSR determination.
2. Model inputs include share price at \$1.90, expected volatility at 50%, expected dividend yield 3.50% and risk-free interest rate of 4.00%.
3. Model inputs include share price at \$1.74, expected volatility at 50%, expected dividend yield 3.50% and risk-free interest rate of 4.00%.
4. Model inputs include share price at \$2.37, expected volatility at 50%, expected dividend yield 3.50% and risk-free interest rate of 4.00%.

Note 24: Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	28 June 2026 \$	29 June 2025 \$
Short-term employment benefits	2,146,530	2,292,284
Post-employment benefits	138,215	131,981
Other long-term benefits	23,124	7,814
Share-based payments	2,281,656	1,790,783
Total	4,589,525	4,222,862

Note 25: Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Group:

	28 June 2026 \$	29 June 2025 \$
Assurance Services – Ernst & Young		
Audit or review of the financial statements	330,400	260,000
Sustainability assurance services	85,000	–
	415,400	260,000
Other Services – Ernst & Young		
Taxation services	130,551	243,219
Sustainability services	–	82,000
Remuneration advisory services	7,786	14,009
	138,337	339,228
Total	553,737	599,228

Note 26: Contingent Liabilities

The Group has bank guarantees outstanding as at 28 June 2026 of \$1,361,694 (June 2025: \$2,331,642), primarily supporting store lease obligations. These guarantees are issued under the Group's banking facilities. No liability has been recognised in relation to these guarantees.

Note 27: Commitments

	28 June 2026 \$	29 June 2025 \$
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	8,500,000	2,400,000

The commitments amounts disclosed above represent the maximum amounts that the Group is obliged to pay and exclude landlord contributions to store fit-out costs.

Note 28: Related Party Transactions

Parent entity

Baby Bunting Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 30.

Key management personnel

Disclosures relating to key management personnel are set out in Note 24 and the Remuneration Report that accompanies the Directors' Report.

Transactions within the Group

Other than transactions with key management personnel, there were no related party transactions during the year. There were no loans to key management personnel at reporting date.

Note 29: Parent entity information

Set out below is the supplementary information about the parent entity.

	28 June 2026 \$'000	29 June 2025 \$'000
Statement of profit or loss and other comprehensive income		
Profit after income tax	11,136	10,112
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	11,136	10,112
Statement of Financial position	28 June 2026 \$'000	29 June 2025 \$'000
Total current assets	-	-
Total non-current assets	123,986	108,901
Total assets	123,986	108,901
Total current liabilities	4,570	621
Total non-current liabilities	-	-
Total liabilities	4,570	621
Equity		
Issued capital	88,694	88,694
Retained earnings	30,722	19,586
Total equity	119,416	108,280

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The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised in the parent entity's profit or loss.

Baby Bunting Group Limited has entered into a deed of support with its wholly owned subsidiary, Baby Bunting NZ Limited, under which it has agreed to provide financial support as necessary to enable the subsidiary to pay its debts as and when they fall due in the normal course of business.

Note 30: Interest in Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and operation	Ownership interest	
			June 2026	June 2025
Baby Bunting Pty Ltd ¹	Retailing of baby merchandise in Australia	Australia	100%	100%
Baby Bunting EST Pty Ltd ²	Trustee of the trust established in connection with the Company's employee share plans	Australia	100%	100%
Baby Bunting NZ Limited	Retailing of baby merchandise in New Zealand	New Zealand ³	100%	100%

1. This wholly-owned subsidiary has entered into a deed of cross guarantee with Baby Bunting Group Limited. Baby Bunting Pty Ltd became a party to the deed of cross guarantee on 19 June 2008.

2. Baby Bunting EST Pty Ltd has no material net assets or profit.

3. The functional currency of Baby Bunting NZ Limited is NZD.

Note 31: Deed of Cross Guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

- Baby Bunting Group Limited
- Baby Bunting Pty Ltd

The parties to the deed represent the Closed Group for the purposes of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. By entering into the deed, the subsidiaries who are party to the deed have been relieved from the requirements to prepare and lodge an audited financial report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and balance sheet of the Closed Group are provided as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 28 June 2026

	28 June 2026 \$'000	29 June 2025 \$'000
Revenue	542,775	509,329
Cost of sales	(323,147)	(309,348)
Gross profit	219,628	199,981
Other Income	–	798
Store expenses	(127,012)	(117,700)
Marketing expenses	(12,230)	(10,271)
Warehousing expenses	(10,968)	(10,781)
Administrative expenses	(42,867)	(38,692)
Transformation project expenses	(597)	–
Restructuring costs	(840)	(408)
Finance expenses	(8,882)	(8,040)
Profit before tax	16,232	14,887
Income tax expense	(5,096)	(4,775)
Profit after tax	11,136	10,112
Net gain/(loss) on cash flow hedges	1,004	(43)
Income tax effect relating to the components of OCI	(301)	13
Net other comprehensive income/(loss) for the period, net of tax	703	(30)
Total comprehensive income attributable to:		
Equity holders of Baby Bunting Group Limited	11,839	10,082

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Consolidated Statement of Financial Position as at 28 June 2026:

	28 June 2026 \$'000	29 June 2025 \$'000
Current assets		
Cash and cash equivalents	12,261	11,401
Trade and Other receivables	22,062	13,244
Inventories	94,617	91,601
Derivative Financial Instruments	961	–
Other assets	5,261	4,239
Total current assets	135,162	120,485
Non-current assets		
Plant and equipment	54,035	24,171
Intangibles	9,399	9,258
Goodwill	45,321	45,321
Loan to subsidiary	7,888	9,760
Right of use asset	121,888	117,377
Deferred tax assets	10,754	8,882
Total non-current assets	249,285	214,769
Total assets	384,446	335,254
Current liabilities		
Trade and other payables	55,905	45,008
Other liabilities	5,974	5,122
Provision for income tax	4,570	622
Derivative Financial Instruments	–	43
Lease liabilities	30,070	29,872
Provisions	7,332	6,305
Total current liabilities	103,851	86,972
Non-current liabilities		
Borrowings	29,190	16,930
Lease liabilities	111,080	108,072
Provisions	1,796	2,026
Total non-current liabilities	142,074	127,028
Total liabilities	245,925	214,000
Net assets	138,521	121,254
Equity		
Issued capital	88,694	88,694
Reserves	24,211	18,080
Retained earnings	25,616	14,480
Total equity	138,521	121,254

Note 32: Financial Instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks, including market risk (foreign currency and interest rate risk), liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks, by using various financial instruments, including derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on the use of financial derivatives.

The Group holds the following financial assets and liabilities at reporting date:

	28 June 2026 \$'000	29 June 2025 \$'000
Financial assets		
Cash and cash equivalents	12,981	12,408
Trade and other receivables	10,035	4,425
Derivatives designated as hedging instruments ¹	961	–
Total	23,977	16,833
Financial liabilities		
Trade and other payables	55,937	45,303
Other liabilities	2,855	2,423
Borrowings	29,190	16,930
Derivatives designated as hedging instruments ¹	–	43
Lease liabilities	152,258	149,486
Total	240,240	214,185

1. Derivatives designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable inventory purchases in US dollars (USD).

Market risk

Foreign currency risk

The Group is exposed to transactional foreign currency risk arising from inventory purchases denominated in US dollars, representing 15.9% (2025: 15.1%) of inventory purchases. To manage the impact of movements in the Australian dollar/US dollar exchange rate on profit or loss, the Group enters into forward exchange contracts in accordance with its Board-approved foreign exchange hedging policy. Under this policy, the Group hedges a portion of highly probable forecast foreign currency purchases, generally up to 75% of expected purchases.

Hedge relationships are established where an economic relationship exists between the hedging instrument and the hedged item. The key terms of the forward foreign exchange contracts are aligned with the designated portion of forecast purchases, including currency, notional amount and expected payment date. The hedge ratio is generally 1:1, as the notional amount of the hedging instrument is aligned with the designated hedged portion of the forecast purchases.

Hedge effectiveness is assessed at inception and on an ongoing basis, with a qualitative assessment applied where the critical terms are closely aligned. Hedge ineffectiveness may arise from changes in the timing or amount of forecast purchases, changes in foreign exchange forward rates or changes in derivative counterparty credit risk.

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The Group's exposure to foreign currency risk as at the end of the reporting period, expressed in Australian dollars is shown below:

	28 June 2026		29 June 2025	
	US dollar transactional exposure \$'000	Australian dollar equivalent \$'000	US dollar transactional exposure \$'000	Australian dollar equivalent \$'000
Forward contracts	28,806	40,907	2,512	3,902
Foreign currency trade payables	2,332	3,391	1,239	1,970
Transactional foreign exchange risk	31,138	44,298	3,751	5,872

The sensitivity of the Group's transactional foreign currency risk exposure is estimated by assessing the impact that a 2.5% increase and 2.5% decrease in the Australian Dollar/US Dollar exchange rate would have on profit and equity of the Group at the reporting date.

	28 June 2026			29 June 2025		
	Movement in Australian dollar/US dollar exchange rate	Increase/(decrease) in profit or loss \$'000	Increase/(decrease) in other comprehensive income \$'000	Movement in Australian dollar/US dollar exchange rate	Increase/(decrease) in profit or loss \$'000	Increase/(decrease) in other comprehensive income \$'000
Forward contracts	2.5%	-	(1,107)	2.5%	-	(61)
	(2.5%)	-	983	(2.5%)	-	65
Trade payables	2.5%	83	-	-	48	-
	(2.5%)	(87)	-	-	(51)	-

The maturity, settlement amounts and the average contractual exchange rates of the Group's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars		Average exchange rates	
	28 June 2026 \$'000	29 June 2025 \$'000	28 June 2026	29 June 2025
Buy US dollars				
Maturity:				
Less than 1 month	7,121	3,110	0.6892	0.6438
1 – 3 months	7,891	792	0.6970	0.6439
3 – 6 months	13,615		0.7049	
6 – 12 months	12,280		0.7166	

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings as it borrows funds at floating interest rates. Any increase in interest rates will impact the consolidated entity's costs of servicing these borrowings, which may adversely impact its financial position.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	28 June 2026		29 June 2025	
	Weighted average interest rate	Balance \$'000	Weighted average interest rate	Balance \$'000
Borrowings	5.2%	(29,190)	5.8%	(16,930)

The sensitivity of the Group's interest rate risk exposure is estimated by assessing the impact that a 2.5% increase and 2.5% decrease in the interest rate would have on profit or loss of the Group at the reporting date.

	28 June 2026		29 June 2025	
	Movement in interest rate %	Increase/(decrease) in other comprehensive income \$'000	Movement in interest rate %	Increase/(decrease) in other comprehensive income \$'000
Borrowings	2.5%	(712)	2.5%	(413)
	(2.5%)	748	(2.5%)	434

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has endeavoured to minimise its credit risk by dealing with creditworthy counterparties and use of counterparty account based credit limits which are regularly reviewed against historical spending patterns for appropriateness.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the consolidated entity's maximum exposure to credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, who assess the consolidated entity's short, medium and long term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows.

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

	28 June 2026		29 June 2025	
	Limit \$'000	Utilised \$'000	Limit \$'000	Utilised \$'000
CML Facility	90,000	29,190	70,000	16,930
Bank Guarantee Facility	8,000	1,362	8,000	2,332
Total Facility	98,000	30,552	78,000	19,262

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The table includes both principal and estimated interest cash flows. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at the reporting date.

						Maturity	
	Less than 6 months \$'000	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
At 28 June 2026							
Financial assets							
Cash and cash equivalents	12,981	-	-	-	-	12,981	3.85%
Trade and other receivables	10,035	-	-	-	-	10,035	
Total	23,016	-	-	-	-	23,016	
Financial liabilities							
Trade and other payables	55,937	-	-	-	-	55,937	
Other liabilities	2,855	-	-	-	-	2,855	
Derivative financial instrument	28,627	12,280	-	-	-	40,907	
Lease liability	19,750	18,722	36,467	76,852	18,577	170,368	
Borrowings – CML facility	-	-	-	29,190	-	29,190	5.21%
Total	107,169	31,002	36,467	106,042	18,577	299,257	

						Maturity	
	Less than 6 months \$'000	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
At 29 June 2025							
Financial assets							
Cash and cash equivalents	12,408	-	-	-	-	12,408	3.60%
Other receivables	4,425	-	-	-	-	4,425	
Total	16,833	-	-	-	-	16,833	
Financial liabilities							
Trade and other payables	45,303	-	-	-	-	45,303	
Other liabilities	2,423	-	-	-	-	2,423	
Other liabilities	3,902	-	-	-	-	3,902	
Lease liability	19,061	18,777	33,941	76,351	20,702	168,832	
Borrowings – CML facility	-	-	-	16,930	-	16,930	5.01%
Total	70,689	18,777	33,941	93,281	20,702	237,390	

Note 33: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The only financial assets and liabilities measured at fair value are the Group's foreign currency forward contracts. These contracts are used to hedge highly probable inventory purchases, with maturities aligned to the expected payment dates.

The fair value of the forward contracts is determined using third-party valuations based on discounted cash flow models that incorporate forward exchange rates at reporting date and the contracted exchange rates. These instruments are classified as Level 2 in the fair value hierarchy, as their valuation relies on observable market inputs other than quoted prices in active markets.

There were no transfers between levels during the year.

The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

Note 34: Cash Flow Information

Reconciliation of profit after income tax to net cash from ordinary activities

	28 June 2026 \$'000	29 June 2025 \$'000
Profit after income tax expense for the year	11,205	9,537
Adjustment for:		
Depreciation and amortisation	44,168	39,792
Share-based payments	5,768	2,446
Tax credit directly to equity	(339)	13
Other non-cash items	9	698
Changes in assets and liabilities:		
Decrease/(Increase) in other receivables	(5,610)	(2,070)
Decrease/(Increase) in other assets	(932)	(800)
Decrease/(Increase) in inventories	(3,541)	(1,212)
Decrease/(Increase) in deferred tax assets	(2,010)	(1,692)
Increase/(Decrease) in trade and other payables	10,634	3,848
Increase/(Decrease) in provisions	745	732
Increase/(Decrease) in income tax assets/liability	3,941	(9)
Increase/(Decrease) in other liabilities	886	608
Net cash from operating activities	64,924	51,891

Note 35: Earnings per share

	28 June 2026 \$'000	29 June 2025 \$'000
Profit after income tax	11,205	9,537
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	135,056,948	134,779,138
Adjustments for calculation of diluted earnings per share:		
Performance rights	7,300,486	7,231,927
	142,357,434	142,011,065
	Cents	Cents
Basic earnings per share	8.3	7.1
Diluted earnings per share	7.9	6.7

Recognition and measurement

Basic earnings per share

Basic earnings per share is calculated by dividing profit after income tax by the weighted average number of ordinary shares on issue during the period.

Diluted earnings per share

Diluted earnings per share is calculated by dividing profit after income tax by the weighted average number of ordinary shares on issue during the period, adjusted for the impact of dilutive potential ordinary shares.

Note 36: Summary of Other Material Accounting Policies

Material and other accounting policies adopted in the preparation of the financial statements are provided throughout the notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and cash in transit, being cash and card receipts collected prior to reporting date but not yet settled to the Group's bank accounts.

Capital management

For the purposes of the Group's capital management, capital comprises issued share capital, borrowings and all other equity attributable to the shareholders of the Company. The Group's primary objective is to maximise shareholder value.

The Group manages its capital structure having regard to economic conditions, business requirements and financial covenant obligations. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, defer or suspend dividends to preserve capital, return capital to shareholders, repay debt, or issue new shares.

Dividends

Dividends are recognised when declared during the financial year.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 37: Events after balance sheet date

There have been no events subsequent to the date of this report which would have a material effect on the financial report of the consolidated entity at 28 June 2026.

Consolidated Entity Disclosure Statement

for the year ended 28 June 2026

Entity Name	Entity Type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Baby Bunting Group Limited	Body corporate	Australia		Australia
Baby Bunting Pty Ltd	Body corporate	Australia	100%	Australia
Baby Bunting EST Pty Ltd	Body corporate	Australia	100%	Australia
Baby Bunting NZ Limited	Body corporate	New Zealand	100%	New Zealand

Directors' Declaration

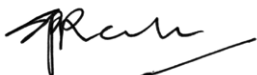
The Directors declare that:

- a. in their opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b. in their opinion, the attached financial statements and notes are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements;
- c. in their opinion, the attached financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001, including compliance with the Australian Accounting Standards and the Corporations Regulations 2001 and giving a true and fair view of the Group's financial position as at 28 June 2026 and performance for the year ended on that date;
- d. in their opinion, the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct; and
- e. the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

In the Directors' opinion, there are reasonable grounds to believe that the Company and its subsidiary which have entered into the Deed of Cross Guarantee, as detailed in Note 31 to the financial statements will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Stephen Roche
Chair

14 August 2026

Auditor's Independence Declaration



Shape the future
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Auditor's Independence Declaration to the Directors of Baby Bunting Group Limited

As lead auditor for the audit of the financial report of Baby Bunting Group Limited and for the review of the selective sustainability information in the sustainability report for the 52-week period ended 28 June 2026, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit and review;
- (b) no contraventions of any applicable code of professional conduct in relation to the audit and review; and
- (c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of Baby Bunting Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Katie Struthers'.

Katie Struthers
Partner
14 August 2026

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Independent Auditor's Report



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Independent Auditor's Report to the Members of Baby Bunting Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Baby Bunting Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 28 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 52 week period then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 28 June 2026 and of its consolidated financial performance for the 52 week period ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Carrying value of inventories

Why significant	How our audit addressed the key audit matter
As at 28 June 2026, the Group held \$99.2 million in inventories representing 26% of total assets of the Group. As detailed in Note 10 of the financial report, inventories are valued at the lower of cost and net realisable value using a weighted average cost approach. The cost of inventory represents its purchase price and transportation and logistics costs incurred in bringing inventories to their present location and condition, net of associated rebates and settlement discounts. Judgement was required to be exercised by the Group to determine the net realisable value for items which may be ultimately sold below cost. These judgements include consideration of expectations for future sales based on recent sales history, expected future mark downs and estimated selling costs. Given the inherent judgement involved in determining the cost and carrying value of inventories, this was considered a key audit matter.	Our audit procedures included the following: - Assessing the appropriateness of the Group's accounting policies in relation to inventory costing including the capitalisation of transportation and logistics costs incurred in bringing inventories to their present location and condition, and the accounting for rebates and settlement discounts in accordance with Australian Accounting Standards. - Assessing the inventory management, procurement and commercial income processes, including an evaluation of the effectiveness of controls, where relevant. - Assessing the accuracy of the Group's inventory costing model and tested the cost price of inventory recorded on a sample basis. - Examining and challenging the Group's estimate of net realisable value with reference to recent sales history, expected future mark-downs, expected future sales and estimated selling costs. - Considering sales subsequent to year end in assessing the value of inventories at balance date by comparing the actual selling prices to the carrying value for a sample of inventories. We also assessed the adequacy and appropriateness of the disclosures in the Notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 Annual Report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 45 to 63 of the directors' report for the 52-week period ended 28 June 2026.

In our opinion, the Remuneration Report of Baby Bunting Group Limited for the 52-week period ended 28 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The Ernst & Young logo, featuring the company name in a stylized, handwritten-style font.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Katie Struthers'.

Katie Struthers
Partner
Melbourne
14 August 2026

Shareholder Information

as at 6 July 2026

Baby Bunting Group Limited has one class of shares on issue (being fully paid ordinary shares). There are 135,400,726 shares on issue. All of the Company's shares are listed on the Australian Securities Exchange. There is no current on-market buy-back.

Twenty Largest Shareholders

	Name	Number of shares	% of shares
1	HSBC Custody Nominees (Australia) Limited	32,114,279	23.72
2	Citicorp Nominees Pty Limited	28,372,571	20.95
3	J P Morgan Nominees Australia Pty Limited	15,936,496	11.77
4	HMC Capital Partners Holdings Pty Ltd <HMC Cap Prtns Hlds A/C>	15,826,777	11.69
5	HSBC Custody Nominees (Australia) Limited <NT-Commwlth Super Corp A/C>	2,776,625	2.05
6	BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd >	2,685,188	1.98
7	Mirrabooka Investments Limited	2,590,539	1.91
8	Home Consortium Limited	1,979,346	1.46
9	CW Property Nominees Pty Ltd	1,432,110	1.06
10	HSBC Custody Nominees (Australia) Limited – A/C 2	1,385,059	1.02
11	Goat Properties Pty Ltd	1,284,259	0.95
12	Netwealth Investments Limited <Wrap Services A/C>	1,217,705	0.90
13	Maple and Redwood Pty Ltd <G & S Haines Super Fund A/C>	671,264	0.50
14	Fiddian Teal Nominees Pty Ltd <Fiddian Teal Family A/C>	529,741	0.39
15	Fergus & Co Pty Ltd <Fergus Investment A/C>	500,224	0.37
16	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	497,995	0.37
17	Lygon Finance Pty Ltd <Lygon Finance A/C>	466,395	0.34
18	Michael Anthony Pane	439,621	0.32
19	Darin Hoekman	426,128	0.31
20	Netwealth Investments Limited <Super Services A/C>	376,772	0.28
	Total	111,509,094	82.35

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Unmarketable parcels

There were 1,534 holdings of less than a marketable parcel (less than \$500 in value or less than 355 shares) based on the closing market price of \$1.41 per share at 6 July 2026.

Distribution of Shareholders and Shareholdings

Range	Total holders	% of total holders	Number of shares	% of shares
1 – 1,000	3,010	53.5	1,280,355	0.95
1,001 – 5,000	1,774	31.5	4,281,768	3.16
5,001 – 10,000	413	7.3	3,066,369	2.26
10,001 – 100,000	376	6.7	9,691,540	7.16
100,001 and over	51	0.9	117,080,694	86.47
Total	5,624	100.0	135,400,726	100.0

Percentage totals may not add due to rounding.

Substantial shareholders

As at 6 July 2026, the substantial holders (as disclosed in substantial holdings notices given to the Company) are:

Name	Date of most recent notice	Number of shares	Relevant interest
HMC Capital Limited	19 June 2026	17,806,123	13.15%
Yarra Capital Management Limited	19 August 2025	11,254,877	8.34%
Perpetual Limited	19 August 2025	6,772,065	5.02%
Pinnacle Investment Management Group Limited	21 May 2026	6,775,715	5.00%

Voting rights of ordinary shares

The Company's Constitution sets out the voting rights attached to ordinary shares. In summary, shareholders may vote at a meeting of shareholders in person, directly or by proxy or attorney and, in the case of a shareholder that is a company, also by representative. On a show of hands, a shareholder has one vote. On a poll, a shareholder has one vote for every fully paid share held.

Performance rights

The Company has unquoted performance rights on issue. As at 6 July 2026, there were 57 holders of performance rights. There are no voting rights attached to performance rights.

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Corporate Directory

Registered Office

Baby Bunting Group Limited
153 National Drive
Dandenong South VIC 3175
Ph: (03) 8795 8100

Directors

Stephen Roche
Mark Teperson
Gary Levin
Donna Player
Gary Kent
Fran Ereira
Debra Singh

Company Secretary

Corey Lewis

Investor Relations

Darin Hoekman
Chief Financial Officer
Ph: (03) 8795 8100
Saskia West
Ph: +61 452 120 192

Shareholder Enquiries

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001
Ph: 1800 850 505 (within Australia)
Ph: +61 3 9415 4000 (outside Australia)

Auditor

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

Securities Exchange Listing

Baby Bunting Group Limited shares are listed on the
Australian Securities Exchange (ASX)
(ASX code: BBN)

Investor website

investors.babybunting.com.au/investor-centre

Online store

babybunting.com.au
babybunting.co.nz

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