

Appendix 4E



(Rule 4.3A)

For the period ended: 52 weeks ended 29 June 2025
Previous corresponding period: 52 weeks ended 30 June 2024

Results for announcement to the market

Statutory Financial Results	2025 \$'000	2024 \$'000	Mvmt \$'000	up/(down) %
Revenue from ordinary activities	521,935	498,387	23,548	5%
Net profit from ordinary activities after tax (attributable to members)	9,537	1,696	7,841	462%
Net profit attributable to members	9,537	1,696	7,841	462%

Pro Forma Financial Results	2025 \$'000	2024 \$'000	Mvmt \$'000	up/(down) %
Revenue from ordinary activities	521,935	498,387	23,548	5%
Net profit from ordinary activities after tax (attributable to members)	12,054	3,676	8,378	228%
Net profit attributable to members	12,054	3,676	8,378	228%

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 period ended 29 June 2025 and 30 June 2024 and provide further detail on each pro forma adjustment.

Pro Forma Financial Results - Period ended 29 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. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period and associated payroll tax costs.

Pro Forma Financial Results - Year ended 30 June 2024	Sales \$'000	NPAT \$'000
Statutory results	498,387	1,696
Employee equity incentive expenses ¹	-	461
Transformation project expense ²	-	930
Restructuring costs ³	-	1,438
Tax impact from pro forma adjustments	-	(849)
Pro forma results	498,387	3,676

1. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period. This also includes a recovery of prepaid payroll tax on the plans as the EPS CAGR hurdles as defined under the LTI plan were not achieved.

2. The Company incurred non-capital costs (\$1.330 million) for transformation projects. This was offset by a \$0.400 million cash settlement received in December 2023 from the vendor of order management software following a dispute in relation to that software and its implementation.

3. The Company incurred restructuring costs (\$1.438 million) which included make good costs relating to the Camperdown store closure (\$0.186 million) and payments associated with organisational restructure including the disestablishment of a number of head office roles.

Dividends

	Amount per security (cps)	Franked amount
Dividends paid		
Final FY2024 dividend per share	Nil	–
Interim FY2025 dividend per share	Nil	–
Dividends determined		
Final FY2025 dividend per share	Nil	–

The Company does not propose to pay a final FY2025 dividend.

The Company does not currently offer a dividend reinvestment plan.

Net tangible assets per ordinary share

	2025 \$	2024 \$
Net tangible assets per ordinary share		
Net tangible assets per ordinary share	0.43	0.35

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

Other information

Independent Audit by Auditor

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 15 August 2025 outlining the results for the period ended 29 June 2025 and the notes to the financial statements.

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BabyBunting

2025

Annual Report

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The best start for the brightest future

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The 2025 Baby Bunting Annual Report reflects Baby Bunting’s performance for the 52 week period from 1 July 2024 to 29 June 2025.

The Baby Bunting Group Limited Annual Report is available online.

Notice of 2025 Annual General Meeting

10.00am (Melbourne time)
Tuesday, 14 October 2025.

Further details will be contained in the Notice of Annual General Meeting that will be made available in September 2025.

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BabyBunting



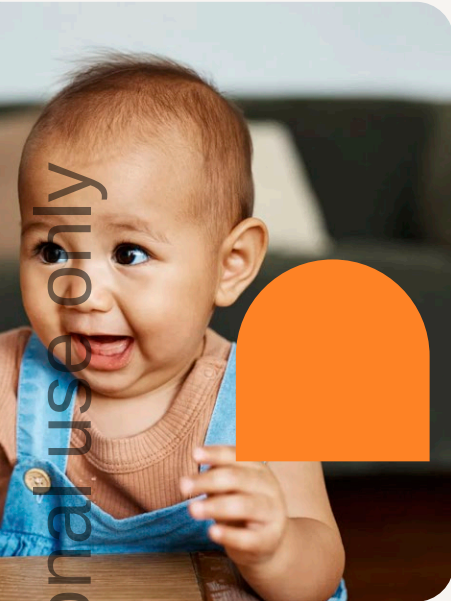
Support and inspire

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from newborn

confident parenting



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.

to toddler

Financial Highlights

FY25 results

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COMPARABLE STORE SALES GROWTH

4.2%

Up

TOTAL SALES GROWTH

4.7%

Up

ONLINE SALES

23.1%

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

SALES

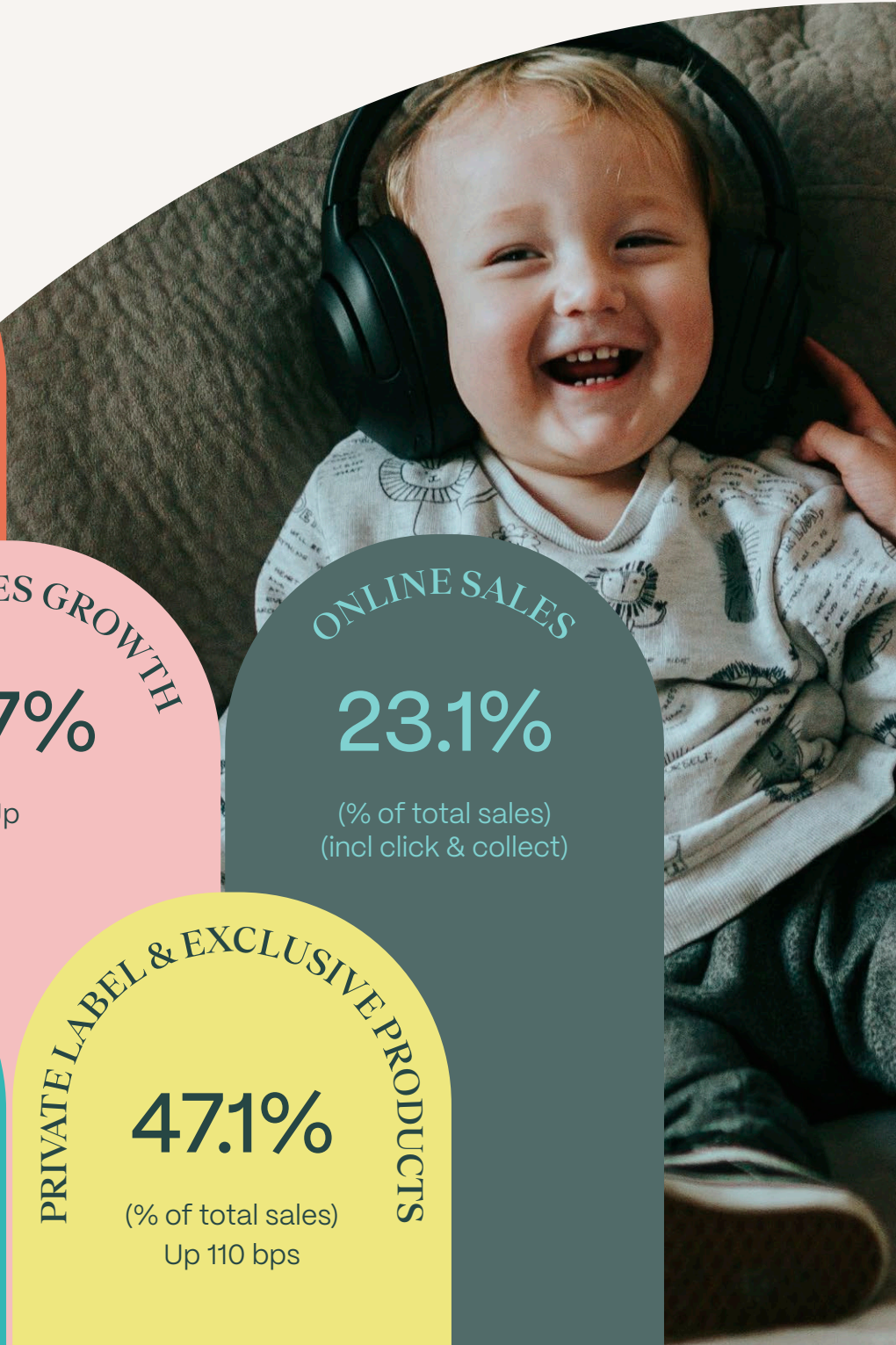
\$521.9m

FY2024 \$498.4m

PRIVATE LABEL & EXCLUSIVE PRODUCTS

47.1%

(% of total sales)
Up 110 bps



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GROSS MARGIN

40.2%

Up 340 bps

EBITDA MARGIN

5.4%

(pre-AASB 16)
Up 220 bps

GROUP EBITDA

\$28.2m

(Pre-AASB 16)
Up \$ 12.3m

NET DEBT

\$4.6m

Improved from \$13.0m
in FY2024

RETURN ON FUNDS EMPLOYED

12.1%

Up 630 bps

PRO FORMA GROUP NPAT

\$12.1m

Up 228%

STATUTORY GROUP NPAT

\$9.5m

Up 462%

Operating Highlights

FY25 results

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SAME DAY / NEXT DAY DELIVERY
8.5%

of all online orders

MARKETPLACE
\$5.6m

Gross Merchandise Value
up 80%

TOTAL ACTIVE CUSTOMERS
+4.5%

Growth

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NET PROMOTER SCORE

73

Consistent with FY2024

NEW STORES

2

Maroochydore
and Belmont

REFURBISHED STORES

3

Maribyrnong, Preston
and Gepps Cross

OMNI-CHANNEL CUSTOMERS

42%

(Customers who shopped
both in stores and online)
Up 420 bps from FY24

STORE OF THE FUTURE

New

Large format
and small format
store designs

Chair's Report

Dear Shareholders,

It is a privilege to write to you as Chair of Baby Bunting, following my appointment in February 2025. FY2025 has been a transformational year for Baby Bunting as we execute on our growth strategy and deliver tangible results for shareholders.

I would like to acknowledge and thank Melanie Wilson for her outstanding leadership as Chair during a period of significant change and the strategic reset for the business. Under her stewardship, the Board successfully transitioned the Company's leadership and, with new CEO Mark Teperson, implemented the strategy that is now driving our return to growth.

Market environment and performance

The retail environment remained challenging in FY2025, with elevated cost-of-living pressures impacting discretionary spending and driving heightened value-conscious behaviour among consumers. Against this backdrop, Baby Bunting delivered strong momentum, demonstrating the relative strength of our business and the resilience of our category.

Our FY2025 results were towards the top end of our guidance range, showing a 228% increase in pro forma NPAT to \$12.1 million, with total sales growing 4.7% and comparable store sales increasing 4.2%. We surpassed our gross margin target, delivering 40.2% for the year. These results reflect the early success of our strategic initiatives and position us well for continued growth.

Building on market leadership

Baby Bunting continues to lead in the \$6.3 billion specialty baby goods market in Australia and New Zealand. In Australia's \$1.8 billion hard goods segment, we believe we hold a strong position. Our focus now is on capturing a greater share of the \$3.4 billion soft goods market, where we estimate our current share to be around 3%. Each 1% increase in soft goods market share represents a \$34 million revenue opportunity.

Growing our market share, improving EBITDA and driving return on invested capital remain our top priorities.

Strategic transformation and innovation

This year the Board has overseen the implementation of our most significant strategic initiative – the Store of the Future program. The successful launch of the updated large format store design in Maribyrnong in April 2025, followed by Preston and Gepps Cross in June 2025 are proving out management's vision of reimagining the customer experience.

These stores are performing above expectations on both sales and margin, with overwhelmingly positive customer feedback. Comparable store sales are well above our initial target of at least 10% growth. The refurbished model has, so far, delivered results well above our expectations, with strong comparable store sales growth and improved gross margin performance, without negatively impacting other Baby Bunting stores in the relevant market. This provides confidence in the broader refurbishment strategy which will help to drive sustainable growth.

The Board has approved a disciplined rollout plan of up to twelve store refurbishments for the coming year. Following the success of our first three refurbished stores, we are now targeting comparable store sales growth of between 15% and 25%. This measured approach allows for performance monitoring and format refinement while maintaining capital efficiency and strong risk management.

We also have plans for five new stores in FY2026, in the new store formats, that will see our network and platform continue to grow throughout Australia and New Zealand.

Our stores plan for FY2026 will see us deploy our new small format store design, with the first stores to be opened in Robina (Qld) and Plenty Valley (Vic) in the first quarter of FY2026. To be known as Baby Bunting Junior, these stores will be located in high traffic, high-value catchments. With a curated product range, these stores will focus on new parents and their everyday parenting needs and support our goal of growing customer lifetime value. We have plans for further small format stores, subject to the performance of these initial pilot stores.

We are seeing encouraging progress in our expanded New Zealand network, where we have made targeted investments in establishing Baby Bunting as a market leader. Through our digital and loyalty platforms we are deepening customer relationships and increasing lifetime value, providing multiple avenues for growth.

We are also encouraged by the Group's other new revenue streams, including BabyBuntingMedia. This is our retail media business, which leverages our digital and physical assets to create additional value from our customer base and brand partnerships.

Strengthening Board capabilities

In May 2025, we welcomed Debra Singh as an independent Non-Executive Director and Chair of the Remuneration Committee. Debra brings over 30 years of executive leadership in retail including operations, business transformation and supply chain. Her industry insights and extensive public company board experience will be most valuable as we enter this pivotal growth phase.

Supporting disciplined investment in growth

Shortly before FY2025 commenced, we extended the Group's debt facilities to 2027, providing more financial flexibility to support our growth investments. Capital investments in our store formats, digital capability and supply chain continue to be funded through robust operating cash flow, demonstrating the sustainable nature of our growth strategy.

The Board is committed to maintaining disciplined capital allocation and balancing investment in growth initiatives with returns to shareholders as we progress toward our target of becoming a plus 10% EBITDA margin business on a pre-AASB 16 basis.

Our approach to sustainability

Baby Bunting remains committed to building a sustainable and responsible business that supports our customers, communities, and environment. In FY2025, we progressed our car seat recycling program, with the trial expanded to all stores in our Melbourne metropolitan network and extended through to 2026.

We also strengthened partnerships with community organisations, Life's Little Treasures Foundation, PANDA, Our Village and others, providing practical support to families across Australia and New Zealand.

Our Values

We have developed new values to help guide behaviours and performance for our team. Our former values have shaped who we are and have served us well since the years following Baby Bunting's IPO. As our business has grown and our environment has shifted, what our team needs from each other is evolving.

You can read more about the new values later in this report. These values and behaviours are intended to ensure we remain focused on high performance, meeting our customers' needs and thriving together for the long-term success of Baby Bunting.

Outlook

Looking ahead, Baby Bunting has an exciting opportunity to extend its market leadership, with a clear plan to expand the network. With a strong team and financial foundations in place, this provides a clear roadmap for delivering compound growth and superior returns to shareholders.

On behalf of the Board, I would like to thank our customers for their ongoing loyalty and trust, our team members for their passion and commitment, and our suppliers and business partners for their valued support throughout the year.

Finally, I would like to thank our shareholders for their continued support and confidence in the future of Baby Bunting.

Stephen Roche
Chair



Chief Executive Officer's Report

Dear Shareholders,

I am pleased to report that FY2025 has been a year of strong progress for Baby Bunting. Since joining the team in October 2023, my focus has been on returning the business to a trajectory of profitable growth, enhancing our customer proposition, and strengthening our operational foundations. I am proud of the momentum and growth we have achieved this year, delivered through disciplined strategic execution and demonstrated by our strong trading performance.

FY2025 performance highlights

FY2025 marked a turning point for Baby Bunting as we saw the early benefits from our transformation agenda and delivered a record year for sales. We exceeded our FY2025 gross margin target of 40%, delivering 40.2% in FY2025, up 340 bps on the prior corresponding period (pcp). This reflects our work to simplify our pricing architecture, improve supplier terms, and grow our exclusive and private label ranges, which now represent 47.1% of total sales.

Comparable store sales increased by 4.2% in FY2025, with strong momentum building through the year. Operating leverage improved significantly, with pro forma NPAT increasing 228% to \$12.1 million towards the top end of the guidance range we gave at the start of the financial year. We maintained a healthy balance sheet, with net debt improving to \$4.6 million, while funding all of our strategic initiatives from operating cash flows.

Store roll-out strategy

We remain firmly focused on growing market share, EBITDA, and increasing return on invested capital. Key initiatives include expanding our store network with both large and small-format stores, growing our presence in New Zealand, and delivering margin and productivity gains through operational leverage.

We now operate 75 stores across Australia and New Zealand, with plans to continue network expansion to reach our target of more than 110 large format stores in Australia and more than 10 in New Zealand.

A key milestone this year was the successful launch of our Store of the Future program, beginning with our Maribyrnong refurbishment in April 2025. This represents our first major store redesign in many years, driven by insights from research we commissioned showing that over half of parents feel pressured to make 'perfect' choices when purchasing baby products, often finding the experience overwhelming.

Our new format creates spaces that feel like stepping into a beautiful and inviting home rather than a traditional retail environment. The activity-led approach clusters products around customer journeys—travel, apparel & wellbeing, feeding, sleep, and play & learn—making the shopping experience more intuitive and less stressful.

The Maribyrnong store has performed exceptionally well, with trading patterns at levels well above our expectations. This success provides early validation of our investment and provides confidence for our broader rollout plan of eight to twelve refurbishments annually. Following Maribyrnong, we opened our refurbished Preston and Gepps Cross stores in June, both showing strong early performance well exceeding our targets for sales and margin growth.

Our small format pilot program across Robina, Plenty Valley and Marion will test curated ranges in high-traffic mall locations. We believe our small format stores will ultimately increase the lifetime value of our customers. While parents have time for destination shopping pre-birth, post-birth they are more time poor – hence our small format stores will seek to meet customers on their daily commute, providing them with what they need at a different time in their parenting journey.

Expanding our customer reach and experience

New customer acquisition increased 6.2% in FY2025, demonstrating the effectiveness of our refreshed go-to-market strategy and focus on performance marketing and social media. Our exclusive branded products remain a key traffic driver, with a strong pipeline of exclusive launches supporting continued momentum.

Our omni-channel offering has continued to scale, with expanded fulfilment options reaching more families more quickly. We have now activated 100% of our stores for online fulfilment. Online sales grew 10.8% on the prior corresponding period to represent 23.1% of total sales, while our marketplace gross market value increased by 80%.

We remained focused on our Private Label and Exclusive Products (PLEX) strategy this year, which now represents 47.1% of sales. We signed new exclusivity agreements with Nuna Baby Australia, Bugaboo in New Zealand, Edwards & Co, and others. We've also ramped up our private label expansion, focusing primarily on soft goods as we target market share growth in this segment.

Unlocking new growth levers

We have laid the groundwork for expanding our new revenue streams, including advancing our retail media business, BabyBuntingMedia, which leverages our digital and physical assets to connect brand partners with our growing customer base. This represents a significant opportunity as we leverage our retail assets to showcase brands.

Our marketplace platform, which was launched in Q4 FY23, has grown significantly with gross merchandise value increased to \$5.6 million. This capital-efficient model expands our range without requiring additional inventory investment, while providing test-and-learn opportunities for new suppliers and categories.

Looking ahead

We enter FY2026 with strong momentum and a clear set of priorities. While the external environment remains uncertain, our category is resilient, and we are confident in the strength of our team, our strategy, and our value proposition to customers.

We now have the platform in place to strengthen and build on our leading position in market and to deliver sustainable growth for shareholders.

I would like to thank our dedicated team for their passion and commitment, our customers for their ongoing trust, and our business partners for their collaboration. To our shareholders—thank you for your continued support. We look forward to building on this strong foundation in the year ahead.

Mark Teperson

CEO & Managing Director

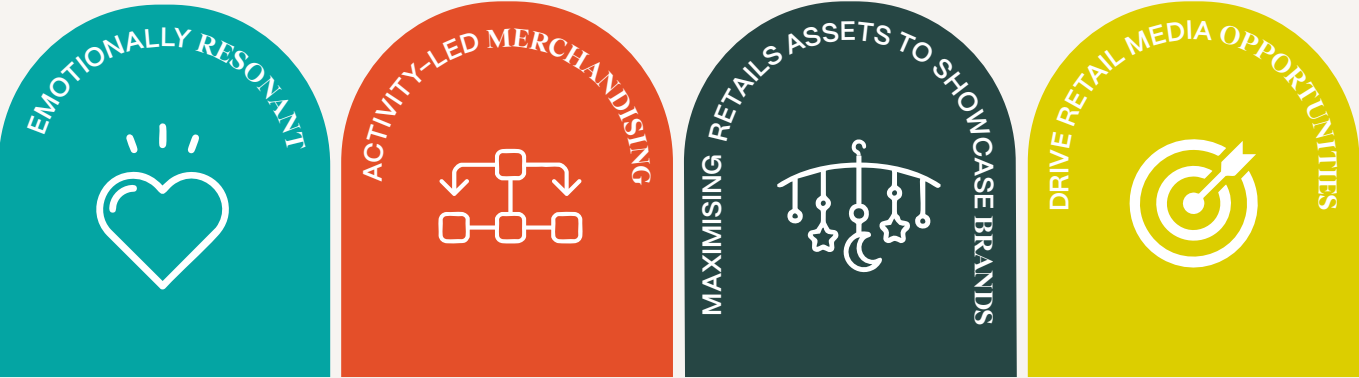


Store of the Future

This year we have begun the implementation of our most significant strategic initiative – the Store of the Future program.

The successful launch of the updated large format store design in Maribyrnong in April 2025, followed by Preston and Gepps Cross in June 2025, are proving out management’s vision of reimagining the customer experience.

Key Design Principles





Growing store network

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

Australia

110+

Network plan
Large format stores

71

Current
Large format
stores

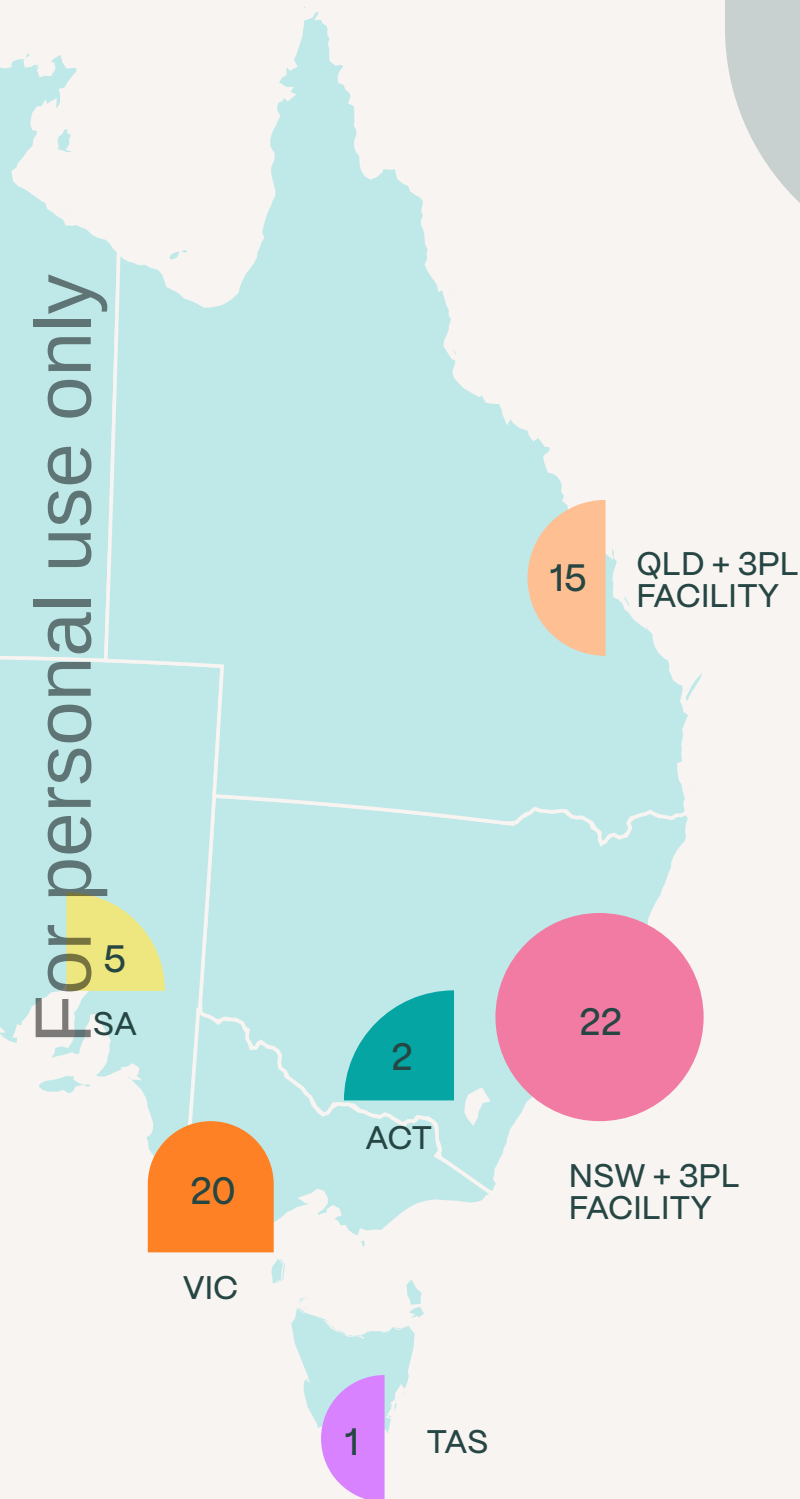
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WA + 3PL
FACILITY

Store Support Centre and
National Distribution Centre

DANDENONG SOUTH, VICTORIA

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4

Current
Large format
stores

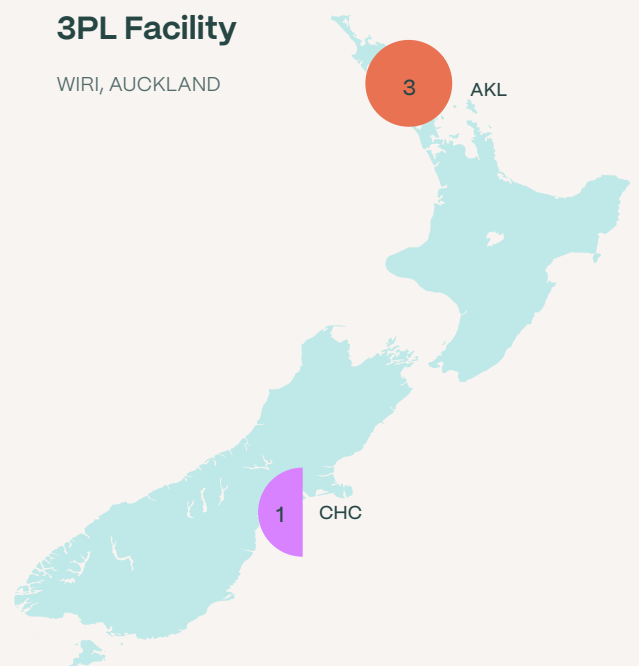
10+

Network plan
Large format stores

New Zealand

3PL Facility

WIRI, AUCKLAND



Sustainability

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Our 2025 Sustainability Report describes in detail our goals and progress during FY2025. It is available at investors.babybunting.com.au



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Car seat recycling trial

In FY2025, we progressed our car seat recycling program. We started with recycling available at four Melbourne metropolitan stores. Later in the year, this was expanded to eight stores across Melbourne. We are extending the trial into FY2026.

Baby Bunting funds the costs of the trial, including paying for recycling of returned car seats. A feature of the trial has been assessing the level of support for consumers contributing to meet some (but not all) of the costs of recycling a seat. Over the year, we have had different pricing models (from no cost up to \$25 to contribute towards some of the costs of recycling). We continue to monitor the level of community engagement with the trial across various price points.

With nearly two and half tonnes of used car seats processed and diverted from landfill, we are pleased to be making an impact in this area.

1.84 tonnes
of plastic recovered

2.45 tonnes
of used seats collected
and processed

Less than
1%
of the materials from
the processed seats ends
up as residual waste
sent to landfill

345 kgs
of steel recovered

195 kgs
of foam and
textiles recovered

About the trial

At Baby Bunting, we're committed to making our operations more sustainable. That's why we're running an 18-month car seat recycling trial through to December 2025. Our goal? To recycle 2,400 used or damaged car seats and keep around 12 tonnes of waste out of landfill.

Stages

- 1 Collection from Baby Bunting Stores
- 2 Seats aggregated and dismantled by our recycling partners
- 3 Separated and sorted into plastic, metal, foam, textiles, webbing, straps & other

Plastic

- Sent to processor for washing, flaking
- Recycled resin sold to manufacturers
- Made into outdoor furniture, bollards, cable covers etc.

Foam & Textiles

- Sent to textile recycler
- Used in making sporting equipment and stuffing cushions and futons.

Metal

- Sent to scrap merchant
- Steel remelted
- Made into new steel products

Other

- Other residual waste sent to landfill

Key outcomes to date:

Processing car seats includes dismantling the seats into the constituent parts of plastic, metal (steel), textiles and residual waste. The program has found that more than 95% of the seat is recyclable in some form, namely:

- Plastic is shredded and flaked and mixed with other recovered plastic to make a variety of products such as bollards and outdoor furniture (our recycling partners are undertaking further trials and investigations to find more end markets and uses)
- Steel is being combined with other scrap steel and recycled or re-smelted either locally or through export
- Foam and textiles are being used as a filler in a range of sporting goods (our recycling partners are undertaking further investigations to find more end markets and uses)

Our community partners

FY2025 was another year in which we supported our community partners, who provide very important services to new and expectant parents.

We helped raise or contributed over \$715,000 for our partners, Life's Little Treasures Foundation, PANDA and Our Village. We also provided donations of goods to families in need around Australia and New Zealand.

Sustainable operating practices

We continued to focus on the efficiency of our online fulfilment capabilities during the year. We made further improvements in reduced split orders (being orders delivered in two or more instalments) reducing them by 8% on FY2024 levels and eliminating more than 12,000 individual delivery journeys.

The Board

Details of the qualifications, experience and special responsibilities of each current director are as follows:



Stephen Roche

Chair, Non-Executive Director
B.Bus, FAICD
Member of the Audit and Risk Committee

Stephen has over 15 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 of GWA Group Limited (appointed in November 2022), 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).

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

CEO & 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 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 online industries.

As a founder, Gary has built and grown many successful retail businesses, and as a non-executive director he has been closely involved in the transformation and growth of retail and digital businesses. These businesses include Rabbit Photo (former joint managing director), JB Hi-Fi (former non-executive director), Catch Group (former Chair), Cheap as Chips (a discount variety retailer) (current Chair) as well as his role at Baby Bunting since 2015.



Donna Player

Non-Executive Director
BA, GAICD
Member of the
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 in November 2017).



Gary Kent

Non-Executive Director
BEc, GAICD
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.

He is a non-executive director of Blooms The Chemist Management Services Limited.

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



Fran Ereira

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

Fran is a senior executive and non-executive director with over 20 years' experience across retail, e-commerce, technology, payments, marketing, and supply chain.

Fran was previously Managing Director of Klarna Australia & New Zealand, where she led its market entry and rapid expansion. She has also held senior roles at Zip Co Limited, Temando, Sheridan, and The Walt Disney Company, with a strong focus on retail sales, digital growth, 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 Shippit (appointed September 2024).



Debra Singh

Non-Executive Director
MAICD
Chair of the Remuneration
Committee

Debra has over 30 years of executive leadership in the retail sector, including in operations, 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 and a non-executive director of Shaver Shop Group Limited.

The Executive Team



Mark Teperson
CEO & Managing Director
 See details on page 20.



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.



Ciara McGoohan
Chief Customer Officer and Chief Data & Analytics Officer
 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.



Corey Lewis
Chief Legal Officer and 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.
 In December 2024, Corey was appointed Chief of Staff, responsible for communications, strategic coordination, and execution.
 Prior to Baby Bunting, Corey worked as a corporate lawyer 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.



Michael Pane

General Manager – Store Design, Development and 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 Watson

General Manager – Store Operations and 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 (Mecca, Officeworks), Coles, and ASDA (UK), with expertise in strategy and central operations.

He holds a Bachelor of Arts, Business Studies.



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.



Sharyn Murray

General Manager – People & Culture

Sharyn Murray joined Baby Bunting in February 2019 and leads the People & Culture function.

She has 30 years of Human Resources experience across industries including retail (Coles Group), banking and finance (ANZ), and hospitality and entertainment (Crown).

Sharyn has held senior roles in HR advisory, change management, and global transformation. She holds a Bachelor of Social Science in Psychology and Human Resource Management and is a member of the Australian Human Resources Institute.



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.



Corporate Governance Statement

For personal use only

The Board of Baby Bunting Group Limited (Baby Bunting or the Group), with the support of its Board Committees, is responsible for the oversight of Baby Bunting and its subsidiaries' governance framework.

The purpose of this governance framework is to provide effective and responsible decision-making and to seek to ensure that Baby Bunting is managed and operates in a way that delivers on its strategy and purpose.

This Statement, which has been approved by the Board, is current as at 29 June 2025 being the balance date for FY2025.

See investors.babybunting.com.au/corporate-governance for more information.

Additional information on Baby Bunting's corporate governance framework and practices can be found at:

- the corporate governance page of Baby Bunting's website at investors.babybunting.com.au/corporate-governance;
- the **Appendix 4G – Key to Disclosure Corporate Governance Council Principles and Recommendations**. A copy was lodged with ASX on 15 August 2025 and is also available on the corporate governance page of Baby Bunting's website;
- the **Remuneration Report**;
- the **Material business risks and uncertainties** section of the Directors' Report;
- copies of the **Board and Board Committee charters** can be found at investors.babybunting.com.au/corporate-governance;
- copies of the policies referred to in this statement can be found at investors.babybunting.com.au/corporate-governance.

Key developments during the year included:

- the appointment of Stephen Roche as Chair of the Board, following the retirement of Melanie Wilson as Chair and Non-Executive Director in February 2025;
- the appointment of Debra Singh as an independent Non-Executive Director in May 2025. She was also appointed Chair of the Remuneration Committee;
- the establishment of a separate Nominations Committee (comprising all Non-Executive Directors) to assist with director succession; and
- the appointment of Gary Kent as Chair of the Audit and Risk Committee, succeeding Gary Levin, who continues as a member of that Committee.

1. Board of Directors

1.1 Board composition

Baby Bunting's Board comprises six Non-Executive Directors, each of whom is independent, and Baby Bunting's Chief Executive Officer (CEO), Mark Teperson.

Stephen Roche is the independent Chair of the Board. The roles of the Chair and CEO are separate.

The qualifications, experience and special responsibilities of each Director is set out on pages 20 and 21 of this Annual Report and is also available on Baby Bunting's website at investors.babybunting.com.au/our-board-executives.

The name of each Director, together with their appointment information, is set out below. In accordance with Baby Bunting's Constitution, Gary Kent will seek re-election as a Director at the 2025 AGM. Debra Singh, having been appointed as a Director since the last AGM will retire and seek election at the 2025 AGM.

As CEO, Mark Teperson is not required to seek re-election by shareholders every three years in accordance with ASX Listing Rules.

Directors	Roles	Date appointed to the Board	AGM where last elected / re-elected
Stephen Roche	Chair of the Board Member of the Audit and Risk Committee	September 2021	October 2024
Mark Teperson	CEO	October 2023	n/a
Gary Levin	Member of the Audit and Risk Committee	August 2014	October 2023
Donna Player	Member of the Remuneration Committee	January 2017	October 2023
Gary Kent	Chair of the Audit and Risk Committee	December 2018	October 2022. Will seek re-election at the 2025 AGM
Fran Ereira	Member of the Remuneration Committee	September 2021	October 2024
Debra Singh	Chair of the Remuneration Committee	May 2025	Will seek election at the 2025 AGM

On 19 February 2025, Melanie Wilson retired as Chair and Non-Executive Director. She had first been appointed a Director in February 2016.

1.2 Role of the Board and management

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 adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the Board's composition, its role and responsibilities, including that the Board is responsible for approving and monitoring the Group's strategy, business performance objectives, financial performance objectives, and overseeing and monitoring the establishment of systems of risk management and internal controls;
- the roles and responsibilities of the Chair and the company secretary;
- the division of authority between the Board, the CEO and management;
- the ability of Directors to seek independent advice; and
- the process for periodic performance evaluations of the Board, each Director and the Board Committees.

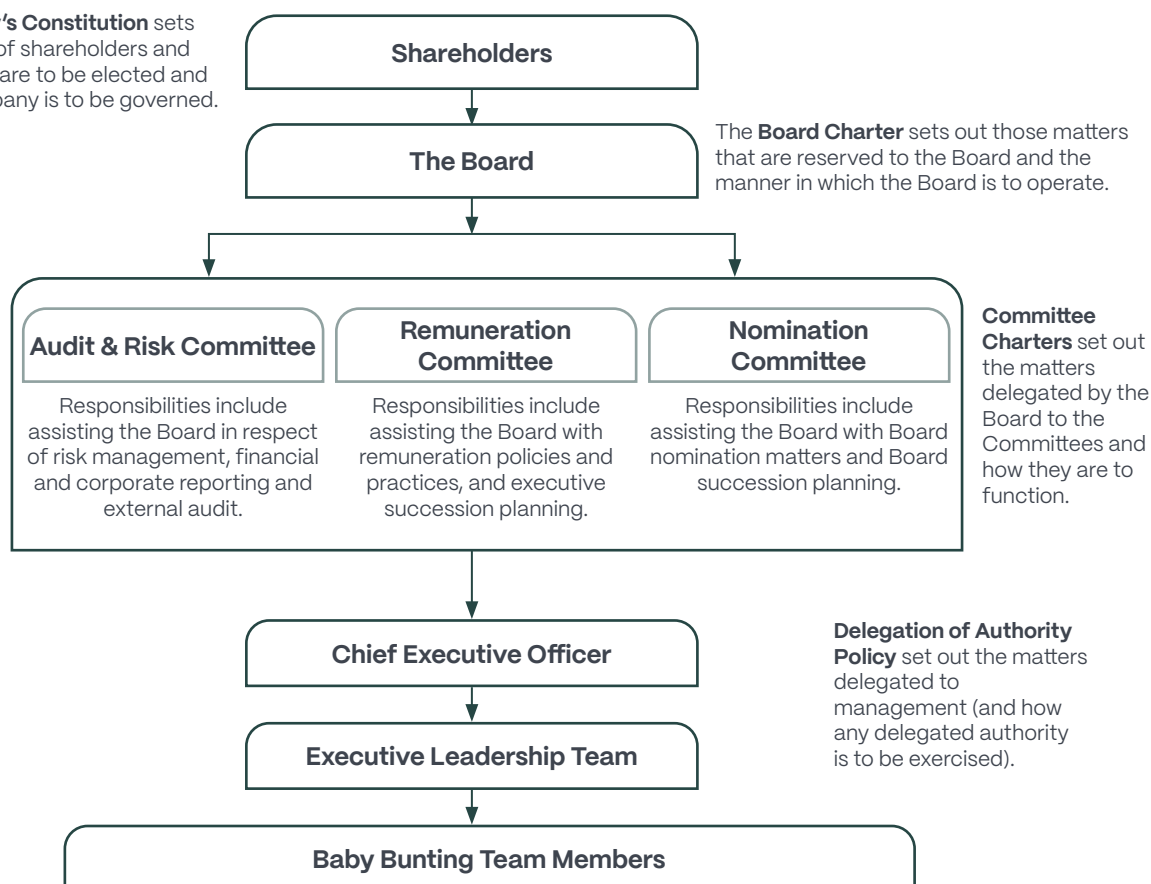
The Group's Delegation of Authority Policy sets out in detail the authority that has been delegated to the CEO, other executives and Team Members.

While the Board is responsible for approving the annual budget prepared by management, executives are delegated responsibility for the budgets that apply to their functions and departments. The Delegation of Authority Policy also specifies the processes for review and approval of contracts and other commitments.

The **Company's Constitution** sets out the rights of shareholders and how Directors are to be elected and how the Company is to be governed.

The **Board Charter** sets out those matters that are reserved to the Board and the manner in which the Board is to operate.

Expected standards of behaviour and processes to ensure appropriate conduct are set out in policies such as the **Securities Trading, Continuous Disclosure, Anti-Bribery and Corruption, Whistleblower and Code of Conduct**.



1.3 Director's 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.

During the year, the Board formally approved five matters by way of circulating resolution. The substance of the matters had been considered at prior meetings of Directors.

	Board		Audit and Risk Committee		Remuneration Committee		Nominations Committee	
	A	B	A	B	A	B	A	B
Stephen Roche	10	10	6	6			2	2
Mark Teperson	10	10						
Gary Levin	10	10	6	6			2	1
Donna Player	10	10			4	4	2	2
Gary Kent	10	10	6	6	4	4	2	2
Fran Ereira	10	10			4	4	2	2
Debra Singh ¹	1	1						
Melanie Wilson ²	7	7						

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

1. Debra Singh was appointed a Director with effect on 21 May 2025.

2. Melanie Wilson ceased to be a Director on 19 February 2025.

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.

1.4 CEO and delegation to management

The Board appoints the CEO. The CEO appoints other executives, after consultation with the Board. Executive remuneration is subject to the approval of the Board. All executives enter into written employment agreements with the Group, with their appointment subject to completion of appropriate screening and background checks, including police checks.

The Board has delegated authority to the CEO, and through the CEO, to senior management (set out in the Delegation of Authority Policy).

The Executive Leadership Team meets weekly and is responsible for the Group's operational performance and management. There are a number of other management committees and meetings, which are held on a regular basis, with a focus on specific aspects of Baby Bunting's operations, including Health and Safety, Trading, Property and Store Development, Merchandise and Compliance.

1.5 Board composition, selection and appointment

The Board has an objective that it is comprised of at least 40% of women and 40% of men. This objective has been met since September 2021, apart from a brief period between February and May 2025. Three out of the seven Directors are women and, excluding the CEO, there are three female Non-Executive Directors and three male Non-Executive Directors.

The Board seeks to ensure that there is a mix of skills and diversity on the Board (see Board skills and experience below). The Board periodically considers its composition. If it considers that additional appointments should be made, the Nominations Committee has specific responsibilities in respect of candidate assessment, Board composition and the Board's skills matrix.

Potential new directors are subject to appropriate screening and background checks, including police checks, prior to their appointment. Once appointed, new Directors are required by Baby Bunting's constitution to retire at the next AGM and seek election by shareholders. All material information about the Director, that is held by the Group, is included in the Notice of AGM to enable shareholders to assess whether or not to elect or re-elect a Director.

Before a Director is appointed, Baby Bunting enters into a written agreement with the Director setting out the terms of their appointment. The appointment letter specifies, among other things, that the Director must comply with Baby Bunting's constitution and key policies, including the Securities Trading Policy. It also discusses the Director's responsibilities and expectations about dedicating sufficient time to the Group's affairs, as well as conflicts of interests and the obligations to make appropriate disclosures to the Board. The appointment letter also sets out details of the remuneration arrangements for Directors, noting that Non-Executive Directors are not entitled to participate in any of the Group's incentive programs.

In May 2025, the Board appointed Debra Singh as a Non-Executive Director. Debra's appointment followed a search undertaken by the Board with the assistance of an external search firm. The above processes were followed in relation to the appointment of Debra Singh.

Since November 2022, the Board has had a Minimum Shareholding Policy which requires Directors to obtain, over time, a holding of Baby Bunting's shares at least equal to 100% of their Director's fees. Details of Directors' shareholdings are set out in the Remuneration Report on page 73.

1.6 Board skills and experience

The Board, having regard to the current size of the Group and its current strategies, has adopted a skills matrix setting out the mix of skills and diversity that the Board is looking to achieve in its membership at this time. The Board also has regard to the attributes and personal qualities of Directors, including the ability of individual Directors to contribute effectively to the functioning of the Board and a commitment to the Group's values and its purpose.

For persons being considered for appointment to the Board, the Board will seek to identify whether the person has a demonstrated or assessed ability to work in a collegiate environment along with the ability, where necessary, to express a dissenting view objectively and constructively. The Board considers that each Non-Executive Director possesses these attributes.

Given the Group's size, the Board considers that the Board should be comprised of five to seven Non-Executive Directors.

Skill or experience	Description
Executive Leadership	Demonstrated success at CEO or senior executive level in a major business. Effective communication skills to foster collaboration and consensus among diverse stakeholders.
Retail / Commercial and financial acumen	Demonstrated success via a senior executive or leadership position in sustainably managing the financial and non-financial performance of a large retail business or commercial undertaking. Proficiency in interpreting financial statements, and financial analysis to support strategic decision making and assessing financial health and reporting compliance.
People and organisational culture	Experience with managing people and teams, including the ability to appoint and evaluate senior executives, manage talent development and oversee organisational change.
Industry knowledge and innovation	Demonstrated ability to understand the dynamics and trends of the retail industry, including challenges, opportunities and emerging trends. Relevant experience with digital and online retailing including the ability to assess the impact of technological advancements, changing consumer preferences and macroeconomic factors. Experience in driving innovation, exploring new business models and leveraging technology.
Governance, Risk management and compliance and sustainability	Experience in overseeing risk management and compliance frameworks and related policies and processes, setting risk appetites, identifying and providing oversight of material business risks. Understanding of corporate governance principles, regulatory requirements and best practices relevant to the retail sector and public companies. 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.
Information technology and supply chain	Knowledge and experience in retail logistics and distribution. Extensive experience in overseeing major system upgrades or transformational programs in large scale enterprises.
ASX-board experience and investor advocacy	Experience as a non-executive director of an ASX listed company, including an ability to articulate the expected views of all categories of investors.
International experience	Experience in international markets, exposed to a range of political, cultural, regulatory and business environments.

1.7 Director induction and training

The Board Charter contemplates that new Directors will be provided with an induction program to assist them in becoming familiar with the Group, its management and its business following their appointment. The induction program involves, among other things, meetings with members of the Board and executive briefings on the Group's operations and relevant business matters.

Debra Singh's induction following her appointment in May 2025 has consisted of sessions with the CEO and the CFO on the Group's long range plan and the FY26 budget process, sessions with senior executives as well as attending briefing sessions with Store Support Centre team members and store visits.

Directors may, with the approval of the Chair, undertake appropriate professional development opportunities (at the expense of the Group) to maintain their skills and knowledge needed to perform their role.

The Board and executives have adopted processes to ensure that the Board is briefed on developments relevant to the Group and the markets in which it operates.

During the financial year, the Board received briefings from subject matter experts on a range of topics, including health and safety matters, international retail trends, retail design and changes in key regulatory requirements.

1.8 Director independence

Baby Bunting's Board Charter provides that a majority of the Board will be independent Directors.

The Board Charter also specifies the test for independence and the manner in which the Board will assess independence.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Baby Bunting. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

In assessing independence, the Board has had regard to the factors set out in the ASX Corporate Governance Council Principles and Recommendations.

The Board has assessed each Non-Executive Director to be independent.

1.9 Outside commitments of Non-Executive Directors

The letter of appointment for each Non-Executive Director provides that if that Director wishes to accept any additional directorships, the Director should first discuss that with the Chair of the Board. In discussing the proposed directorship, the Chair and the relevant Director will reflect on the likely time commitments that any additional role may impose as well as the potential for any conflict between the Directors' duties to Baby Bunting and their interests or duties owed to the proposed external organisation. In the case of the Chair of the Board, the Chair of the Remuneration Committee and the Chair of the Audit and Risk Committee participate in the discussion and reflection.

For FY2026, each Non-Executive Director has confirmed that they anticipate being available to perform their duties without constraint from other outside commitments.

2. Performance evaluations

2.1 Board performance evaluations

The Nominations Committee Charter provides that the Nominations Committee will assist the Board to assess Board performance, and the performance of Board committees and individual Directors.

In June and July 2024, the Board assessed its own performance and considered the performance of the Board committees and individual Directors.

The performance reviews were undertaken by way of questionnaires as well as discussions on how the Board and each Committee's processes could be improved or modified. The Board also sought the views of other Board meeting participants to seek additional perspectives on the Board and Committee processes and interactions between the Board and management.

The Board is planning its next performance review to be undertaken in the first half of FY2026.

2.2 Senior executive performance evaluations

The Remuneration Committee Charter provides that the Committee will oversee the processes for the performance evaluation of the executives reporting to the CEO and review the results of that performance evaluation process.

The Board is responsible for reviewing the performance of the CEO.

In relation to the performance of senior executives, after the end of the reporting period, the Remuneration Committee and the Board received reports of the outcome of the executive performance evaluation processes.

These were subsequently considered by the Board. The executive evaluation processes involved, among other things, assessing the performance of executives against their specific performance objectives as well as the Group's overall performance on a range of measures (including financial and specific key performance indicators).

For the performance assessment of the CEO, the Board considers the CEO’s performance for the year having regard to, among other things, his specific performance objectives and the Group’s performance. The Chair and the Chair of the Remuneration Committee were responsible for engaging with the CEO in relation to the Board’s assessment of his performance. This assessment was undertaken during June and July 2025.

3. Company secretaries

The Board appoints Baby Bunting’s company secretaries. For administrative reasons, 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. He works with the Chair, the Chairs of the Board Committees and the Directors and senior management and is responsible to the Board for the corporate governance function. He oversees the Group’s relationship with its share registrar and the interactions with the ASX and other regulators.

He is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Corey’s experience and responsibilities are described on page 22.

Darin Hoekman, the Chief Financial Officer (CFO), is also a company secretary of the Company. He has responsibility for the matters described above in the absence of the CLO. Darin is a Chartered Accountant and holds a Bachelor of Commerce.

4. Board Committees

4.1 Structure, composition and functioning

The Board has established three principal Board Committees:

- the Audit and Risk Committee;
- the Remuneration Committee; and
- the Nominations Committee.

Each Board Committee has its own Charter. The Audit and Risk Committee and the Remuneration Committee are comprised only of independent Non-Executive Directors and each has three members, and has a Chair that is a Non-Executive Director who is not the Board Chair.

The Nominations Committee comprises all Non-Executive Directors and is chaired by the Chair of the Board.

	Audit and Risk Committee	Remuneration Committee	Nominations Committee
Chair	Gary Kent	Debra Singh	Stephen Roche
Members	Gary Levin	Donna Player	Gary Levin
	Stephen Roche	Fran Ereira	Donna Player
			Gary Kent
			Fran Ereira
			Debra Singh

The Board reviewed the composition of its Committees during the year. Gary Kent was appointed Chair of the Audit and Risk Committee with effect from January 2025. He succeeded Gary Levin, who continues as a member of that Committee.

Following her appointment as a Director in May 2025, the Board appointed Debra Singh as Chair of the Remuneration Committee. Gary Kent ceased to be a member of that Committee at that time.

Each Board Committee can access Baby Bunting’s records and employees and the external auditor for the purpose of carrying out its responsibilities. The Committee Charters provide that the Committee may seek the advice of independent advisors on any matter relating to the duties or responsibilities of the Committee.

The papers for all Board Committee meetings are distributed to all Directors. Directors who are not members of the Committee may attend Committee meetings.

From time-to-time, the Board may establish ad hoc or special purpose Board Committees. Where these have been established, they have related to specific matters (procedural matters relating to the approval of periodic reports) or due to significant business events.

4.2 Audit and Risk Committee

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.

Under its Charter, the Committee has specific responsibilities in respect of the areas of risk management and compliance, financial and corporate reporting and external audit matters. With respect to external audit matters, the Committee has responsibility for developing and overseeing implementation of the Group's policy on the engagement of the external auditor to supply non-audit services (noting that the Committee is required to advise the Board as to whether it is satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors).

Members of the Committee, between them, have financial and accounting experience, technical knowledge and an understanding of the industries in which the Group operates.

The Audit and Risk Committee meets with the external auditor without management being present. The Chair of the Committee meets separately with the external auditor and management. The CFO is the primary contact for the Audit and Risk Committee and the CLO, as company secretary, assists with the administration and operation of the Committee.

The Audit and Risk Committee receives reports from management in relation to the Group's risk management framework and material business risks. The purpose of the Committee's risk management processes is to assist the Board in relation to risk management policies, procedures and systems and to ensure that risks are identified, assessed and appropriately managed.

CEO and CFO declarations

The Audit and Risk Committee reviews the preparation of the Group's periodic financial reports. As part of that process, it reviews and considers declarations provided by the CEO and CFO.

The CEO and CFO provided declarations to the Board concerning:

- the Group's 2025 half year financial statements and other matters that are recommended by Recommendation 4.2 of the ASX Corporate Governance Council Governance Principles; and
- the Group's 2025 full year financial statements, and other matters, that are required by section 295A of the Corporations Act and Recommendation 4.2 of the ASX Corporate Governance Council Governance Principles.

The declaration included that, in the opinion of the person giving the declaration, the financial records of the entity have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, the consolidated entity disclosure required by the Corporations Act is true and correct, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

Corporate reporting

In addition to the CEO and CFO Declarations (described above), the Group has processes that seek to ensure that its annual reports, half yearly reports and other reports prepared for the benefit of investors are not misleading or deceptive and do not omit material information. These processes include:

- a process of confirming pro forma non-statutory numbers against appropriate supporting files, along with review and verification by the appropriate individuals;
- verifying key statements against appropriate source material; and
- allocating material parts of the report or document for review and confirmation by an appropriate approver.

Risk management framework

The Board is responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Group, and is supported in this area by the Audit and Risk Committee. The Group's management is responsible for establishing the Group's risk management framework.

The objectives of the risk management framework include:

- identifying the key risks associated with Baby Bunting's business;
- raising the profile of risk within Baby Bunting and helping to embed a risk-aware culture within Baby Bunting;
- assisting management and the Board to ensure that the Group has a sound risk management framework;
- supporting the declarations by the CEO and the CFO; and
- where appropriate, having controls, policies and procedures to manage certain specific business risks – eg an insurance program, regular financial budgeting and reporting, business plans, strategic plans, etc – so as to mitigate the likelihood, or consequence, of certain specific business risks.

As part of the risk management framework, processes exist to identify, assess, monitor and review the Group's key risks and to document and monitor the Group's other risks. In connection with its responsibilities for risk management, the Audit and Risk Committee receives reports from management on the risk management system, key risks and the related risk treatment plans as well as information on critical events that may arise throughout the year.

Risk appetite statement

The Board has adopted a Risk Appetite Statement. The statement provides guidance as to the type and degree of risk that the Board is willing to accept in pursuing the Group's strategy and conducting its business. Risk appetite is the amount of risk that Baby Bunting is willing to accept or retain to pursue its strategy and conduct its business. It seeks to balance the benefits of an activity or new opportunity with the risk that the activity or opportunity might bring.

The Risk Appetite Statement identifies a number of risk types (eg operational risk, people and culture risk, financial risk, legal and compliance risk, strategic risk) and states a risk appetite rating or tolerance for each. Risk appetite ratings range from zero appetite through to high appetite. Instances where a risk tolerance has been exceeded must be reported to the Audit and Risk Committee or Board, along with details of any proposed corrective actions.

4.3 Remuneration Committee

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

During the financial year, the Committee considered and made recommendations to the Board in relation to specific remuneration matters (see the Remuneration Report on page 53 for more information).

The General Manager – People and Culture provides support to the Committee and the CLO, as company secretary, assists with the administration and operation of the Committee.

Minimum Shareholding Policy

The Board has adopted a minimum shareholding policy for directors and 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 the policy or their date of appointment. See Section 10.1 of the Remuneration Report.

4.4 Nominations Committee

During the year, the Board established a stand-alone Nominations Committee with responsibility for assisting the Board in relation to Board succession, nomination of Directors and Board performance evaluations. These functions had previously been contemplated by the Charter of the Remuneration and Nominations Committee.

The new Nominations Committee considered the process of identification and selection of a new Non-Executive Director, as part of the Board's succession planning announced in November 2024. That process culminated in the appointment of Debra Singh in May 2025.

5. Audit and Financial Governance

5.1 Financial controls

The Audit and Risk Committee is responsible for reviewing the adequacy of the Group's financial and corporate reporting processes and internal control framework.

Members of the executive team periodically attest to the integrity of the financial results and disclosures, compliance with reporting obligations and the effectiveness of internal controls.

5.2 Internal audit

The Group does not have a formalised internal audit function, but has processes for evaluating and continually improving the effectiveness of risk management and internal financial control processes.

To evaluate and continually improve the effectiveness of the Group's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks. These processes are implemented, overseen and assessed by the management team, the CFO and CEO, and the Audit and Risk Committee.

5.3 External audit

Ernst & Young is the Group's external auditor. It was first appointed in November 2017 and it first conducted the external audit of the Group's financial statements for the 2018 financial year.

For the 2025 financial year, Katie Struthers, a partner at Ernst & Young, performed the role of lead audit partner. This was her first year as lead audit partner for the Group.

The Audit and Risk Committee has responsibilities that include making recommendations to the Board on the appointment, reappointment or replacement of the external auditor, reviewing the external auditor's proposed work plan for the year, and monitoring auditor independence issues, including the engagement of the auditor for non-audit work. The Committee provides advice and a report to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence. This report and advice support the Board in being in a position to make the statements required by the Corporations Act about auditor independence.

6. Ethical and responsible decision making

6.1 Vision, Mission and Values

Baby Bunting's Vision is "The best start for the brightest future" and its mission is "To support and inspire confident parenting, from newborn to toddler".

The Group's values are:

- **Make it happen:** We act with urgency, energy and focus. We take initiative, solve problems, and get the job done – no excuse, 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 – 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 – connected by purpose, strengthened by trust, and united in care.

6.2 Code of Conduct

The Board has approved the adoption of a formal Code of Conduct which outlines how Baby Bunting expects its employees to behave and conduct business in the workplace. The Code of Conduct applies to all employees, regardless of employment status or work location. In addition, the Directors, in the Board Charter, have committed to abiding by the Code of Conduct as it applies to the Board.

The Code of Conduct is designed to:

- provide a benchmark for ethical and professional behaviour throughout Baby Bunting;
- promote a healthy, respectful and positive workplace and environment for all Team Members;
- ensure that there is compliance with laws, regulations, policies and procedures relevant to Baby Bunting's operations, including workplace health and safety, privacy, fair trading and conflicts of interest;
- ensure that there is an appropriate mechanism for Team Members to report conduct which breaches the Code of Conduct; and
- ensure that Team Members are aware of the consequences they face if they breach the Code of Conduct.

6.3 Whistleblower Protection Policy

The Group has adopted a Whistleblower Protection Policy.

The CLO has been appointed the Whistleblower Investigations Officer and the General Manager – People and Culture has been appointed the Whistleblower Protection Officer, for the purposes of the Policy. When they arise, the Board is informed of all whistleblower reports in a manner consistent with the confidentiality and security requirements of the Policy. No such matters were reported in the financial year.

6.4 Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption Policy. To support the Policy, the Group has adopted Acceptable Monetary Limits and Reporting Requirements which set out when an instance of a gift, entertainment or hospitality may be accepted by Baby Bunting Team Members. Generally, they must relate to general relationship building activities where it cannot reasonably be construed as an attempt to improperly influence the performance of the role or function of the recipient.

Team Members must report instances of gifts, entertainment or hospitality other than where the value is immaterial. Where the estimated value exceeds specified limits, prior approval must be sought and obtained.

The Board must be informed of material breaches of the Anti-Bribery and Corruption Policy. No such incidents or breaches were reported in the financial year.

6.5 Securities Trading Policy

The Group's Securities Trading Policy provides that persons subject to that policy (including Directors and executives) must not engage in transactions designed to hedge their exposure to Baby Bunting's shares. In addition, designated persons must only trade during designated trading windows and must seek approval under the Policy before doing so.

7. Commitments to shareholders

7.1 Communicating with shareholders

The Board's aim is to ensure that shareholders are provided with sufficient information to assess the performance of the Group and that they are informed of all major developments affecting the affairs of the Group.

The Group is required by law to communicate to shareholders through the lodgement of all relevant financial and other information with ASX and, in some instances, distributing information to shareholders. Information (including information released to ASX) is published on Baby Bunting's website. The website also contains information about it, including key policies and the charters of the Board Committees.

In addition, from time to time, the Group conducts ad-hoc briefings with institutional investors, as well as financial media. In some instances, that can involve site visits to stores or Baby Bunting's Distribution Centre. It is the Group's policy not to hold briefings with investors or analysts from 1 June until the release of the full year results in August and from 1 December until the release of the half year results in February.

The Group encourages shareholders to receive communications from it and its share registrar electronically and provides details for shareholders to send electronic communications and to have them actioned appropriately.

7.2 Shareholders meetings

The Group's annual general meeting for the financial year ended 29 June 2025 will be held on 14 October 2025. It will be an in-person meeting.

Shareholders are provided with notice of the meeting (either electronically or by hard copy) in advance of the scheduled meeting time. Shareholders have an opportunity to ask questions at the meeting. In addition, shareholders can submit questions electronically in advance of a meeting via the share registrar's website.

The Group's external auditor attends the Group's AGMs and is available to answer shareholder questions on any matter that concerns them in their capacity as auditor.

It is the Group's practice that all voting on substantive resolutions at shareholder meetings is conducted by way of a poll.

8. Continuous Disclosure

The Group has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy establishes procedures to ensure the Group complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Board receives copies of all material market announcements promptly after they have been lodged with ASX.

In addition, a copy of any new and substantive investor presentation is released to ASX in advance of the presentation.

9. Environmental and social risks

The Group is exposed to a number of risks, details of which are included in the Directors' Report on pages 46 to 48. These risks could have a material impact on the Group, its strategies and future financial performance. These risks were identified as part of the Group's risk management framework (described above). Management is responsible for developing strategies to manage identified risks.

As a retailer, the Group is exposed to environmental and social risks, including risks relating to supply chains, sustainable packaging and sustainable product development and sustainable operating practices.

Further details about Baby Bunting's approach to environmental and social sustainability matters are contained in its Sustainability Report (released in August 2025). The Group has published its 2025 Modern Slavery Statement. The statement describes the modern slavery risks that exist in the Group's supply chains.

Copies of these documents are available on Baby Bunting's website (investors.babybunting.com.au).

10. Diversity

The Board has adopted a Diversity Policy which sets out Baby Bunting’s commitment to recognising the importance of diversity for its business.

Baby Bunting actively promotes diversity through its hiring and promotion practices, 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.

Baby Bunting has a majority female workforce (79% in FY2025, 79% in FY2024). Baby Bunting’s measurable objectives for gender diversity focus on the composition of senior levels of the organisation. This is considered to be a more appropriate objective and measure as it seeks to ensure diversity is achieved and maintained at levels of the organisation where significant operational or strategic decisions are designed, made and implemented.

Baby Bunting has an objective of at least 40% of women across all levels of the Group by 2030. As at 29 June 2025, the proportion of women at Baby Bunting across parts of the organisation is set out below.

Group	2025 objective	2024 objective	2025 actual % of women	2024 actual % of women
Board	That the Board comprise at least 40% of women and 40% of men	That the Board comprise at least 40% of women and 40% of men	43%	43%
Senior Executives (incl. CEO)	That at least a third of Senior Executives are women by 2030	That at least a third of Senior Executives are women by 2030	22%	20%
Area and Regional Managers	That at least 40% of Area Managers and Regional Managers are women	That at least 40% of Area Managers and Regional Managers are women	64%	54%

Under the Workplace Gender Equality Act, Baby Bunting is required to make annual public filings with the Workplace Gender Equality Agency, disclosing its “Gender Equality Indicators”. These reports are filed annually in respect of the 12 month period ended 31 March. A copy of Baby Bunting’s latest filing is available on Baby Bunting’s website at investors.babybunting.com.au/resource-centre.



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 29 June 2025.

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 71 stores around Australia, Baby Bunting's store network is within one hour travel time of around 65% 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 four stores in New Zealand, with plans to open further stores in future periods.

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. Three stores have been refurbished by the end of the financial year, with plans for the refurbishment program to progress over 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.

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 73.

Widest product offering, in-stock and available

Baby Bunting offers what it believes to be the widest range of products, with over 7,000 products available. 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.

In New Zealand, the Group has established third party logistics capability in Auckland to support the store network and online fulfilment to ensure a strong in-stock position for that market.

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 1,560 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) and the support office in Auckland (NZ).

2.3 Review of the Group's operations

The Group's performance in FY2025 reflected a significant turnaround, driven by the successful execution of a refreshed strategy focused on improving operational efficiency, sustainably increasing gross margin, and positioning Baby Bunting for future growth.

This was achieved during a time when trading conditions and the macroeconomic environment remained challenging.

Operational highlights and developments

Operational highlights and developments during the year included:

- completing the new large format store design as part of the "Store of the Future" program and refurbishing stores at Maribyrnong, Preston and Gepps Cross. This program also saw completion of the small format store design, which is expected to be in market in three locations in 1H FY2026;
- opening two additional new stores, Maroochydore (Qld) and Belmont (WA), bringing the Australian store network to 71 stores (noting the closure of the Taylors Lakes store in Melbourne that occurred at the end of its lease during the year);
- expanding the Group's exclusive brand partnership with the signing of an agreement with Edwards & Co, an innovative New Zealand baby goods brand, joining Nuna Baby as one of the Group's exclusive brand partners;
- establishing our new retail media business, BabyBuntingMedia. This is a new revenue growth platform that leverages Baby Bunting's digital and physical assets to create additional value from the customer base and brand partnerships. It will provide brands the opportunity to further promote their products with Baby Bunting and directly to customers;
- enabling same day and next day delivery services for online orders to provide customers with the option to select expedited delivery for online orders. Adoption of this feature by customers has been strong;
- 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 around \$681,000.

Refer to the Chair's Report on page 8 and the CEO's Report on page 10 for more information on the Group's operations during the 2025 financial year.

2.4 Review of the Group's financial performance

The full year statutory results for the 52-week period ended 29 June 2025 (FY2024: 52-week period ended 30 June 2024) are summarised below:

- total sales up 4.7% to \$521.9 million;
- gross profit margin of 40.2%, up 340 basis points year-on-year;
- statutory net profit after tax (NPAT) of \$9.5 million, an increase of 462.3% on the prior year;
- statutory basic earnings per share (EPS) of 71 cents;
- cash and cash equivalents less borrowings (net debt) of \$4.6 million (versus net debt of \$13.0 million at the end of FY2024); and
- cash flow from operations of \$51.9 million (up \$11.8 million year-on-year).

In relation to the 2025 and 2024 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;
- pro forma earnings before interest, tax, depreciation and amortisation is calculated on a pre AASB 16 lease accounting basis; and
- for FY2024 only, business restructuring costs incurred in relation to organisational changes.

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 FY2025 financial results were:

- pro forma earnings before interest, tax, depreciation and amortisation (EBITDA) was \$28.2 million, up 76.9% on the prior corresponding period;
- total sales up 4.7% to \$521.9 million, with comparable store sales being positive 4.2% for the financial year;
- gross profit of \$209.7 million up 14.2%, with a gross profit margin of 40.2%;
- pro forma NPAT of \$12.1 million, up 227.9% on the prior corresponding period;
- pro forma costs of doing business (CODB) (excluding the impact of AASB 16 lease accounting) were \$181.5 million or 34.8% of sales, an increase of 120 basis points on the prior corresponding period (CODB of 33.6% of sales in FY2024); and
- cash flow from operations of \$23.1 million, up \$9.4 million on the prior corresponding period.

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 2025 and 2024 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 29 June 2025 \$'000

	Sales	NPAT
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. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period and associated payroll tax costs of the plan.

The following table reconciles the statutory to pro forma financial results for the year ended 30 June 2024 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

Year ended 30 June 2024 \$'000

	Sales	NPAT
Statutory results	498,387	1,696
Employee equity incentive expenses ¹	-	461
Transformation project expenses ²	-	930
Restructuring costs ³	-	1,438
Tax impact from pro forma adjustments	-	(849)
Pro forma results	498,387	3,676

1. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period. This also includes a recovery of prepaid payroll tax on the plans as the EPS CAGR hurdles as defined under the LTI plan were not achieved.

2. The Company incurred non-capital costs (\$1.330 million) for transformation projects. This was offset by a \$0.400 million cash settlement received in December 2023 from the vendor of order management software following a dispute in relation to that software and its implementation.

3. The Company incurred restructuring costs (\$1.438 million) which included make good costs relating to the Camperdown store closure (\$0.186 million) and payments associated with organisational restructure including the disestablishment of a number of head office roles.

Revenue

The sales for the year ended 29 June 2025 of \$521.9 million represented an increase of 4.7% on FY2024.

During the period, two new stores opened, and one store closed at the end of its lease. In addition, four new stores opened during FY2024 and traded for a full financial year in FY2025. These new stores all contributed to FY2025 sales growth.

Comparable store sales were positive 4.2% when compared to the prior year. Comparable store sales growth is calculated having regard to the growth of stores that have been open for all of the prior financial year and includes click & collect sales fulfilled from the store. Stores not included in the comparable store sales growth calculations in FY2025 were the two stores opened in FY2025, and the four stores opened in FY2024 noting also that the stores that were permanently closed during the period were also excluded from the date they ceased trading.

Sales from private label and exclusive products were 47.1% of total sales in FY2025, up from 46.0% in FY2024. Drivers of this increase have included the exclusive brand partnerships developed during the year. Categories where exclusive product ranges have expanded significantly include prams and strollers, cots and furniture and car safety (ie car seats). On a standalone basis, exclusive products represented 37.7% of sales (36.3% in FY2024).

Baby Bunting's range of private label products include 4baby, Bilbi and JENGO. Sales of private label products represented 9.4% of sales (9.7% in FY2024).

Total online sales (including click & collect) were 23.1% of total sales, an increase of 130 basis points on the prior financial year (21.8% in FY2024).

Expenses

Pro forma costs of doing business (CODB) expenses (excluding the impact of AASB 16 Leases accounting) as a percentage of sales were 120 basis points higher year-on-year at 34.8% of sales (33.6% of sales in FY2024).

In FY2025, pro forma CODB expenses were \$181.5 million, up 8.2% on the prior year pro forma CODB expenses of \$167.7 million. The increased investment in operating expenditure was driven by:

- four stores opened in FY2024 trading for a full financial year in FY2025;
- two new stores opened in FY2025; and
- wage inflation of 3.75% 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 \$4.6 million, a change of \$8.4 million on the prior year net debt position of \$13.0 million.

Key items for the year include:

- operating cash conversion of 81.7% and free cash flow of \$10.1 million;
- capital expenditure of \$12.9 million in FY2025 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 FY2025.

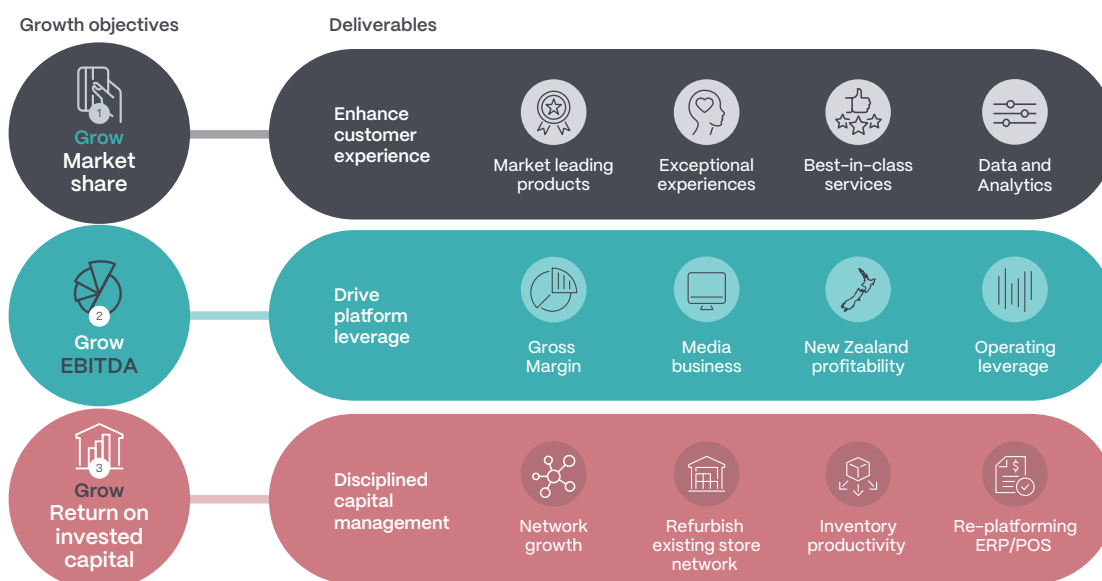
3. Business strategy and future developments

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 during the year. Existing stores at Maribyrnong, Preston and Gepps Cross were refurbished and relaunched in Q4 FY2025. It is intended that the balance of the store network be refurbished over the coming years.

During the year, the design for a small format store was also completed. This is a new format for the Group. Plans are in place for three pilot small format stores to be opened during 1H FY2026. If the pilots are successful, the Group intends to roll out further small format stores.

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 130,000 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.

During FY2025, the Group piloted one-on-one personalised appointments. These appointments provide customers with extended consultations with experienced team members as they commence their pregnancy journey. The Group also expanded its breast pump hire service to more stores during the year. 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.

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 has expanded its Data & Analytics team, with the view to, among other things, build 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 40% gross margin in FY2025. Gross margin finished at 40.2%. 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 January 2025, the Group was appointed the exclusive retailer of Edwards & Co products for 5 years. Work is ongoing to establish exclusive brand partnerships with other leading suppliers.

BabyBuntingMedia

With more than 800,000 active loyalty customers, 3.4 million annual transactions, around 32 million website visits and retail space in excess of approximately 100,000 square metres, the Group has significant assets to offer brand partners an opportunity to engage with new and expectant parents.

A focus for FY2025 was the establishment of BabyBuntingMedia, as a new business to monetise the Group's existing in-store and digital assets. In future years, the ambition is 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 four Baby Bunting stores in New Zealand, with plans to open at least a further six stores. The next store in New Zealand is anticipated to be in Auckland and to open towards the end of 1H FY2026.

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.

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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 (71 stores presently) and more than 10 large format stores in New Zealand (4 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 is anticipated to enable 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 will commence in 1H FY2026, followed by a period of testing and assessment. Whether the small format store model is deployed more fully depends upon the performance of the pilot. Subject to this, the Group estimates that the potential exists for between 20 to 40 small format stores over the longer term.

Refurbish existing store network

With the development of its new store design during the year, the Group commenced a program of existing store refurbishments. To date, the new store design has met the Group's performance targets of increasing store sales performance. With the completion of the first three stores, the Group intends to roll-out the new store design over future years and commence a program of store refurbishments. Refurbishments will be 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 anticipates commencement of this multi-year program in FY2026.

3.4 Capability platform

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

During FY2025, the Group has:

- deployed a new Learning Management System, which has consolidated different learning platforms and has created a platform to quickly and easily deploy product training to team members, including by leveraging suppliers' existing training materials. This will assist in continuing to build product knowledge and awareness and retail and operational skills;
- expanded its Data & Analytics team, to increase the use of data and improve insights and business decision-making, measurement and innovation, and to expand automated reporting to drive quicker decision-making.

Other areas for further investment include private label product development, merchandise planning and supply chain and a team to lead the re-platform of ERP and POS.

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

4.1 Material business risks

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 32 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 and 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 digital 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. 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.
Supply chain 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. Poor supply chain management 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.

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Risk	Description	Mitigation
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.
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, which includes a Health, Safety and Injury Management Policy, 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. 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.
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.

Risk	Description	Mitigation
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.

4.2 Sustainability and climate-related risks

Sustainability

The Group's stakeholders (including customers, suppliers, team and shareholders) have expectations for Baby Bunting in relation to a range of environmental, social and governance matters. A failure to acknowledge and adequately address these expectations over time could negatively impact the Group's reputation and profitability.

Baby Bunting has adopted a sustainability strategy and commenced reporting on its approach to ESG matters in its Sustainability Report. Baby Bunting also discloses the manner in which it seeks to eliminate the risk of modern slavery in its operations and supply chain in its Modern Slavery Statement.

Climate-related risks – physical risks

As a retailer operating in Australia and New Zealand, the Group has an exposure to acute physical risks arising from climate change:

- stores: extreme weather events, such as floods or storms, can damage the Group's retail stores. These events can lead to temporary closures, loss of inventory and repair costs and other disruptions to trade. In recent years, some stores in Queensland and New South Wales have experienced disruptions and damage arising from flood events.

In addition, extreme weather events can affect our team members. For example, team members may live in communities affected by extreme weather events, and they may experience disruptions associated with these events ranging from impacts associated with travel disruptions to more extreme impacts including damage to their own property.

- supply chain disruptions: as a retailer with operations throughout Australia and parts of New Zealand, the Group's operations are heavily dependent upon functioning supply chains. Climate-related events can disrupt supply chains through temporarily cutting off transport routes or damaging road and rail infrastructure, resulting in delays in delivering inventory and increased costs. Rail freight from parts of eastern Australia to Western Australia have, in recent years, been disrupted due to weather and flooding events impacting rail transportation.

Climate-related risks – transition risks

The Group has an exposure to transition risks arising from climate change. Economic transition risks for the Group include policy and regulatory responses, such as:

- emissions reductions laws or regulations, which could increase the costs of energy or other inputs used by the Group;
- changes to planning and building regulation which could increase the costs associated with store developments;
- technological developments, for example affecting energy production or transportation technology; and
- changes in the preferences of the Group's consumers and other stakeholders.

These risks may increase the costs of the Group's operations, require greater capital investment and potentially impact the Group's sales and financial performance where the Group does not address changes in applicable consumer preferences.

Climate-related risks – governance

The Audit and Risk Committee has the responsibility to assist the Board of the Group in overseeing management's risk identification, planning and administration of climate-related risks and opportunities.

Work is underway to further develop the activities in relation to climate-related risks and opportunities. During the year, the Group undertook a gap analysis of its existing practices in preparation for the application of AASB S2 in FY2026. Other work underway includes strategic risk planning and assessing their potential financial impact.

5. Significant changes in the state of affairs in FY2025

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

6. Matters subsequent to the 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 29 June 2025.

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	Date ceased
Stephen Roche	Chair, Non-Executive Director	1 September 2021 (appointed Chair on 19 February 2025)	
Melanie Wilson	Chair, Non-Executive Director	15 February 2016	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 20 and 21 of the Annual Report.

8.2 Directors' attendance at Board and Committee meetings

Details of the number of meetings of the Board and each Board Committee held during the financial year are set out in the Corporate Governance Statement on page 26.

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 73.

8.4 Company secretaries

Details of the Group's company secretaries are set out in the Corporate Governance Statement on pages 22 and 30.

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 62 to 70 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 62 to 65 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 (1 July 2024)		5,072,025
Lapse of rights (FY2021 to FY2024 award) (1 October 2024)		(1,092,192)
Forfeiture of rights (1 October 2024)		(91,843)
Exercise of rights (Service rights) (14 October 2024)		(480,763)
Grant of rights under the LTI Plan: FY2024 to FY2028 grant (1 November 2024)	nil	5,349,299
Grant of rights under the LTI Plan: FY2024 to FY2028 grant (26 June 2025)	nil	1,000,000
Closing balance		9,756,526

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 53.

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 (\$260,000) (FY2024: \$245,000) and for non-audit services \$339,228 (FY2024: \$30,900) provided during the year are set out in the Financial Statements (at Note 30). The major element of non-audit services during the year related to taxation services and a gap analysis and ancillary advice in respect of the application of AASB S2 to the Group in FY2026.

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 attached to this Directors' Report on page 118.

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

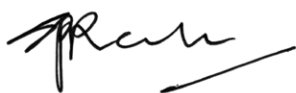
The Group is not involved in activities that have a marked influence on the environment within its area of operation. As such, the Directors do not consider that the Group's operations are subject to any particular and significant environmental regulation in Australia.

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

15 August 2025

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Remuneration Report – Audited

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 29 June 2025.

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.

The key change during the year to the Group’s KMP was the retirement of Melanie Wilson as Non-Executive Director on 19 February 2025 and the appointment of Debra Singh as a Non-Executive Director on 21 May 2025.

Non-Executive Directors	Disclosed Executives
Stephen Roche	Mark Teperson – CEO
Gary Levin	Darin Hoekman – CFO
Donna Player	
Gary Kent	
Fran Ereira	
Debra Singh (appointed 21 May 2025)	
Melanie Wilson (ceased on 19 February 2025)	

2. Executive reward strategy and framework

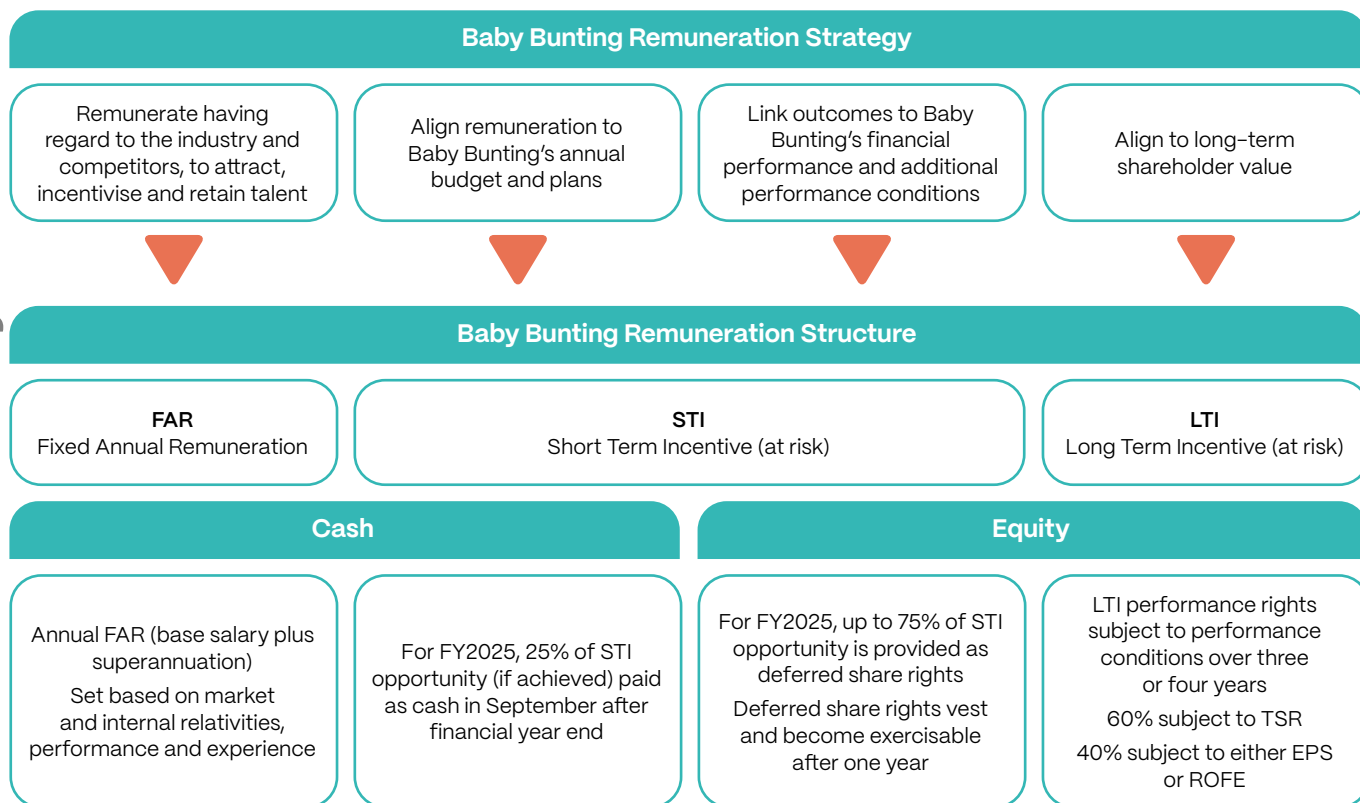
2.1 Strategy and framework – applied for FY2025

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.

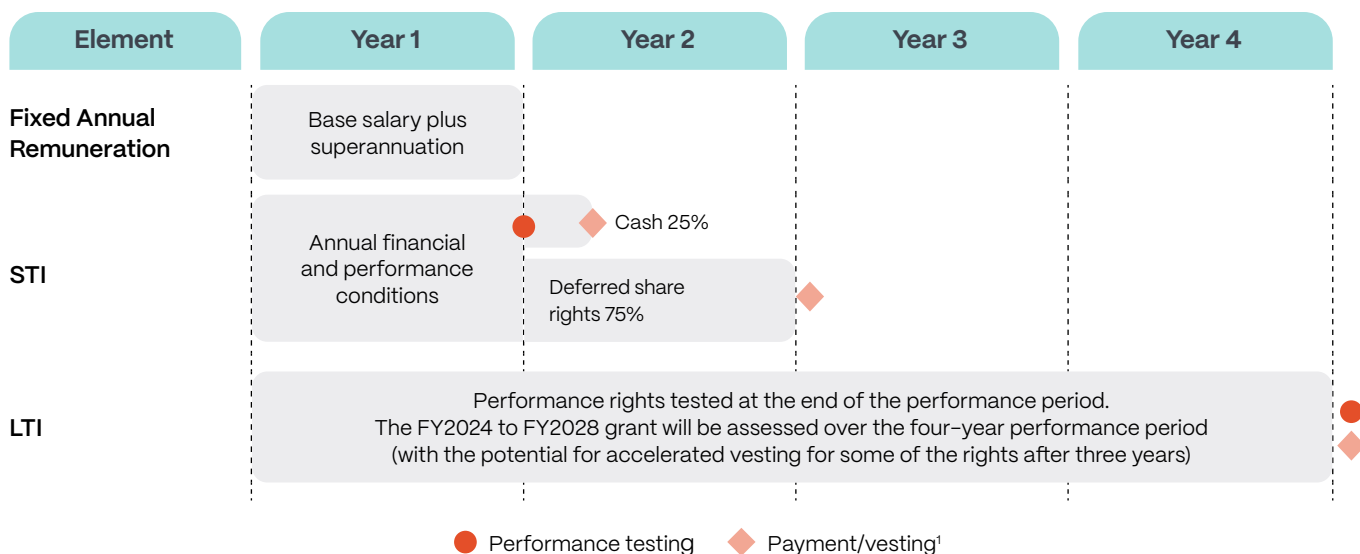
The Board views short-term incentive (STI) and long-term incentive (LTI) payments as an important part of an executive's remuneration that is at-risk and varies with performance. As such, provided a minimum threshold of performance is achieved, executives can expect to earn some at-risk pay in most years.

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 FY2025 remuneration structure for Disclosed Executives is outlined below.



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.

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 FY2025, STI awards to Disclosed Executives are paid as 25% of the STI opportunity as cash with the remaining STI payment awarded as deferred share rights with a 12-month deferral period.

See Section 4.1 for further information on the STI opportunity and award for FY2025.

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 under the LTI Plan will be made to Disclosed Executives in FY2026.

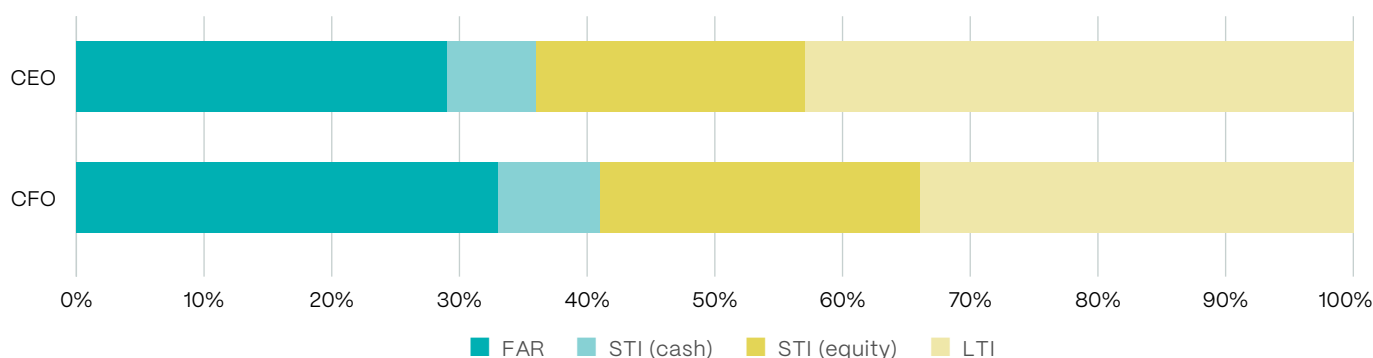
The table below represents the maximum LTI opportunity as a percentage of FAR (at grant) for the Disclosed Executives:

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 FY2025 is illustrated below.

FY2025 target remuneration mix



3. FY2025 Group performance and Disclosed Executive remuneration outcomes

3.1 Group performance – FY2021 to FY2025 summary

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

	2021 ¹	2022	2023 ²	2024	2025
EBITDA (statutory) \$'000	56,833	67,052	60,433	50,089	62,833
Net profit after tax (statutory) \$'000	17,039	19,521	9,854	1,696	9,537
Net profit after tax (pro forma) \$'000	26,031	29,573	14,503	3,676	12,054
Dividends per share – ordinary (cents)	14.1	15.6	7.5	1.8	0.0
Basic earnings per share (cents) (statutory)	13.2	14.9	7.4	1.3	7.1
Earnings per share (cents) (pro forma)	20.2	22.5	10.8	2.7	8.9
Market capitalisation at the end of the financial year \$'m	700.6	548.4	186.2	209.1	252.3
Share price at the end of the financial year \$	5.42	4.14	1.38	1.55	1.87
Change in share price \$	2.12	(1.28)	(2.76)	0.17	0.32

1. At the end of FY2022, the results for FY2021 were restated to reflect changes in the accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements. Refer to Note 2(aa) for detailed information on restatement of comparatives in the Financial Report for the year ended 26 June 2022.

2. FY2023 was a 53 week financial period.

Assessed incentive outcomes – Short-term incentives

	2021	2022	2023	2024	2025
CEO – % of maximum STI	64%	0%	0%	0%	100%
CFO – % of maximum STI	64%	0%	0%	0%	94%

3.2 Remuneration outcomes for FY2025 – summary

Fixed Annual Remuneration (FAR)

No material adjustments were made to FAR during FY2025, noting:

- that Mark Teperson had commenced in October 2023 and had not yet completed a full year of service at the commencement of FY2025.
- Darin Hoekman's FAR was reviewed in October 2023, coinciding with the commencement of Mark Teperson.

The increases to FAR during FY2025 were:

- Mark Teperson from \$850,000 to \$852,533 – effective 1 July 2024 (0.3% increase).
- Darin Hoekman from \$525,000 to \$527,533 – effective 1 July 2024 (0.5% 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 first tranche of rights, on 11 October 2024:

- Mark Teperson was provided with 155,763 shares; and
- Darin Hoekman was provided with 125,000 shares.

FY2025 STI Plan outcomes

The Group's STI Plan operated again for the 2025 financial year.

For the 2025 financial year, pro forma NPAT was \$12.1 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 100% of his STI opportunity; and
- Darin Hoekman earned 94% of his STI opportunity.

Details of the FY2025 STI and performance can be found in Section 5.1 of this Report.

Long Term Incentive: FY2021 to FY2024 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 FY2021 to FY2024 performance period.

Having regard to the Group's EPS and TSR performance over the three-year period that ended after FY2024, these rights did not vest. They lapsed and the rights ceased in October 2024.

Mark Teperson did not hold any rights under this grant.

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 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 September 2025. On the current share price, these rights are not expected to vest.

Mark Teperson does not hold any rights under this grant.

3.3 Actual remuneration – summary

This Section shows the remuneration actually received by the Disclosed Executives, payable in relation to FY2025.

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 2025 financial year as cash, or in the case of prior equity awards, the value which vested in FY2025.

		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 \$
Disclosed executives								
Mark Teperson ⁶	2025	844,986	213,133	1,058,119	278,816	1,336,935	639,400	–
	2024	631,172	–	631,172	–	631,172	–	–
Darin Hoekman	2025	535,033	131,883	666,916	223,750	890,666	363,998	(315,000)
	2024	556,758	–	556,758	–	556,758	–	(612,500)

1. Fixed remuneration includes superannuation contributions. In the case of Darin Hoekman, it also includes a vehicle allowance of \$7,500.

2. STI cash payable represents the part of the FY2025 STI Plan payment that is to be provided in cash. This amount will be paid in September 2025.

3. During FY2025, 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 \$1.79 (being the closing price on 11 October 2024 which was the date of issue of shares following the exercise of the vested rights) has been used.

4. For FY2025, the first 25% of a Disclosed Executive STI opportunity is provided as cash, with the balance 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 \$1.53 being the volume weighted average price of the Group's shares on ASX during August 2024. The grant of the rights to the CEO is subject to the approval of shareholders at the 2025 AGM.

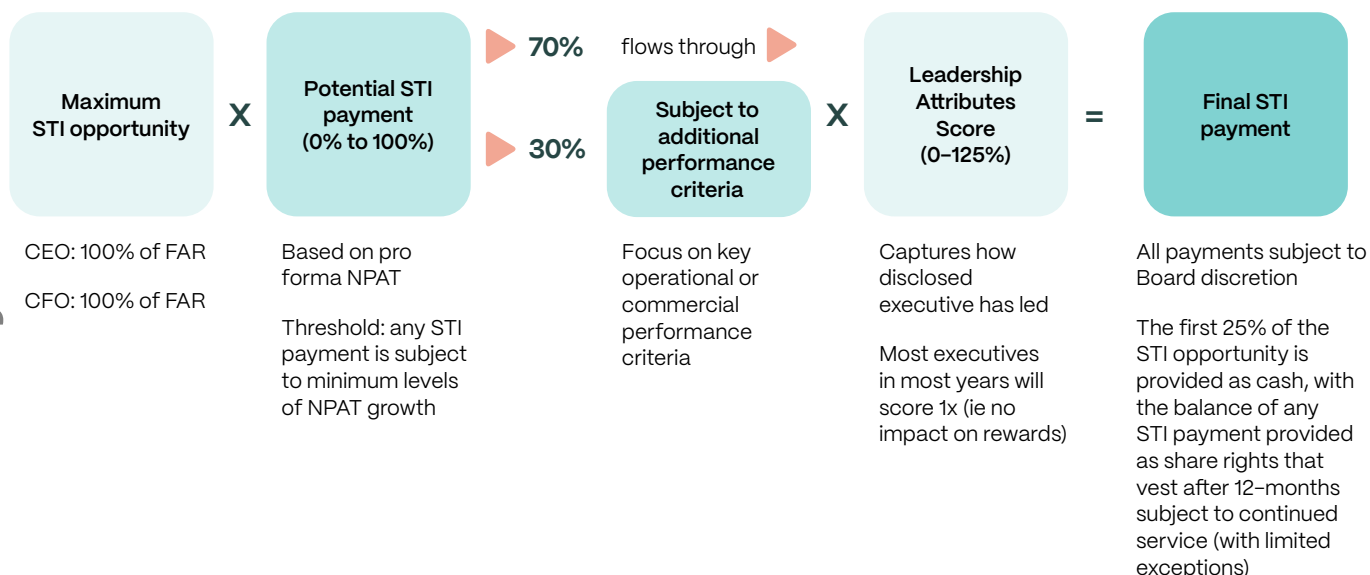
5. The value of the long term incentives which lapsed during the year was determined by multiplying the number of rights that lapsed by \$1.80, being the closing share price on 1 October 2024. For FY2024, the amount was calculated using \$1.75, being the share price on 23 October 2023.

6. Mark Teperson commenced as CEO on 2 October 2023.

4. FY2025 Incentive plans – detailed outcomes

4.1 FY2025 Short Term Incentive

With effect from FY2025, the Group made a small number of refinements to the workings of the STI plan for executives (the STI Plan), which 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 FY2025, the Board determined that the first 25% of any short term incentive opportunity for a Disclosed Executive will be payable as cash, with the balance of any reward being provided in the form of rights that will vest approximately 12 months after the release of the FY2025 results (on 1 August 2026), subject to continued service. The grant of the rights to the CEO will also be subject to the approval of shareholders at the 2025 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 FY2025 STI plan, the Group's pro forma NPAT needed to be at least \$5.0 million, representing growth of 35% on FY2024 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 \$5.0 million; to
- 100% of the executive's STI opportunity when pro forma NPAT is \$9.8 million or more.

With pro forma NPAT values between \$5.0m and \$9.8m resulting in a potential STI payment pro-rated between 25% and 100%.

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 FY2025

As pro forma NPAT was \$12.1 million, the potential STI payment for Disclosed Executives was 100%. 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 FY2025, and the performance against those criteria, are set out below:

Additional performance criteria	STI %	Comment
Mark Teperson		
Completion of Store of the Future designs, delivery of 3 stores by end of FY2025 and achievement of >10% comps in post opening period	10	Achieved with the refurbishment of Maribyrnong, Preston and Gepps Cross stores, and achievement of targeted performance goals
Achievement of FY2025 Gross Margin target of >40.0%	10	Achieved
Performance Excellence Condition		See below
Darin Hoekman		
Delivery of savings and productivity initiatives driving annualised savings of up to \$5 million	10	Achieved. A number of initiatives were undertaken which delivered above the range of targeted savings, including operating cost savings, renegotiated logistics and supplier agreements and costs and supply chain efficiencies.
Delivery of property optimisation targets	10	Achieved. Initiatives undertaken delivering benefits across store rents, lease rebate and landlord contributions.
Performance Excellence Condition		See below

Performance Excellence Condition

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

Performance Excellent Condition element	Weighting	Comment
Safety: Lost time injury frequency rate to be below 11	2% of 10%	Not achieved. 12-month LTIFR for FY2025 was 11.22.
Customer: Net promoter score to be maintained at or above 70	2% of 10%	Achieved. Net promoter score across the business for FY2025 was 73.
Compliance: Group wide compliance training completion rates to be greater than 90%	2% of 10%	Not achieved. Completion rates were at the mid-80% levels at the end of the year. Ensuring full and up to date compliance training for all team members remains a key focus.
Ethical sourcing: 95% of tier 1 factories SEDEX audited (or equivalent) and all identified non-critical compliance matters resolved in accordance with policy	2% of 10%	Achieved. 95.5% of tier 1 factories supplying goods for resale to the Group are registered with SEDEX and have current audits (or have equivalent arrangements in place to confirm compliance with the Group's ethical sourcing requirements).
Community impact: 15% uplift on funds raised for our Community Partners and charitable causes	2% of 10%	Not achieved. A 10.1% uplift was achieved during the year on funds raised.

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 FY2025 – Additional performance criteria

The additional performance criteria outcomes for FY2025 for Disclosed Executives was:

Disclosed Executives	Score out of 30%
Mark Teperson	24% out of 30%
Darin Hoekman	24% 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.

With effect from FY2025, a formal Leadership Attributes Score has been introduced to 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 new Values.

The leadership attributes, across each value, are expressed as being "developing", "on-point" or "exceptional" levels. The Board will assess 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 FY2025

The Leadership Attributes Scores for FY2025 for Disclosed Executives were as follows:

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

Final FY2025 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	Financial performance		Additional performance conditions		Leadership Attributes Score		Total STI award to be received ¹
Mark Teperson	70% of potential STI payment	+	24% of potential STI payment	X	125%	=	100% of potential STI payment
Darin Hoekman	70% of potential STI payment	+	24% of potential STI payment	X	100%	=	94% of potential STI payment

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

As noted above, the first 25% of any short term incentive opportunity for a Disclosed Executive will be payable as cash, with the balance of any reward being provided in the form of rights that will vest approximately 12 months after the release of the FY2025 results (on 1 August 2026), subject to continued service.

The grant of the rights to the CEO will also be subject to the approval of shareholders at the 2025 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 2024 was \$1.53. 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 6.5 below will apply to the share rights granted as the deferred STI payment.

5. Disclosed Executives – remuneration tables

5.1 FY2025 Short Term Incentive Plan outcomes

The STI payments received or receivable by Disclosed Executives for the year ended 29 June 2025 are summarised in the following table:

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

1. For FY2025, Disclosed Executive STI awards are based on 25% cash payment with the balance deferred for one year as share rights. Mark Teperson will, subject to shareholder approval, receive 417,908 share rights and Darin Hoekman will receive 237,907.

2. FY2025 STI outcome % to maximum is calculated based on the FY2025 maximum opportunity of 100% (for the CEO and CFO) of target.

5.2 FY2025 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 FY2022 to FY2025 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 September 2025. On the current share price, these rights are not expected to vest.

		Total FY2022 to FY2025 rights granted	Rights anticipated to vest	Rights anticipated to lapse
Disclosed executives				
Mark Teperson		–	–	–
Darin Hoekman		175,000	–	(175,000)

5.3 Statutory remuneration

The statutory remuneration for each Disclosed Executive for FY2025 and FY2024 is set out in the following table:

	Year	Short term employee benefits			Post-employment benefits	Long term benefits	Share-based payments ⁴		Total \$	Performance related %
		Salary and fees ¹ \$	STI and other fees ² \$	Non-monetary benefits ⁵ \$	Super-annuation \$	Long service leave \$	Deferred STI ⁵ \$	LTI Plan rights ⁵ \$		
Disclosed Executives										
Mark Teperson ⁶	2025	815,054	213,133	–	29,932	2,293	371,823	785,121	2,217,356	52.2%
	2024	610,624	–	–	20,549	–	–	261,089	892,262	29.3%
Darin Hoekman ⁷	2025	497,601	131,883	7,500	29,932	5,521	190,362	443,477	1,306,276	48.5%
	2024	523,127	–	7,500	26,130	(7,933)	–	206,016	754,840	27.3%
Total	2025	1,312,655	345,016	7,500	59,864	7,814	562,185	1,228,598	3,523,632	50.8%
	2024	1,133,751	–	7,500	46,679	(7,933)	–	467,105	1,647,102	28.4%

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

2. STI represents the part of the FY2025 STI Plan payment that is to be provided in cash. This amount will be paid in September 2025.

3. Non-monetary benefits relate to the provision of car allowance expenses.

4. The value of Share-based payments has been calculated in accordance with applicable accounting standards.

5. The value of the LTI plan rights and deferred STI plan rights included as remuneration in the table is an accounting value and represents the aggregate of amounts determined for both market based and non-market based performance hurdles. For the deferred STI plan, Mark Teperson will, subject to shareholder approval at 2025 AGM, receive 417,908 share rights and Darin Hoekman will receive 237,907 share rights. For the purpose of accounting, the balance sheet date share price has been used to calculate the deferred STI for Mark Teperson and the grant date share price has been used to calculate the deferred STI for Darin Hoekman.

6. Mark Teperson commenced on 2 October 2023.

7. The negative long term benefit is due to the reversal of a long service leave provision from FY2023, noting that he was temporarily paid a higher level of remuneration while acting as CEO in the period from 2 June 2023 to 2 October 2023.

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 FY25 – 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).

Unlike prior grants under the LTI Plan, the FY2024 to FY2028 grant relates to a four-year performance period (previous grants had a three-year performance period).

The number of rights granted to the CEO and the CFO represented two years' worth of their respective long term incentive opportunity. Accordingly, there will be no long term incentive grant for FY2026 to the Disclosed Executives.

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 is \$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 is \$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.

FY2024 to FY2028 grant

TSR base level	\$1.53 This was the volume weighted average price of the Group's shares on ASX 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)	58 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 outstanding as at 29 June 2025	6,349,299 being: • 2,539,718 ROFE Rights • 3,809,581 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. For example, if ROFE at the end of FY2027 is 17%, then up to 15% of the ROFE performance rights will be available for vesting – that is, 50% of the 30% of ROFE performance rights that vest at threshold ROFE performance. The balance of the performance rights will remain on foot for testing at the end of FY2028.

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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. The schedule of vesting that applies is set out below.

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.

6.3 Prior Long Term Incentive awards

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. On this basis, rewards to participating executives are firmly linked to the performance of the Group.

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

	FY2022 to FY2025 grant	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.	
	FY2022 to FY2025	FY2023 to FY2026
EPS base level	15.6 cents per share. This base level EPS was calculated by dividing the Group's pro forma NPAT for the financial year ended 26 June 2022 by the average weighted number of ordinary shares on issue for the 2022 financial year.	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.	

	FY2022 to FY2025 grant	FY2023 to FY2026 grant
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 between 30% and 100% of the EPS Rights	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 July to 30 September 2022 Period to determine finishing share price: 1 July to 30 September 2025 or such other period as the Board considers appropriate.	Period to determine base share price: 1 to 31 August 2023 Period to determine finishing share price: 1 to 31 August 2026 or such other period as the Board considers appropriate.
TSR base level	\$4.49 This was the volume weighted average price of the Group's shares on ASX in the period 1 July 2022 to 30 September 2022.	\$2.08 This was the volume weighted average price of the Group's shares on ASX during August 2023.
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.
Post-vesting disposal restriction	None	None
Number of participants (including Disclosed Executives)	9 participants	10 participants
Approval for the grant obtained under ASX Listing Rule 10.14 for CEO	Yes, at the 2022 AGM	Yes, at the 2023 AGM

	FY2022 to FY2025 grant	FY2023 to FY2026 grant
Number of rights initially granted	1,370,000	1,844,736
Number of rights granted to Disclosed Executives	CEO: nil CFO: 175,000	CEO: 612,980 CFO: 252,403
Number of rights that have lapsed during the performance period	378,007 rights lapsed when certain participants ceased employment	66,028 rights lapsed when certain participants ceased employment
Number of rights outstanding as at 29 June 2025	991,993 being: • 398,049 EPS Rights • 593,944 TSR Rights	1,778,708 being: • 712,489 EPS Rights • 1,066,219 TSR Rights
Vesting outcome	The EPS Rights will not vest, as the Group's EPS CAGR for the period FY2022 to FY2025 was negative. The TSR Rights are unlikely to vest noting that the Group's current share price is below the base level share price of \$4.49. The final determination of TSR performance will occur after September 2025.	To be determined at the end of FY2026

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. The schedule of vesting that applies is set out below.

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.

6.4 Service rights

No grants of service rights were made during the 2025 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
Rights remaining	155,763 rights vest on 2 October 2025 155,763 rights vest on 2 October 2026	125,000 rights vest on 2 October 2025

6.5 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 provide 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.

6.6 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 2025 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	1,080,269	1,696,707	\$2,121,562	(155,763)	\$348,316	–	2,621,213
Darin Hoekman	852,403	699,929	\$908,788	(125,000)	\$279,524	(175,000)	1,252,332

1. Performance rights under the FY2024 to FY2028 grant under the LTI Plan were granted on 1 November 2024, following shareholder approval for the grant to the CEO at the 2024 AGM.
2. The value of rights granted during the year 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.
3. All rights have no exercise price and once vested they may be exercised within 2 years of vesting.

6.7 Rights held as at 29 June 2025

The number of rights held as at 29 June 2025 by plan for each Disclosed Executive is set out in the following table:

Disclosed Executive	FY2022 to FY2025 grant ¹	FY2023 to FY2026 grant ²	Service rights ³	FY2024 to FY2028 grant ⁴
Mark Teperson	–	612,980	311,526	1,696,707
Darin Hoekman	175,000	252,403	125,000	699,929

1. Granted on 8 December 2022. Forty percent of these rights were subject to an EPS growth performance condition which was not met at the end of FY2025. The balance of the rights are subject to a TSR growth performance condition which will be measured at the end of September 2025. On the current share price, these rights are not expected to vest.
2. Granted on 15 December 2023.
3. Granted on 15 December 2023.
4. Granted on 1 November 2024.

6.8 All rights outstanding as 29 June 2025

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 29 June 2025, the number of performance rights outstanding was:

Long Term Incentive Plan grant

Performance rights	EPS Rights	TSR Rights	ROFE Rights
FY2022 to FY2025 grant ¹	398,049	593,944	
FY2023 to FY2026 grant	712,489	1,066,219	
FY2024 to FY2028 grant		3,809,581	2,539,718
Service rights	Service rights		
FY2024 grant		636,526	
Total		9,756,526	

1. The EPS Rights from the FY2022 to FY2025 grant have not met the performance condition and will lapse. The TSR Rights from that same grant will be assessed after September 2025; however, based on the Group's current share price it is unlikely that those rights will vest.

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 Remuneration Committee

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

Further details on the 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 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, benchmarking and other information was sought from remuneration advisors. However, no remuneration recommendations were received from remuneration consultants during the year.

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 February 2022 with fees adjusted with effect on 1 February 2022. Prior to that, the last fee adjustment occurred on 1 January 2019.

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

	Fees \$ per annum
Chair	200,000
Non-Executive Director	100,000
Chair of a Board Committee	15,000
Member of a Board Committee	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 29 June 2025, the fees paid and superannuation contributions to all Non-Executive Directors were \$699,230 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	2025	121,766	14,003	135,769
	2024	90,090	9,910	100,000
Gary Levin	2025	96,517	11,099	107,616
	2024	103,604	11,396	115,000
Donna Player	2025	89,686	10,314	100,000
	2024	90,090	9,910	100,000
Gary Kent	2025	103,139	11,861	115,000
	2024	103,604	11,396	115,000
Fran Ereira	2025	89,686	10,314	100,000
	2024	90,090	9,910	100,000
Debra Singh ³	2025	11,107	1,277	12,384
	2024	–	–	–
Former Non-Executive Director				
Melanie Wilson ⁴	2025	115,212	13,249	128,461
	2024	180,180	19,820	200,000
Total	2025	627,113	72,117	699,230
	2024	657,658	72,342	730,000

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.

Non-Executive Directors	Balance at start of the year	Change ¹	Balance at end of the year	Shareholding value as a % of fees/FAR ²
Stephen Roche	35,000	43,000	78,000	73%
Gary Levin	250,000	–	250,000	>100%
Donna Player	46,000	–	46,000	98%
Gary Kent	40,000	–	40,000	>100%
Fran Ereira	36,741	–	36,714	91%
Debra Singh	–	–	–	–
Melanie Wilson (retired on 19 February 2025)	60,000	–	60,000 ³	n/a

Disclosed Executives	Balance at start of the year	Change ⁴	Balance at end of the year	
Mark Teperson	–	155,763	155,763	34%
Darin Hoekman	552,630	125,000	677,630	>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. Holding shown is at 19 February 2025, being the date Melanie Wilson retired as a director.

4. Change reflects shares acquired upon exercise of vested rights during the year.

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.

Financial Report

for the 52 weeks ended 29 June 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the 52 weeks ended 29 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue	3	521,935	498,387
Cost of sales		(312,271)	(314,733)
Gross profit		209,664	183,654
Other Income	4	798	400
Store expenses	5	(123,475)	(115,076)
Marketing expenses		(11,337)	(9,056)
Warehousing expenses	5	(12,296)	(11,742)
Administrative expenses	5	(39,905)	(33,434)
Transformation project expenses	5	–	(1,330)
Restructuring costs	5	(408)	(1,438)
Finance expenses	5	(8,729)	(9,136)
Profit before tax		14,312	2,842
Income tax expense	6	(4,775)	(1,146)
Profit after tax		9,537	1,696
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		55	78
Net (loss)/gain on cash flow hedges	25	(43)	(129)
Income tax effect relating to the components of OCI	13	13	–
Net other comprehensive (loss)/gain that may be reclassified to profit or loss in subsequent periods		25	(51)
Net other comprehensive (loss)/gain for the period, net of tax		25	(51)
Total comprehensive income for the period, net of tax		9,562	1,645
Profit for the period attributable to:			
Equity holders of Baby Bunting Group Limited		9,537	1,696
Total comprehensive income attributable to:			
Equity holders of Baby Bunting Group Limited		9,562	1,645
		Cents	Cents
Earnings per share			
From continuing operations			
Basic (cents per share)	29(a)	7.1	1.3
Diluted (cents per share)	29(b)	6.7	1.2

Notes to the consolidated financial statements are included in pages 79 to 115.

Statement of Financial Position

as at 29 June 2025

	Note	2025 \$'000	2024 \$'000
Current Assets			
Cash and cash equivalents	26(b)	12,379	9,525
Trade and other receivables	7	6,038	3,968
Inventories	8	95,626	94,414
Other assets	9	4,375	3,575
Total Current Assets		118,418	111,482
Non-Current Assets			
Property, Plant and equipment	10	28,700	27,148
Intangibles	11	9,546	7,772
Goodwill	11	45,321	45,321
Right-of-use asset	12	127,509	131,260
Deferred tax assets	13	10,914	9,222
Total Non-Current Assets		221,990	220,723
Total Assets		340,408	332,205
Current Liabilities			
Trade and other payables	14	46,915	43,067
Other liabilities	15	5,224	4,659
Current tax liabilities		622	631
Other financial liabilities	25	43	-
Lease liability	12	37,838	37,139
Provisions	17	6,517	5,730
Total Current Liabilities		97,159	91,226
Non-Current Liabilities			
Loans and borrowings	16	16,930	22,570
Lease liability	12	111,648	115,704
Provisions	17	2,026	2,081
Total Non-Current Liabilities		130,604	140,355
Total Liabilities		227,763	231,581
Net Assets		112,645	100,624
Equity			
Issued capital	18	88,695	87,650
Reserves	22	18,055	16,616
Retained earnings / (Accumulated losses)	20	5,895	(3,642)
Total Equity		112,645	100,624

Notes to the consolidated financial statements are included in pages 79 to 115.

Consolidated Statement of Changes in Equity

for the 52 weeks ended 29 June 2025

	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 2 July 2023	88,695	–	15,531	2	129	11	3,566	107,934
Profit for the period	–	–	–	–	–	–	1,696	1,696
Other comprehensive income	–	–	–	–	(129)	(91)	–	(220)
Total comprehensive income for the period	–	–	–	–	(129)	(91)	1,696	1,476
Issue of shares (Note 18)	–	–	–	–	–	–	–	–
Purchase of shares in relation to equity incentive plan (Note 18)	–	(1,045)	–	–	–	–	–	(1,045)
Dividends (Note 19)	–	–	–	–	–	–	(8,904)	(8,904)
Share-based payment expense (Note 22)	–	–	1,163	–	–	–	–	1,163
Tax effect of share-based payments (Note 22)	–	–	–	–	–	–	–	–
Transfer to retained earnings (Note 22)	–	–	–	–	–	–	–	–
Balance at 30 June 2024	88,695	(1,045)	16,694	2	–	(80)	(3,642)	100,624
Balance at 30 June 2024	88,695	(1,045)	16,694	2	–	(80)	(3,642)	100,624
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
Issue of shares (Note 18)	–	–	–	–	–	–	–	–
Purchase of shares in relation to equity incentive plan (Note 18)	–	1,045	(1,045)	–	–	–	–	–
Dividends (Note 19)	–	–	–	–	–	–	–	–
Share-based payment expense (Note 22)	–	–	2,446	–	–	–	–	2,446
Tax effect of share-based payments (Note 22)	–	–	–	13	–	–	–	13
Transfer to retained earnings (Note 22)	–	–	–	–	–	–	–	–
Balance at 29 June 2025	88,695	–	18,095	15	(30)	(25)	5,895	112,645

Notes to the consolidated financial statements are included in pages 79 to 115.

Consolidated Statement of Cash Flows

for the 52 weeks ended 29 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		575,068	547,692
Payments to suppliers and employees		(508,463)	(496,271)
Income tax paid		(6,422)	(2,226)
Finance costs paid		(8,292)	(9,136)
Net cash from operating activities	26(a)	51,891	40,059
Cash flows from investing activities			
Payments for plant and equipment	10	(8,503)	(5,686)
Payments for intangibles	11	(4,420)	(2,918)
Net cash used in investing activities		(12,923)	(8,604)
Cash flows from financing activities			
Dividends paid	19	–	(8,904)
Net borrowings/(repayments)		(5,640)	11,207
Payments of principal portion of lease liability		(30,484)	(28,184)
Purchase of shares in relation to equity incentive plan		–	(1,045)
Net cash used in financing activities		(36,124)	(26,926)
Net increase/(decrease) in cash and cash equivalents		2,844	4,529
Net foreign exchange difference		10	(1)
Cash and cash equivalents at beginning of the period		9,525	4,997
Cash and cash equivalents at end of the period	26(b)	12,379	9,525

Notes to the consolidated financial statements are included in pages 79 to 115.

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Notes to the

Consolidated Financial Statements

for the 52 weeks ended 29 June 2025

Note 1: Reporting Entity

Baby Bunting Group Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office and its principal place of business is 153 National Drive, Dandenong South, Victoria 3175, Australia.

The consolidated financial statements of the Company as at and for the period ended 29 June 2025 comprise the Company and its subsidiaries (together referred to as the 'consolidated entity'). The consolidated entity is primarily involved in the retailing of baby merchandise.

The Company was admitted to the official list of the Australian Securities Exchange (ASX) on 14 October 2015 under the ASX code 'BBN'.

The Company has adopted a 52 week retail calendar for financial reporting purposes which ended 29 June 2025. The prior period was a 52 week retail calendar which ended on 30 June 2024.

Note 2: Summary of Material Accounting Policy Information

The following material accounting policy information have been adopted in the preparation and presentation of the financial report.

a. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the consolidated entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the consolidated entity comply with International Financial Reporting Standards (IFRS). For the purposes of preparing the Consolidated Financial Statements, the Company is a for-profit entity.

The financial statements were authorised for issue by the directors on 15 August 2025.

b. Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial assets and financial liabilities measured at fair value, as explained in the accounting policies below. All amounts are presented in Australian dollars, unless otherwise noted.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the consolidated entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

c. Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements requires the Company to make estimates and judgements that affect the application of policies and reported amounts. The estimates which could cause a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next 12 months are disclosed below.

Determination of inventory provision for shrinkage, obsolescence and mark-down

The Company's judgement is applied in determining the inventory provision for shrinkage, obsolescence and mark-down. Estimates of shrinkage trends based on historical observations have been applied against inventory held at period end and where the estimated selling price of inventory including the costs necessary to sell is lower than the cost to sell, the difference is recognised in the provision for obsolescence.

Impairment of goodwill

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. As at 29 June 2025, for impairment testing purposes, Goodwill is allocated to the Australian operating segment, as a group of cash generating units (CGUs).

The impairment test as at 29 June 2025 was carried out based on value in use calculations for the CGU. The recoverable amount was determined using the FY26 budget which was approved by the Board on 19 May 2025. The cash flows include ongoing capital expenditure to maintain the store network and capital commitments considered probable. The cash flows beyond year one have been extrapolated using a growth rate range of 2.5% to 4.5% (2024: 2.0%). The cash flows into perpetuity assume a growth rate of 2.0% (2024: 3.0%). Cash flows were discounted to present value using a mid point after tax discount rate of 9.06% (2024: 9.69%).

Sensitivity analysis has been performed using reasonably possible changes in the key assumptions. These reasonably possible changes do not lead to an impairment charge.

Impairment of property, plant and equipment and right-of-use assets

For impairment testing purposes the Company has determined that each store is a separate 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 29 June 2025 was carried out based on value in use for each CGU. The recoverable amount was determined using the company's Board approved FY26 budget. Cash flows beyond year one assumes a steady growth rate of between 2.0% to 3.0%. Cash flows were discounted to present value using a mid-point pre-tax discount rate of 12.94% (2024: 13.84%).

The key assumptions in the value in use calculations are growth rates of sales, gross profit margins, store specific expenses and the pre-tax discount rate.

Sensitivity analysis has been performed using reasonably possible changes in the key assumptions. These reasonably possible changes do not lead to an impairment charge.

Lease term of contracts with renewal options and incremental borrowing rate for leases

Refer to Note 2(t) for significant judgements required for lease term of contracts with renewal options and determining the incremental borrowing rate for leases.

Revenue recognition – loyalty program and gift cards

Refer to Note 2(l) for significant judgements required for assessment of breakage.

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d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the consolidated entity's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

e. Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

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 is based on the presumption 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.

f. Income tax

The Company and its wholly-owned Australian controlled entities are part of a tax consolidated group under Australian taxation law, of which the Company is the head entity. As a result, the Company is subject to income tax through its membership of the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group (if any) are recognised by the Company (as head entity in the tax-consolidated group).

Nature of tax funding arrangements and tax sharing agreements

Entities within the Australian tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, the Company and the other entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Current tax

Entities within the Australian tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, the Company and the other entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax is recognised on share-based payments for the tax deduction that will be available to the Company on vesting of the LTI share-based payments. The deferred tax measurement is based on the share price at reporting date. The income tax benefit is recognised through income tax expense up to the amount relating to the cumulative share-based payment expense. Any tax benefit in excess of the amount relating to the cumulative share-based payment expense is recognised in the share-based payment tax reserve within equity. Refer to Note 22(c).

g. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory being valued on a weighted average cost formula basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Volume rebates are recognised as a reduction in the cost of inventory and are recorded as a reduction in the cost of goods sold when the inventory is sold. Supplier promotional and marketing rebates that arise upon sale of inventory have been brought to account as a direct deduction in costs of goods sold.

h. Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets are depreciated over their estimated useful lives. The estimated useful lives and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The useful life for each class of asset is:

Class of fixed asset	Useful Life
Plant and equipment	3 – 10 years
Leasehold improvements	5 – 10 years

i. Intangibles – computer software

Intangible assets with finite lives that are acquired separately or internally generated are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Class of intangible asset	Useful Life
Computer software	5 years

j. Employee benefits

Short-term employee benefits liabilities recognised for salaries and wages, annual leave and any other short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date.

Long-term employee benefits liabilities recognised in respect of long service leave and any other long term employee benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, historical employee turnover rates 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

k. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. All receivables from EFT, credit card and debit card point of sale transactions during the period are classified as cash and cash equivalents.

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. This is generally in store when the customer purchases the goods or services, on delivery to the customer for online sales and on customer pickup for click and collect.

For layby, revenue is recognised when customers make the final payment and goods have been collected. The initial layby deposit paid and subsequent instalment payments are recorded as unearned income in the balance sheet and included in sundry payables. A contractual liability was recognised of \$4.681 million (2024: \$4.308 million), of which 80% is refundable if the customer cancels the layby.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method (historical return rates provide a basis for the expected value) to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in AASB 15 Revenue from Contracts with Customers on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer and recorded at cost value. The Company's change of mind policy is 30 days or, for members of the Company's loyalty program, 60 days.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company operates a loyalty program. Customers receive a loyalty voucher upon joining the Company's loyalty program and upon the participant's birthday.

The Company recognises contract liabilities relating to the gift cards upon customers purchase the gift cards. The Company recognises revenue when the customer redeems the gift card.

The Company estimates the "breakage" rate based on redemption history of expired loyalty vouchers and expired gift cards. The Company records the contract liability based on the breakage rate for unexpired vouchers and unexpired gift cards. Refer to Note 15.

m. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

n. Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition.

Goodwill is subsequently measured at its cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the consolidated entity's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash-generating unit (or groups of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in the statement of profit or loss and other comprehensive income and is not reversed in a subsequent period.

o. Trade payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

p. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for the expected cost of warranty obligations under applicable consumer law are recognised at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

q. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

r. Share-based payment arrangements

Executives and non executive management (excluding non executive directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 22.

The cost is recognised as employee benefit expense, together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22(b).

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market condition, the transactions are treated as vested irrespective of whether the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 29).

s. Comparative amounts

The comparative figures are for the period 3 July 2023 to 30 June 2024. Where appropriate, comparative information has been reclassified to allow comparison with current year information.

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t. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right-of-use of the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- | | |
|--|---------------|
| • Property | 5 to 12 years |
| • Motor vehicles and material handling equipment | 1 to 6 years |

The right-of-use assets are subject to impairment testing. Refer to Note 2(c).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of material handling equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Significant judgement is required in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has the option, under some of its leases, to lease the assets for additional terms of mostly five year options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (i.e. a change in business strategy).

Significant judgement in determining the incremental borrowing rate for each lease

The Company calculates the incremental borrowing rate for each lease determined using inputs including the Company's three-year multi option facility lending margin (adjusted for tenure) and the government bond rate applicable at the time of entering into the lease if the interest rate implicit in the lease is not readily determinable.

u. Capital management

For the purpose of the Company's capital management, capital includes issued capital, borrowings and all other equity reserve attributable to equity holders of the parent. The primary objective of the Company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, or determine not to pay a dividend for a period to preserve capital, return capital to shareholders or issue new shares.

v. Changes in accounting policies and disclosures

New and amended standards and interpretations

The following new and amended Australian Accounting Standards and AASB interpretations apply for the first time during the period ended 29 June 2025. The impact of these new standards and amendments were disclosed in the respective note below.

Reference	Title	Application	Disclosure
AASB 2022-6	Amendments to AASs – Non-current Liabilities with Covenants	1 January 2024	Note 16 Loans and Borrowings
IFRIC agenda decision	Disclosure of revenues and expenses for reportable segments (IFRS 8) – July 2024	1 July 2024	Note 21 Segment Information

The following new and amended Australian Accounting Standards and AASB interpretations apply for the first time during the period ended 29 June 2025. The impact of these new standards and amendments were not material to the consolidated financial statements of the Company.

Reference	Title	Application
AASB 2020-1	Amendments to AASs – Classification of Liabilities as Current or Non-current	1 January 2024

Other Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the reporting period ended 29 June 2025. The Company is in the process of assessing the impacts for the reporting period ended 29 June 2025.

Reference	Title	Application
AASB 2024-2	Amendments to AASs – Classification and Measurement of Financial Instruments	1 January 2026
AASB 18	Presentation and Disclosure of Financial Statements	1 January 2027

Note 3: Revenue from Contracts with Customers

	2025 \$'000	2024 \$'000
An analysis of the consolidated entity's revenue for the period, is as follows:		
Total revenue from contracts with customers ¹	521,935	498,387

1. Revenue from contracts with customers includes online revenue (including click & collect) \$ 120.441 million (2024: \$108.648 million).

Refer to Note 21 for a breakdown of revenue from contracts with customers by geographic location.

Note 4: Other Income

	2025 \$'000	2024 \$'000
Other Income	798	400

As at 29 June 2025, the Company recorded compensation (\$0.798 million) from the South Australian government following the compulsory acquisition of the Mile End store.

Note 5: Profit for the Period

	2025 \$'000	2024 \$'000
Profit before income tax expense includes the following expenses:		
Interest and finance charges paid/payable		
Interest on lease liabilities	6,725	7,205
Interest on borrowings	2,004	1,931
Depreciation and amortisation	9,159	8,680
Depreciation on right-of-use assets	30,633	29,830
Employee benefits expense	100,686	90,239

Depreciation and amortisation

Depreciation and amortisation are disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under 'Store expenses', 'Warehousing expenses', 'Administrative expenses' and 'Transformation project 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
For the period 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)

	As reported \$'000	Depreciation and amortisation on PPE and Intangibles \$'000	Depreciation on Right-of-use Asset \$'000	Excluding Depreciation and Amortisation \$'000
For the period ended 30 June 2024				
Store expenses	(115,076)	6,923	26,540	(81,613)
Warehousing expenses	(11,742)	216	3,135	(8,391)
Administrative expenses	(33,434)	1,538	155	(31,741)
Transformation project expenses	(1,330)	3	–	(1,327)
Total	(161,582)	8,680	29,830	(123,072)

	2025 \$'000	2024 \$'000
Transformation project expenses include the following:		
Transformation project expenses ¹	–	1,330
Restructuring costs ²	408	1,438

1. In the prior comparative period, the Company incurred \$1.330 million of non-capital costs associated with the implementation of a time and attendance system and costs associated with the planning phase of replacing the Company's enterprise resource planning (ERP) and point of sale system.
2. The Company incurred restructuring costs of \$0.408 million (2024: \$1.438 million) for payments associated with organisational restructure and disestablishment of a number of head office roles. The prior comparative period also included make good costs relating to Camperdown store closure (\$0.186 million).

Note 6: Income Tax

	2025 \$'000	2024 \$'000
Current tax in respect of the current period	6,566	2,936
Current tax in respect of the prior period	(125)	–
Deferred tax	(1,666)	(1,790)
Total tax expense	4,775	1,146

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

	2025 \$'000	2024 \$'000
Profit before tax from continuing operations	14,312	2,842
Income tax expense calculated at 30% (2024: 30%)	(4,294)	(853)
Non-deductible expenditure	(44)	(30)
Over/under from prior year	(125)	–
Share-based payments	(132)	(344)
NZ temporary differences unrecognised	(180)	–
Effect of lower tax rates in New Zealand	–	81
Income tax expense recognised in profit or loss	(4,775)	(1,146)

The tax rate used for financial year 2025 and 2024 in the above reconciliation is the corporate tax rate of 30% payable by large Australian corporate entities on taxable profits under Australian tax law. The tax rate used for financial year 2025 and 2024 for New Zealand is the corporate tax rate of 28% payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

Note 7: Trade and Other Receivables

	2025 \$'000	2024 \$'000
Current		
Trade receivables	59	133
Other receivables	5,979	3,835
	6,038	3,968

There are no material receivables past due date. The receivables are expected to be settled within 30–90 days, subject to the terms of the relevant agreement.

Note 8: Inventory

	2025 \$'000	2024 \$'000
Finished goods	96,788	96,196
Less: Provision for shrinkage, obsolescence and mark-down	(1,162)	(1,782)
	95,626	94,414

The cost of inventories recognised as an expense during the current reporting period in respect of continuing operations was \$312.271 million (2024: \$314.733 million). During the financial year, there was a decrease in the provision for shrinkage, obsolescence and mark-down of \$0.620 million (2024: an increase of \$1.036 million in provision).

Note 9: Other Assets

	2025 \$'000	2024 \$'000
Prepayments	2,969	2,424
Right of return	1,406	1,151
	4,375	3,575

Note 10: Property, Plant and Equipment

Cost	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 30 June 2024	14,681	59,144	73,825
Additions	1,179	7,324	8,503
Disposals	(1,266)	(4,808)	(6,074)
Balance at 29 June 2025	14,594	61,660	76,254
Accumulated depreciation			
Balance at 30 June 2024	(6,929)	(39,748)	(46,677)
Depreciation	(1,918)	(4,595)	(6,513)
Disposals	861	4,775	5,636
Balance at 29 June 2025	(7,986)	(39,568)	(47,554)
Carrying amount as at 29 June 2025	6,608	22,092	28,700

Cost	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 2 July 2023	12,031	57,686	69,717
Additions	3,526	2,160	5,686
Disposals	(876)	(702)	(1,578)
Balance at 30 June 2024	14,681	59,144	73,825
Accumulated depreciation			
Balance at 2 July 2023	(5,524)	(34,740)	(40,264)
Depreciation	(1,618)	(5,047)	(6,665)
Disposals	213	39	252
Balance at 30 June 2024	(6,929)	(39,748)	(46,677)
Carrying amount as at 30 June 2024	7,752	19,396	27,148

Refer to Note 2(c) for detail on the inputs used in the impairment calculation of property, plant and equipment.

Note 11: Intangible Assets and Goodwill

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

Cost	Goodwill \$'000	Intangibles \$'000
Balance at 2 July 2023	45,321	10,717
Additions	–	2,918
Balance at 30 June 2024	45,321	13,635
Amortisation and impairment losses		
Balance at 2 July 2023	–	(3,854)
Amortisation	–	(2,009)
Balance at 30 June 2024	–	(5,863)
Carrying amount as at 30 June 2024	45,321	7,772

Refer to Note 2(c) for detail on the inputs used in the impairment calculation of goodwill.

Note 12: Leases

The Company has lease contracts for various items of property, motor vehicles and material handling equipment used in its operations. Leases of buildings generally have lease terms between 5 and 12 years, while motor vehicles and material handling equipment generally have lease terms between 1 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension options and variable lease payments. Relevant factors the Company considers in determining the likelihood to exercise a lease renewal, to the point of reasonable certainty, include the Company's overall property strategy, the importance of the leased asset to the Company, the existence of renewal options and their pricing, whether the market is a new market or an existing market, the costs of returning the leased asset in a contractually specified condition, the existence of alternate sites within the relevant catchment and the associated costs of a relocation, and any broader trends generally shaping the retail industry. The Company's lease portfolio contains option periods averaging around 5 years that are not considered reasonably certain options to be exercised. However, these options provide the Company flexibility in managing the leased asset portfolio. The present value of the lease payments to be made under options considered reasonably certain to be exercised has been included in the lease liability balance as at 29 June 2025.

The Company has several lease contracts that include extension options. These options are negotiated to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. The undiscounted potential future payments at current rental rates under options that are not considered reasonably certain to be exercised is \$293.302 million (2024: \$295.414 million), which includes potential lease payments within the next five years of \$36.920 million (2024: \$32.395 million) should those options be exercised.

The Company has several lease commitments entered into but not yet commenced and recognised as a right-of-use asset and lease liability. The undiscounted future payments at current rental rates are \$7.343 million (2024: \$12.277 million).

The Company also has certain leases of material handling equipment and temporary stores with lease terms of 12 months or less and leases of office equipment that are low in value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use asset			
	Property \$'000	Motor Vehicles \$'000	Material Handling equipment \$'000	Total \$'000
As at 2 July 2023	140,862	281	2,773	143,916
Additions	12,789	30	1,488	14,307
Remeasurements ¹	3,164	–	–	3,164
Depreciation expense	(28,965)	(192)	(970)	(30,127)
As at 30 June 2024	127,850	119	3,291	131,260
Additions	7,632	391	–	8,023
Terminations	–	–	–	–
Remeasurements ¹	18,831	(6)	34	18,859
Depreciation expense	(29,641)	(133)	(859)	(30,633)
As at 29 June 2025	124,672	371	2,466	127,509

1. Remeasurements of right-of-use asset primarily represents lease extensions of stores.

Lease Liabilities	2025 \$'000	2024 \$'000
Opening balance	152,843	164,353
Additions	8,023	14,307
Accretion of interest	6,725	7,205
Remeasurements ¹	19,101	2,783
Payments	(37,206)	(35,805)
Closing balance	149,486	152,843
Current	37,838	37,139
Non-current	111,648	115,704
Total lease liabilities	149,486	152,843

1. Remeasurements of lease liabilities primarily represents lease extensions of stores.

The maturity analysis of lease liabilities is disclosed in Note 25 Financial Instruments.

The following are the amounts recognised in profit and loss:

	2025 \$'000	2024 \$'000
Depreciation expense of right-of-use asset	30,633	29,830
Interest expense on lease liabilities	6,725	7,205
Rent expenses – short-term leases (included in stores, administration and warehouse)	123	76
Rent expenses – leases of low-value assets (included in stores, administration and warehouse)	738	780
Rent expenses – variable lease payments (included in store, administration and warehouse)	3,857	4,340
Total	42,076	42,231

The Company had total cash outflows for leases of \$41.924 million in 2025 (2024: \$41.000 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$8.023 million in 2025 (2024: \$14.307 million).

Note 13: Deferred Tax Assets

Deferred tax balances are presented in the consolidated statement of financial position as follows:

	2025 \$'000	2024 \$'000
Deferred tax assets		
Australia	8,907	7,215
New Zealand	2,007	2,007
Total	10,914	9,222

2025 - Consolidated \$'000	Opening balance	Recognised in profit or loss	Recognised in other comprehen- sive 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
Property, 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

2024 - Consolidated \$'000	Opening balance	Recognised in profit or loss	Recognised in other comprehen- sive income	Recognised in equity	Closing balance
Employee benefits	2,323	(228)	-	-	2,095
Non-deductible accruals	380	(61)	-	-	319
Non-refundable layby income	877	(130)	-	-	747
Inventories	374	368	-	-	742
Gift vouchers	1,275	(439)	-	-	836
Right of return	179	24	-	-	203
Right-of-use asset	(43,085)	3,946	-	-	(39,139)
Lease liability	49,207	(3,611)	-	-	45,596
Property, plant and equipment	(4,985)	1,079	-	-	(3,906)
Cash flow hedge reserve	(55)	-	55	-	-
Tax losses carried forward (NZ)	887	842	-	-	1,729
Total	7,377	1,790	55	-	9,222

Of the total net deferred tax assets of \$10.914 million as at 29 June 2025 (2024: \$9.222 million), \$1.729 million (2024: \$1.729 million) is recognised in respect of subsidiary Baby Bunting NZ Limited where there have been losses in the preceding periods. Management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable income to utilise these deferred tax assets. This assessment is performed annually and based on budgets and business plans for the coming years, including planned commercial initiatives.

The New Zealand entity has nil unused tax losses for period ended 29 June 2025 (2024: \$0.688 million) for which no deferred tax asset has been recognised in the statement of financial position.

Note 14: Trade and Other Payables

	2025 \$'000	2024 \$'000
<i>Current</i>		
Trade payables	26,456	28,131
Sundry payables	20,459	14,936
Total	46,915	43,067

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Sundry payable includes \$4.681 million (2024: \$4.308 million) of deposit and instalment payments received by the Company in relation to layby sales taken out by customers.
- Sundry payables (other than layby sales) are non-interest bearing and have an average term of three months.
- For explanations on the Company's liquidity risk management processes, refer to Note 25(b).

Note 15: Other Liabilities

	2025 \$'000	2024 \$'000
Unredeemed gift cards and vouchers ¹	2,801	2,791
Refund liability	2,423	1,868
Total	5,224	4,659

1. The unredeemed gift cards are expected to be redeemed within three years. Loyalty vouchers have a redemption period of 60 days.

Note 16: Loans and Borrowings

	2025 \$'000	2024 \$'000
Non-current – Secured		
Bank loan	16,930	22,570

The ongoing funding requirements of the consolidated entity are provided by the National Australia Bank ('NAB'). The capital market loan facility matures on 30 September 2027. Security consists of a Deed of Charge over the assets of Baby Bunting Pty Ltd. The Company and Baby Bunting NZ Limited are guarantors to the facility.

The total facility limit at balance date was \$78,000,000, consisting of \$70,000,000 Corporate Market Loan ('CML') facility and \$8,000,000 bank guarantee facility. The CML facility can be drawn to the lesser of \$70,000,000 or 2.5 times the 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 the following covenants, operating leverage ratio and financial charge cover ratio. The Company monitors compliance with its financial covenants on a quarterly basis and reports compliance on a quarterly basis to the bank. The Company has complied with all such requirements. There is no indication that the Company will have difficulty complying with these covenants.

Note 17: Provisions

	2025 \$'000	2024 \$'000
Current		
Employee benefits	6,517	5,730
Make-good provision ¹	–	–
Total current	6,517	5,730
Non-current		
Employee benefits	1,357	1,262
Make-good provision ¹	669	819
Total non-current	2,026	2,081

	2025 \$'000	2024 \$'000
Make-good provision		
Opening balance	819	1,119
(Utilised)/arising during the period ¹	(150)	(300)
Closing balance	669	819

1. Provision for make-good costs relate to costs that arise in the event we were to vacate the premise at the end of the lease.

Note 18: Issued Capital

	29 June 2025		30 June 2024	
	No. of shares	\$'000	No. of shares	\$'000
Fully paid ordinary shares				
Balance at beginning of the period	134,906,489	88,695	134,906,489	88,695
Issue of shares:				
– LTI vesting	13,474	–	–	–
Balance at end of the period	134,919,963	88,695	134,906,489	88,695
Shares held in trust				
Balance at beginning of the period	(467,289)	(1,045)	–	–
Purchase of shares in relation to equity incentive plan	–	–	(467,289)	(1,045)
Allocation of shares to equity incentive plan participants	467,289	1,045	–	–
Balance at end of the period	–	–	(467,289)	(1,045)
Balance at end of the period	134,919,963	88,695	134,439,200	87,650

The Company has previously established an employee share plan trust, of which Baby Bunting EST Pty Ltd is the trustee. Shares held in trust are ordinary shares that have been purchased on-market by the trustee and held to satisfy potential future obligations to provide shares to share plan participants in the future.

In the financial period ended 29 June 2025, 480,763 rights vested and were exercised. The Company arranged for the transfer of 467,289 existing and unallocated fully paid ordinary shares held by the trustee of the Baby Bunting Employee Share Plan Trust. The balance of the shares required upon exercise of the rights were provided upon the issue of 13,474 shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 19: Dividends

	2025		2024	
	\$ per ordinary share	\$'000	\$ per ordinary share	\$'000
Recognised amounts				
Final 2024 dividend	–	–	0.048	6,476
Interim 2025 dividend	–	–	0.018	2,428

No final dividend will be paid in respect of the financial period ended 29 June 2025.

	Company	
	2025 \$'000	2024 \$'000
Adjusted franking account balance	6,726	303
Franking credits that will arise from the payment of income tax payable as at the end of the financial period	904	762

Note 20: Retained Earnings

	2025 \$'000	2024 \$'000
Retained earnings		
Balance at beginning of period	(3,642)	3,566
Profit attributable to owners of the Company	9,537	1,696
Payment of dividends	–	(8,904)
Share-based payments	–	–
Balance at end of period	5,895	(3,642)

Note 21: Segment Information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (the chief operating decision maker as defined under AASB 8) that are used to make strategic and operating decisions. The Chief Executive Officer considers the business primarily from a geographic perspective. Operations in New Zealand have been conducted by Baby Bunting NZ Limited, a wholly-owned subsidiary of the Company. All transactions were in New Zealand dollars. On this basis management has identified two reportable segments, Australia and New Zealand.

The following is an analysis of the consolidated entity's revenue and results from continuing operations by reportable segment:

	Australia		New Zealand		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	505,447	487,366	16,488	11,021	521,935	498,387
Cost of Sales	305,466	307,359	6,805	7,374	312,271	314,733
Store Expenses	117,700	110,809	5,775	4,267	123,475	115,076
Marketing Expenses	10,271	8,464	1,066	592	11,337	9,056
Administrative Expenses	38,692	32,696	1,213	738	39,905	33,434
Warehouse Expenses	10,781	9,971	1,515	1,771	12,296	11,742
Operating EBIT	24,828	15,760	114	(3,721)	24,942	12,039
Total segment assets	318,225	306,529	22,183	25,676	340,408	332,205
Additions to plant and equipment and intangibles	12,693	4,632	230	3,972	12,923	8,604
Depreciation and amortisation	36,940	35,998	2,852	2,512	39,792	38,510
Total non-current assets ¹	196,127	193,838	14,949	17,663	211,076	211,501
Total segment liabilities	214,747	208,557	13,016	23,024	227,763	231,581

1. Non-current assets exclude deferred tax assets.

Revenue reported above represents revenue generated from external customers. Inter-segment sales are eliminated on consolidation in the current reporting period of \$4.385 million (2024: \$3.624 million).

The accounting policies of the reportable segment are the same as the consolidated entity's accounting policies described in Note 2. The Chief Executive Officer assesses the performance of the operating segment based on a measure of Operating EBIT. This measurement basis excludes the effects of interest revenue, other operating income, finance costs, income tax and employee equity expenses.

Operating EBIT

A reconciliation of operating EBIT to profit before tax is provided as follows:

	Australia		New Zealand		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Operating EBIT	24,828	15,760	114	(3,721)	24,942	12,039
Other Income	798	400	–	–	798	400
Finance costs	(8,040)	(8,557)	(689)	(579)	(8,729)	(9,136)
Employee share-based payments (inclusive of tax)	(2,699)	(461)	–	–	(2,699)	(461)
Profit before tax	14,887	7,142	(575)	(4,300)	14,312	2,842

Segment assets and liabilities

The amounts provided to the Chief Executive Officer with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. Reportable segments' assets and liabilities are reconciled to total assets as follows:

	Australia		New Zealand		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Total segment assets	318,225	306,529	22,183	25,676	340,408	332,205
Total segment liabilities	214,747	208,557	13,016	23,024	227,763	231,581

Note 22: Reserves

a. Share-based payments

	2025 \$'000	2024 \$'000
Share-based payments reserve		
Balance at beginning of period	16,694	15,531
Allocation of shares to equity incentive plan participants (Note 18)	(1,045)	–
Performance rights – expense (Note 22(b))	2,446	1,163
Balance at end of period	18,095	16,694

b. Performance rights

The consolidated entity has previously established a Long Term Incentive Plan (LTI Plan) involving the grant of performance rights. Upon vesting, each right entitles the participant to one fully paid ordinary share in the Company. No dividends or voting rights are attached to performance rights prior to vesting. The number of rights that vest, across various grants, will be determined by reference to certain performance conditions that include some or all of the following:

- Earnings per share (EPS) growth;
- Total shareholder return (TSR) growth;
- Return on funds employed (ROFE); and
- Service condition (Service rights, EPS, TSR, ROFE).

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Service rights

In the 2024 financial year, the Company granted service rights to a number of executives. 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.

Fair Value

The fair value of the performance rights at the respective grant dates is detailed in the table below.

The fair value is determined using the Black-Scholes model for the non-market component ROFE and Monte-Carlo simulation for TSR. The models take into account the exercise price, effective life, the share price at grant date, expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate.

Performance rights series	Grant date	Number of rights	Grant date fair value	Exercise price	Expiry date
2022 (TSR CAGR)	23 November 2021	825,000	\$1.89	nil	(1)
2022 (EPS CAGR)	23 November 2021	550,000	\$5.81	nil	(1)
2023 (TSR CAGR)	21 November 2022	610,685	\$0.45	nil	(1)
2023 (EPS CAGR)	21 November 2022	407,123	\$2.56	nil	(1)
2024 (TSR CAGR)	15 December 2023	1,106,842	\$0.83	nil	(1)
2024 (EPS CAGR)	15 December 2023	737,894	\$1.83	nil	(1)
2024 (Service rights)	15 December 2023	1,117,289	\$1.83	nil	(1)
2025 (TSR CAGR)	29 October 2024	2,191,555	\$1.05	nil	(1)
2025 (TSR CAGR) – CEO	15 October 2024	1,018,024	\$0.97	nil	(1)
2025 (ROFE CAGR)	29 October 2024	2,139,720	\$1.67	nil	(1)
2025 (TSR CAGR)	18 June 2025	600,001	\$0.98	nil	(1)
2025 (ROFE CAGR)	18 June 2025	399,999	\$1.56	nil	(1)

1. These performance rights vest and can be exercised at the end of the relevant service and performance period, subject to meeting the relevant performance condition. The Board determines whether vesting occurs or not. Any performance rights that have not vested following the final applicable performance period lapse.

	2025 (TSR CAGR) ¹	2025 (TSR CAGR) ²	2024 (TSR CAGR)
Share Price	\$1.77	\$1.90	\$1.83
Exercise price	Nil	Nil	Nil
Expected volatility	50%	50%	45%
Expected life (years)	3.20	3.80	2.70
Expected dividend yield	3.50%	3.50%	4.00%
Risk-free interest rate	4.00%	4.00%	3.79%

	2025 (ROFE CAGR) ¹	2025 (ROFE CAGR) ²	2024 (ROFE CAGR)
Share Price	\$1.77	\$1.90	–
Exercise price	Nil	Nil	–
Expected volatility	50%	50%	–
Expected life (years)	3.00	3.70	–
Expected dividend yield	3.50%	3.50%	–
Risk-free interest rate	4.00%	4.00%	–

1. Performance rights granted on 26 June 2025.

2. Performance rights granted on 15 and 29 October 2024.

Movements in performance rights during the period

The consolidated entity recorded a share-based payments expense for performance rights of \$2.446 million (2024: \$1.163 million) disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under 'Administrative expenses'.

The following reconciles the performance rights outstanding at the beginning and end of the period:

	52 weeks ended 29 June 2025			
	TSR Number of rights	EPS Number of rights	ROFE Number of rights	Service Number of rights
Balance at beginning of the period	2,372,842	1,581,894	-	1,117,289
Granted during the period	3,809,581	-	2,539,718	-
Forfeited during the period	(57,363)	(34,480)	-	-
Exercised during the period	-	-	-	(480,763)
Lapsed during the period	(655,316)	(436,876)	-	-
Balance at end of period	5,469,744	1,110,538	2,539,718	636,526
Exercisable at end of period	-	-	-	-

	52 weeks ended 30 June 2024		
	TSR Number of rights	EPS Number of rights	Service Number of rights
Balance at beginning of the period	2,611,000	2,134,000	-
Granted during the period	1,106,842	737,894	1,117,289
Forfeited during the period	(165,000)	(110,000)	-
Lapsed during the period	(1,180,000)	(1,180,000)	-
Balance at end of period	2,372,842	1,581,894	1,117,289
Exercisable at end of period	-	-	-

c. Share-based payment tax reserve

	29 Jun 2025 \$'000	30 Jun 2024 \$'000
Share-based payments reserve		
Balance at beginning of period	2	2
Tax effect of share-based payments ¹	13	-
Balance at end of period	15	2

1. \$0.013 million tax effect of share-based payments line represents an increase in future income tax benefits recognised in the share-based payment tax reserve that is in excess of any future benefits relating to the cumulative share-based payment expense recognised in profit or loss.

Note 23: Related Party Transactions

The immediate parent and ultimate controlling party of the consolidated entity is Baby Bunting Group Limited (incorporated in Australia).

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the consolidated entity and other related parties are disclosed below.

a. Loans to and from key management personnel and directors

As at the end of the current reporting period, no loans were outstanding to or from key management personnel or directors of the consolidated entity (2024: nil).

b. Key management personnel compensation

The aggregate compensation made to directors and KMP of the Company and the consolidated entity is set out below:

	2025 \$'000	2024 \$'000
Short-term employment benefits	2,292,284	1,807,737
Post-employment benefits	131,981	119,021
Other long-term benefits	7,814	(7,933)
Share-based payments	1,790,783	467,105
Total	4,222,862	2,385,930

Note 24: Commitments for Expenditure

Capital commitments

The consolidated entity has capital commitments totalling \$2.400 million (2024: nil).

Note 25: Financial instruments – Fair values and risk management

The consolidated entity'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 consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. There have been no changes to the consolidated entity's exposure to financial risks or the manner in which it manages and measures these risks from the previous period.

The consolidated entity holds the following financial assets and liabilities at reporting date:

	2025 \$'000	2024 \$'000
Financial assets		
Cash and cash equivalents	12,379	9,525
Trade and other receivables	6,038	3,968
Total	18,417	13,493

	2025 \$'000	2024 \$'000
Financial liabilities		
Trade and other payables	46,915	43,067
Other liabilities	2,423	1,828
Borrowings	16,930	22,570
Derivatives designated as hedging instruments ¹	43	-
Lease liability	149,486	152,843
Total	215,797	220,308

1. Derivatives designated as hedging instruments reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable inventory purchases in US dollars (USD).

a. Market risk

i. Foreign exchange

The majority of the consolidated entity's operations are transacted in the functional currency of the Company, and therefore exposure to foreign exchange risk is limited to around 15.1% of goods which are purchased in a foreign currency.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is foreign currency risk.

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in US dollars. These forecast transactions are highly probable, and they comprise about 14.8% of the Company's total expected purchases denominated in USD. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments;
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

The Company manages its foreign currency risk by hedging transactions that are expected to occur based on known purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of known transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

						Maturity
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at 29 June 2025						
Foreign exchange forward contracts (highly probably forecast purchase)						
Notional amount (in \$AUD'000)	3,110	792	–	–	–	3,902
Average forward rate (AUD/USD)	0.6438	0.6439	–	–	–	–
As at 30 June 2024						
Foreign exchange forward contracts (highly probably forecast purchase)						
Notional amount (in \$AUD'000)	–	–	–	–	–	–
Average forward rate (AUD/USD)	–	–	–	–	–	–

ii. Cash flow and fair value interest rate risk

The consolidated entity is exposed to interest rate risk 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.

iii. Summarised sensitivity analysis

The following table summarises the sensitivity of the consolidated entity's financial assets and financial liabilities to interest rate risk.

The consolidated entity is using a sensitivity of 2.5% (2024: 2.5%) as management considers this to be reasonable having regard to historic movements in interest rates. A positive number represents an increase in profit and a negative number a decrease in profit.

	Foreign exchange risk		
	Change in USD rate	-2.5%	+2.5%
	Carrying amount \$'000	Profit \$'000	Profit \$'000
At 30 June 2024			
Financial liabilities			
Other financial liabilities	–	–	–
Total increase/(decrease)	–	–	–

	Foreign exchange risk		
	Change in USD rate	-2.5%	+2.5%
	Carrying amount \$'000	Profit \$'000	Profit \$'000
At 29 June 2025			
Financial liabilities			
Other financial liabilities	43	1	(1)
Total increase/(decrease)	43	1	(1)

Interest rate risk	
-2.5%	+2.5%
Carrying amount \$'000	Profit \$'000

At 30 June 2024

Financial liabilities		
Borrowings – CML Facility	22,570	564
Total increase/(decrease)		564

Interest rate risk	
-2.5%	+2.5%
Carrying amount \$'000	Profit \$'000

At 29 June 2025

Financial liabilities		
Borrowings – CML Facility	16,930	423
Total increase/(decrease)		423

b. 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.

Financing arrangements

The consolidated entity has access to the following undrawn borrowing facilities at the end of the reporting period:

	2025		2024	
	Limit \$'000	Utilised \$'000	Limit \$'000	Utilised \$'000
CML Facility	70,000	16,930	70,000	22,570
Bank Guarantee Facility	8,000	2,332	8,000	2,375
Total Facility	78,000	19,262	78,000	24,945

Maturities of financial assets and financial liabilities

The following tables detail the consolidated entity'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 29 June 2025							
Financial assets							
Cash and cash equivalents	12,379	–	–	–	–	12,379	3.60%
Trade and other receivables	6,038	–	–	–	–	6,038	
Total	18,417	–	–	–	–	18,417	
Financial liabilities							
Trade and other payables	46,915	–	–	–	–	46,915	
Other liabilities	2,423	–	–	–	–	2,423	
Other financial liabilities	3,110	792	–	–	–	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	71,509	19,569	33,941	93,281	20,702	239,002	

						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 30 June 2024							
Financial assets							
Cash and cash equivalents	9,525	–	–	–	–	9,525	4.10%
Other receivables	3,968	–	–	–	–	3,968	
Total	13,493	–	–	–	–	13,493	
Financial liabilities							
Trade and other payables	43,067	–	–	–	–	43,067	
Other liabilities	1,828	–	–	–	–	1,828	
Lease liability	18,720	18,756	34,047	74,374	28,720	174,617	
Borrowings – CML facility	–	–	–	22,570	–	22,570	5.86%
Total	63,615	18,756	34,047	96,944	28,720	242,082	

c. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity 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 consolidated entity 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.

d. Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

Note 26: Notes to the Statement of Cash Flows

a. Reconciliation of profit for the period to net cash flows from ordinary activities

	2025 \$'000	2024 \$'000
Profit after income tax	9,537	1,696
Non-cash expenses and other adjustments:		
Depreciation and amortisation	39,792	38,510
Share-based payments and tax reserves	2,446	1,163
Tax credit directly to equity	13	-
Other	698	-
Changes in assets and liabilities:		
Decrease/(Increase) in other receivables	(2,070)	(516)
Decrease/(Increase) in other assets	(800)	758
Decrease/(Increase) in inventories	(1,212)	3,620
Decrease/(Increase) in deferred tax assets	(1,692)	(1,793)
Increase/(Decrease) in trade and other payables	3,848	(1,557)
Increase/(Decrease) in provisions	732	(1,054)
Increase/(Decrease) in income tax assets/liability	(9)	728
Increase/(Decrease) in other liabilities	608	(1,496)
Net cash provided by operating activities	51,891	40,059

b. Reconciliation of cash and cash equivalents

For the purposes of the statement cash flows, cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2025 \$'000	2024 \$'000
Cash on hand	96	93
Cash and cash equivalents	12,283	9,432
Total	12,379	9,525

Note 27: Parent Entity Disclosures

As at, and throughout, the 52 weeks ended 29 June 2025 the parent entity of the consolidated entity was Baby Bunting Group Limited.

	Parent Entity	
	2025 \$'000	2024 \$'000
Result of parent entity:		
Profit for the period	10,112	9,612
Other comprehensive income	-	-
Total comprehensive income for the period	10,112	9,612
Financial position of parent entity at period end:		
Current assets	-	-
Non-current assets	108,902	98,798
Total assets	108,902	98,798
Current liabilities	621	629
Non-current liabilities	-	-
Total liabilities	621	629
Total equity of the parent entity comprising of:		
Issued capital	88,695	88,695
Retained earnings	19,586	9,474
Total equity	108,281	98,169

The Company does not have any contractual commitments for the acquisition of property, plant and equipment (30 June 2024: nil). The Company does not have any contingent liabilities (30 June 2024: nil).

The Company has entered into a deed of support with its wholly-owned subsidiary, Baby Bunting NZ Limited, under which it agrees to provide any necessary financial support to its subsidiary to ensure it is able to pay its debts as they become due in the normal course of business.

Note 28: Group Entities

Baby Bunting Group Limited has three 100% owned subsidiaries, Baby Bunting Pty Ltd, Baby Bunting EST Pty Ltd and Baby Bunting NZ Limited. The investment in Baby Bunting Pty Ltd is \$8,891,700 which represents the issued capital of the entity, together with the value of non-cash costs associated with the acquisition of the business.

The Company and Baby Bunting Pty Ltd have entered into a Deed of Cross Guarantee.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiary (Baby Bunting Pty Ltd) is relieved from the Corporations Act 2001 requirements for the preparation, audit and lodgment of Financial Reports.

The effect of the deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of the subsidiary under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full.

Subsidiaries listing

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			June 2025	June 2024
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	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.

Closed Group Disclosure

The members of the closed group are the Company and Baby Bunting Pty Ltd.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income, summary of movements in consolidated retained earnings and the Consolidated Statement of Financial Position of the entities that are members of the closed group are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 29 June 2025

	2025 \$'000	2024 \$'000
Revenue	509,329	490,991
Cost of sales	(309,348)	(310,983)
Gross profit	199,981	180,008
Other Income	798	400
Store expenses	(117,700)	(110,810)
Marketing expenses	(10,271)	(8,464)
Warehousing expenses	(10,781)	(9,971)
Administrative expenses	(38,692)	(32,695)
Project expenses	-	(1,330)
Restructuring costs	(408)	(1,438)
Finance expenses	(8,040)	(8,558)
Profit before tax	14,887	7,142
Income tax expense	(4,775)	(2,145)
Profit after tax	10,112	4,997
Other comprehensive income for the period		
Net gain/(loss) on cash flow hedges	(43)	(129)
Income tax effect relating to the components of OCI	13	-
Net other comprehensive income/(loss) for the period, net of tax	(30)	(129)
Total comprehensive income attributable to:		
Equity holders of Baby Bunting Group Limited	10,082	4,868

	2025 \$'000	2024 \$'000
Summary of movement in consolidated retained earnings		
Retained earnings at the beginning of the year	4,368	8,283
Profit for the year	10,112	4,997
Dividend provided for or paid	-	(8,904)
Transfer to retained earnings	-	(8)
Retained earnings at the end of the year	14,480	4,368

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Consolidated Statement of Financial Position as at 29 June 2025

	2025 \$'000	2024 \$'000
Current assets		
Cash and cash equivalents	11,401	8,673
Trade and Other receivables	14,594	11,517
Inventories	91,601	89,547
Other assets	4,239	3,441
Total current assets	121,835	113,178
Non-current assets		
Plant and equipment	24,171	22,166
Intangibles	9,258	7,098
Goodwill	45,321	45,321
Loan to subsidiary	9,761	10,740
Right of use asset	117,377	119,252
Deferred tax assets	8,882	7,215
Total non-current assets	214,770	211,792
Total assets	336,605	324,970
Current liabilities		
Trade and other payables	46,358	40,904
Other liabilities	5,122	4,583
Current tax liabilities	622	631
Other financial liabilities	43	-
Lease liabilities	35,436	34,522
Provisions	6,305	5,618
Total current liabilities	93,886	86,258
Non-current liabilities		
Borrowings	16,930	22,570
Lease liabilities	102,508	105,479
Provisions	2,026	1,953
Total non-current liabilities	121,464	130,002
Total liabilities	215,350	216,260
Net assets	121,255	108,710
Equity		
Issued capital	88,695	87,650
Reserves	18,080	16,692
Retained earnings	14,480	4,368
Total equity	121,255	108,710

Note 29: Earnings per Share

	2025 cents per share	2024 cents per share
Basic earnings per share from continuing operations ¹	7.1	1.3
Diluted earnings per share from continuing operations ¹	6.7	1.2

1. In the current and comparative reporting periods there were no discontinued operations.

a. Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to members of the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025 \$'000	2024 \$'000
Earnings used in the calculation of basic earnings per share from continuing operations ¹	9,537	1,696
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share ¹	134,779,138	134,478,888

1. In the current and comparative reporting periods there were no discontinued operations.

b. Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to members of the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The earnings used in the calculation of diluted earnings per share are as follows:

	2025 \$'000	2024 \$'000
Earnings used in the calculation of basic earnings per share from continuing operations ¹	9,537	1,696

1. In the current and comparative reporting periods there were no discontinued operations.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share ²	142,011,065	138,975,747

2. The weighted average number of shares takes into account the weighted average effect of performance rights granted during the year.

The following table reflects the share data used in the basic and diluted earnings per share calculations:

	2025 number	2024 number
Weighted average number of ordinary shares for basic earnings per share	134,779,138	134,478,888
Effects of dilution from Share options	7,231,927	4,496,859
Weighted average number of ordinary shares adjusted for the effect of dilution	142,011,065	138,975,747

Note 30: Remuneration of auditors

	2025 \$'000	2024 \$'000
Assurance Services		
Review of the financial report for the half-year	65,000	61,250
Audit of the period-end financial report	195,000	183,750
	260,000	245,000
Other Services		
Taxation services	243,219	24,900
Sustainability services	82,000	-
Remuneration advisory services	14,009	6,000
	339,228	30,900
Total remuneration	599,228	275,900

The auditors of the consolidated entity and the Company are Ernst & Young. From time to time, Ernst & Young provides other services to the consolidated entity and the Company, which are subject to the corporate governance procedures adopted by the Company.

Note 31: 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 29 June 2025.

Consolidated Entity Disclosure Statement

for the 52 weeks ended 29 June 2025

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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

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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 29 June 2025 and performance for the period 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 28 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

15 August 2025

Auditor's Independence Declaration



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Fax: +61 3 8650 7777
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Auditor's Independence Declaration to the Directors of Baby Bunting Group Limited

As lead auditor for the audit of Baby Bunting Group Limited for the 52-week period ended 29 June 2025, 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;
- (b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- (c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Baby Bunting Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Katie Struthers
Partner
15 August 2025

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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 29 June 2025, 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 29 June 2025 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 our audit of the financial report 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 29 June 2025, the Group held \$95.6 million in inventories representing 28% of total assets of the Group. As detailed in Note 2(g) 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 net of associated volume 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 volume 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 2025 Annual Report, but does not include 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, with the exception of the Remuneration Report and our related assurance opinion.

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:

- a. 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;
- b. 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:

- i. 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
- ii. 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.
- 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

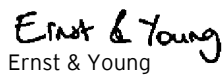
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 53 to 73 of the directors' report for the 52-week period ended 29 June 2025.

In our opinion, the Remuneration Report of Baby Bunting Group Limited for the 52-week period ended 29 June 2025, 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.


Ernst & Young


Katie Struthers
Partner
Melbourne
15 August 2025

Shareholder information

as at 11 July 2025

Baby Bunting Group Limited has one class of shares on issue (being fully paid ordinary shares). There are 134,919,963 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	J P Morgan Nominees Australia Pty Limited	34,516,535	25.58
2	HSBC Custody Nominees (Australia) Limited	23,121,940	17.14
3	HMC Capital Partners Holdings Pty Ltd <HMC Cap Prtns Hlds A/C>	20,937,130	15.52
4	Citicorp Nominees Pty Limited	18,137,387	13.44
5	BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd >	3,146,380	2.33
6	Fiddian Teal Nominees Pty Ltd <Fiddian Teal Family A/C>	1,179,741	0.87
7	HSBC Custody Nominees (Australia) Limited <NT-Commwlth Super Corp A/C>	1,122,842	0.83
8	Mr Matthew Gerald Spencer	937,244	0.69
9	Maple and Redwood Pty Ltd <G & S Haines Super Fund A/C>	671,264	0.50
10	BNP Paribas Noms Pty Ltd	557,050	0.41
11	Fergus & Co Pty Ltd <Fergus Investment A/C>	488,974	0.36
12	Michael Anthony Pane	479,621	0.36
13	Netwealth Investments Limited <Wrap Services A/C>	468,970	0.35
14	Shankland Super Pty Ltd <Shankland SF A/C>	410,024	0.30
15	Mr Shuffles SMSF Pty Ltd <Mr Shuffles Super Fund A/C>	376,502	0.28
16	Netwealth Investments Limited <Super Services A/C>	359,513	0.27
17	Darin Hoekman	301,128	0.22
18	Corey Lewis	282,882	0.21
19	Mr Endre Wall Ellis + Mrs Olivia Louise Ellis	250,000	0.19
19	Kiso Holdings P/L <Gary Levin S/F A/C>	250,000	0.19
	Total	107,995,127	80.04

Unmarketable parcels

There were 1,203 holdings of less than a marketable parcel (less than \$500 in value or less than 278 shares) based on the closing market price of \$1.80 per share at 11 July 2025.

Distribution of Shareholders and Shareholdings

Range	Total holders	% of total holders	Number of shares	% of shares
1 – 1,000	3,331	52.2	1,459,660	1.08
1,001 – 5,000	2,031	31.8	5,023,034	3.72
5,001 – 10,000	497	7.8	3,770,851	2.79
10,001 – 100,000	471	7.4	11,449,555	8.49
100,001 and over	54	0.8	113,216,863	83.91
Total	6,384	100.0	134,919,963	100.0

Percentage totals may not add due to rounding.

Substantial shareholders

As at 11 July 2025, 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	28 August 2024	20,066,201	14.87%
AustralianSuper Pty Ltd	10 September 2021	17,710,679	13.65%
Yarra Capital Management Limited	22 August 2024	8,246,138	6.11%

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 11 July 2025, there were 58 holders of performance rights. There are no voting rights attached to performance rights.

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Corporate Directory

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Registered Office

Baby Bunting Group Limited

153 National Drive
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(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
(03) 8795 8100

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+61 452 120 192

Shareholder Enquiries

Share Registry

Computershare Investor Services Pty Ltd
GRP Box 2975
Melbourne VIC 3001
1800 850 505 (within Australia)
+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

Online store

babybunting.com.au
babybunting.co.nz

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