MERINO&CO

ASX: MNC

QUARTERLY REPORT

Q4 FY2026

Merino & Co. Limited — quarterly activities report and Appendix 4C
ending 30 June 2026

RELEASE DATE: 31 JULY 2026

WESTERN AUSTRALIA

Chair's Statement

"Q4 FY26 was the quarter in which Merino & Co. returned to positive operating cash flow, recording net operating cash inflows of A$74,000 against outflows of approximately A$389,000 in the March quarter.

Cash receipts from customers were A$910,000 for the quarter, of which A$310,000 was received in advance of delivery, and A$2.027 million for the twelve months to 30 June 2026. Cash at bank increased to A$740,000 at 30 June 2026, from A$654,000 at 31 March 2026.

During the quarter, the Company also secured an exclusive distribution agreement for Mainland China, providing a contracted framework for the market rather than an opportunistic export position, together with the first purchase order under that agreement.

The Board's focus for FY27 is demand, conversion and fulfilment, in that order. Contracted commitments become shareholder value as the Company builds awareness, wins orders and delivers against them. Manufacturing capacity, working capital and scheduling disciplines follow.

Steve Woolley
BOARD CHAIR

Key Quarterly Highlights

During Q4 FY26 the Company converted prior-period investment in product, inventory and manufacturing capability into customer receipts, and established a contracted distribution framework for the China market.

CASH RECEIPTS – QUARTER	RECEIPTS – 12 MONTHS	NET OPERATING CASH	CASH AT 30 JUNE 2026
A$910,000	A$2.027m	+A$74,000	A$740,000

01

Return to positive operating cash flow

Net operating cash inflows of A$74,000 for the quarter, against net outflows of approximately A$389,000 in Q3 FY26.

02

Exclusive China distribution agreement

With Shanghai Baifushi Information Technology Co. Ltd. Minimum annual order commitment of CNY 30 million (approx. A$6.5 million) over an initial three-year term, with 20% minimum annual growth upon renewal.

03

Initial A$1.1 million purchase order

The first execution milestone under the agreement, covering wool garments and accessories. On track for completion around August to September 2026.

04

Airport retail performance

Duty-free retail sales of A$153,627 for the quarter, including approximately A$90,000 from the new Range across two airport locations.

05

Domestic wholesale delivery

The A$300,000 order announced in Q3 FY26 is being fulfilled to the agreed schedule, progressively over twelve months from the date of the agreement.

06

Capital-light international growth

The Distributor manages in-market sales, marketing and channel development; the Company retains product supply, quality control and export operations.

Managing Director's Statement

"The fourth quarter was about turning readiness into delivery.

We recorded A$910,000 in cash receipts from customers and returned the business to positive operating cash flow, reflecting the work done across the year on product, inventory and manufacturing capability now beginning to convert.

During the quarter we executed an exclusive distribution agreement for Mainland China with Shanghai Baifushi Information Technology Co. Ltd, with a minimum annual order commitment of CNY 30 million over an initial three-year term. The first purchase order under that agreement, valued at A$1.1 million, was received in May and remains on track for completion around August to September 2026.

Domestically, our airport duty-free channel generated A$153,627 in sales for the quarter, with the new Range contributing approximately A$90,000 across two airport retail locations. Delivery against our A$300,000 domestic wholesale order continues in line with the agreed schedule.

The new Range result shows what happens when the right product meets the right channel, and we are applying that to our retail, wholesale and China channels through FY27. With orders in hand scheduled for delivery across the coming quarters, our focus is on building demand ahead of that capacity, and on scheduling production and working capital to meet it."

Fiona Yue
MANAGING DIRECTOR

Corporate & Financial Summary

The Company's Appendix 4C for the quarter ending 30 June 2026 is attached. As at 30 June 2026 the Company held approximately A$740,000 in cash, compared with A$654,000 in the previous quarter.

Net cash inflows from operating activities were approximately A$74,000 for the quarter, compared with net outflows of approximately A$389,000 in the March quarter. Cash receipts from customers were A$910,000 for the quarter and A$2.027 million for the twelve months to 30 June 2026. Of the quarter's receipts, A$310,000 was received in advance of delivery.

The Company remains focused on disciplined cost management, production execution and fulfilment of contracted orders.

OPERATING PAYMENTS – QUARTER

Product manufacturing & operating costs	A$421,000
Staff costs	A$218,000
Leased assets	A$79,000
Administration & corporate costs	A$66,000
Advertising & marketing	A$15,000
Interest & other finance costs	A$37,000

ADDITIONAL ASX DISCLOSURE

Consistent with ASX Listing Rule 4.7C.1, the Company reported net operating cash inflows of approximately A$74,000 for the June quarter. As required under Listing Rule 4.7C.2, a summary of the planned use of funds per the IPO prospectus, with actual expenditure to 30 June 2026, is provided on page 6.

RELATED PARTY TRANSACTIONS

Payments to related parties totalled approximately A$173,000, as disclosed in Item 6 of Appendix 4C, comprising A$113,508 in Directors' remuneration and A$59,385 to an associate of a director.

ALL FIGURES A$

Use of Funds – Year 2

USE OF FUNDS	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION	ACTUAL TO 30 JUNE 2026
Expanding production capacity	—	—	512,290
Preparing stock for wholesale orders	236,000	250,000	1,218,424
Marketing and branding, including online platforms	207,000	375,000	79,694
Research & development	150,000	150,000	—
Corporate expenses	534,000	534,000	381,944
Working capital	—	199,918	8,102
Costs of the Offer	—	—	—
Total funds allocated — Year 2	1,127,000	1,508,918	2,200,454

Comparatives at 31 March 2026: production capacity 321,866; wholesale stock 824,666; marketing and branding 64,224; research & development nil; corporate expenses 201,932; working capital 7,262; total 1,419,950.

Authorisation and Contact

Fiona Yue

MANAGING DIRECTOR

fiona@merinoandco.com.au

Joey Zhou

CHIEF COMMERCIAL OFFICER

joey@merinoandco.com.au

This presentation has been authorised and approved in accordance with Merino & Co.'s Continuous Disclosure Policy and approved by the Board.