



Q1 FY2026

QUARTERLY REPORT

Release Date: 31 October 2025

ASX Code: MNC

MERINO&C^o

“The first quarter of FY26 marked a significant period of transition and renewal for Merino & Co.

Following the retirement of **Non-Executive Chair Jack Hanrahan**, who played a key role in guiding the company for the past 3 years, the Board welcomed **Steven Woolley as Non-Executive Chair** on 15 October 2025. Steven brings more than two decades of brand, retail and leadership experience across Australian and global companies including R.M.Williams, Akubra, and Adidas.

The Board also welcomed **Ann Chavez as Chief Growth Officer**, whose extensive background with global consumer brands such as Disney, Gerber, and Tide strengthens the company’s capability in market expansion and brand strategy.

Operationally, the company executed an important step in its international strategy through a new **Offtake and Distribution Agreement with BINJORA Era Garment and Apparel Co. Ltd**, a subsidiary of Bosideng International Holdings Limited (SEHK: 3998). The agreement provides a platform for Merino & Co. products to enter the Chinese market and establishes a co-branded apparel program for both Australia and China.

Revenue for the quarter totalled \$180,769, and the company closed the period with cash and cash equivalents of approximately \$2.27 million. As outlined in the Appendix 4C, the decrease from the previous quarter reflects continued strategic investment in manufacturing, marketing and staffing to support future growth. Despite this investment, Merino & Co. maintains a solid financial position with sufficient liquidity to advance its objectives.

The quarter also saw the continuation of the company’s community initiatives, including a **partnership with Save the Children Australia**, which encouraged donations of pre-loved clothing and contributed a portion of sales proceeds to support their programs.

Together, *these developments strengthen Merino & Co.’s foundation as it progresses its market-expansion strategy* and builds on its reputation as an Australian leader in Merino wool apparel, combining craftsmanship, sustainability and enduring value for shareholders.”

Fiona Yue
Managing Director

Merino & Co. (ASX: MNC) is an Australian Merino-wool products company focused on the design manufacture marketing and sales of high-quality apparel. During Q1 FY26, the company advanced leadership renewal and partnership expansion while continuing to invest in operational capability.

Quarter revenue was \$180,769, reflecting the **current transition phase** as the company rebalances product, inventory and channel strategy. As at 30 September 2025, the company held \$2.27 million in cash, compared with \$2.97 million in the previous quarter.

Key developments included:

- Execution of the Offtake and Distribution Agreement with BINJORA, enabling distribution and sale of Merino & Co. products in China and co-branding for both Australian and Chinese markets.
- Appointment of Ann Chavez as Chief Growth Officer to lead global strategy and market expansion.
- Appointment of Steven Woolley as Non-Executive Chair, following the retirement of Jack Hanrahan.
- Continuation of community engagement through the Save the Children Australia partnership.

The company remains *focused on strengthening its market position, product development and leadership depth* to support future growth.

A. Partnership with BINJORA

On 3 September 2025, Merino & Co. signed an **Offtake and Distribution Agreement with BINJORA Era Garment and Apparel Co. Ltd**, a down-jacket and apparel company owned by Bosideng International Holdings Limited (SEHK: 3998).

Under the agreement:

- BINJORA will purchase finished Merino & Co. products worth more than \$50,000 for distribution and sale in China.
- Merino & Co. has been appointed the sole Australian agent for the sale and distribution of the co-branded down, Merino-wool and outdoor products.
- Both companies will jointly design and promote garments via international e-commerce platforms including Amazon and Rakuten.

The agreement enables Merino & Co. to leverage BINJORA's design and cost-efficient manufacturing capabilities to deploy stock swiftly to strategically selected retail locations in Australia and expand into China's premium apparel market.

B. Leadership Appointments

Chief Growth Officer – Ann Chavez

Appointed 17 September 2025, Ann Chavez brings more than 30 years of global leadership experience across Fortune 100 companies, high-growth ventures and mission-driven organisations throughout Asia-Pacific and North America. She has held senior roles with Disney, Gerber, and Tide, guiding brand positioning and growth strategies that have delivered multi-million-dollar results.

Non-Executive Chair – Steven Woolley

Appointed 15 October 2025 following Jack Hanrahan's resignation, Steven Woolley brings over 20 years of experience across heritage and performance brands including R.M. Williams, Akubra, and adidas. He is a strong advocate for Australian manufacturing and the sustainable use of natural resources.

Retirement of Jack Hanrahan

On 18 September 2025, Merino & Co. announced that Jack Hanrahan had stepped down as Non-Executive Chair and Director. The Board expressed its gratitude for his leadership and dedication since joining in 2022 and acknowledged his significant contributions to the company's development.

Merino & Co. maintains a solid financial position with sufficient liquidity to progress its growth strategy and pursue value-creating opportunities in key markets.

The company's Appendix 4C Quarterly Cashflow Report for the period ended 30 September 2025 is attached.

Summary of Key Figures

- Cash at quarter end: \$2.27 million (down from \$2.97 million in previous quarter).
- Operating cash outflows: approximately \$0.42 million for the quarter.
- Decrease reflects continued investment in product manufacturing and delivery, marketing and staffing to support growth.

Use of Funds to 30 September 2025 (AUD):

Expanding production capacity: 1,165,730
Preparing stock for wholesale orders: 1,166,804
Marketing and branding (incl. online platforms): 377,574
Research & development: 27,500
Corporate expenses: 790,966
Working capital: 74,311
Costs of the Offer: 673,000
Total Funds Allocated – Year 1: 4,275,885

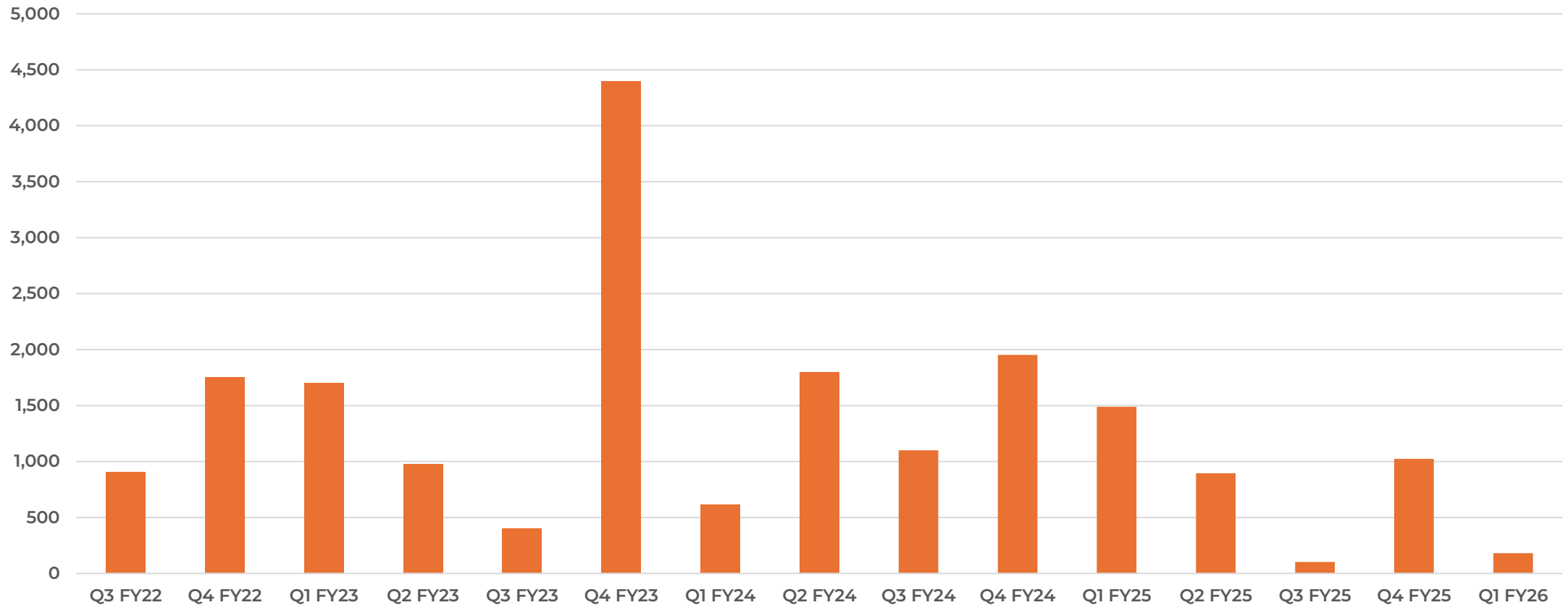
Related Party Transactions

Payments to related parties during the quarter totalled approximately \$121,000, comprising \$68,000 in Directors' remuneration and \$53,000 in remuneration to an associate of a Director, as disclosed in Item 6 of Appendix 4C.

STRENGTHENING MARKET POSITION AMID LEADERSHIP TRANSITION

Merino & Co. strengthened its market position with new leadership appointments and the BINJORA partnership, while Q1 FY26 revenues eased to \$180,769.

QUARTERLY REVENUE \$'000



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Corporate & Financial Summary

The Company's Appendix 4C for the quarter ending 30 September 2025 is attached.

As of 30 September 2025, the Company held approximately A\$2,268,000 in bank balances, compared to A\$2,974,000 in the previous quarter.

Cash and cash equivalents at quarter end were approximately A\$2.268m, down from A\$3.016m in the previous quarter. The Company maintains a solid cash position to support ongoing growth, product development and market expansion opportunities.

The decrease reflects the Company's ongoing strategic investment in scaling operations – specifically product manufacturing and delivery, marketing and advertising, and staffing – to support expanded commercial activities.

Notwithstanding the higher investment during the quarter, Merino & Co. remains in a solid financial position, with sufficient liquidity to progress its growth strategy and pursue value-creating opportunities in key markets.

Additional ASX Disclosure

Consistent with ASX Listing Rule 4.7C.1, the Company reported operating cash outflows of approximately \$0.42m for the September quarter. As required under ASX Listing Rule 4.7C.2, a summary of the planned use of funds as per the IPO prospectus, together with actual expenditure to 30 September 2025, is provided in the table on page 10.

Related Party Transactions

During the quarter, payments to related parties totalled approximately A\$121,000, as disclosed in Item 6 of Appendix 4C. These payments comprised \$68,000 in Directors' remuneration and \$53,000 in remuneration to the associate of a Director.

APPENDIX 4C | QUARTERLY CASHFLOW REPORT

MERINO & CO

	Minimum Subscription	Maximum Subscription	Actual Expenditure to 30 September 2025
Use of funds – Year 1	\$	\$	\$
Expanding production capacity	1,179,900	1,419,900	1,165,730
Preparing stock for wholesale orders	1,540,000	1,600,000	1,166,804
Marketing and branding, including for online platforms	483,000	875,000	377,574
Research & development	350,000	350,000	27,500
Corporate expenses	534,000	534,000	790,966
Working capital	131,894	466,476	74,311
Costs of the Offer	654,206	745,706	673,000
Total Funds Allocated – Year 1	4,873,000	5,991,082	4,275,885

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Fiona Yue

Managing Director

E: fiona@merinoandco.com.au

Isaac Stewart

Investor & Media Relations

E: isaac@gravitaspr.com.au

Authorisation and Contact

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

Appendix 4C

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

Name of entity

Merino & Co. Limited

ABN

74 162 863 121

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	417	417
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(314)	(314)
(c) advertising and marketing	(52)	(52)
(d) leased assets	(39)	(39)
(e) staff costs	(176)	(176)
(f) administration and corporate costs	(213)	(213)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(47)	(47)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	3	3
1.8 Other – GST and other taxes (paid)/refunded	-	-
1.9 Net cash from / (used in) operating activities	(421)	(421)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(65)	(65)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other income	3	3
2.6	Net cash from / (used in) investing activities	(62)	(62)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(221)	(221)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(221)	(221)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,974	2,974
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(421)	(421)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(62)	(62)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(221)	(221)
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	2,268	2,268

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,268	2,974
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – bank guarantee	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,268	2,974

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payment of Directors' remunerations for the period from 1 July 2025 to 30 September 2025: \$68,000</p> <p>Payment of remuneration to Director's spouse: \$53,000</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,403	2,012
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,403	2,012
7.5 Unused financing facilities available at quarter end		391
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Two separate loan facilities have been provided to the Company by National Australia Bank:		
1) A facility of \$403,000 is secured against the property located at 3/82 Christable Way, Landsdale WA 6065. Interest on the facility is charged at 6.92% p.a. At quarter end, the facility has been fully drawn down.		
2) A further facility of \$2m is secured over the Company's present and future rights, property and undertaking and director personal guarantees. Interest on the facility is charged at 7.7% p.a. with final repayment due in December 2031. At quarter end, \$1.61m of the facility has been drawn down.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(421)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,268
8.3 Unused finance facilities available at quarter end (item 7.5)	391
8.4 Total available funding (item 8.2 + item 8.3)	2,659
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.32
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.