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Q3 FY2026
QUARTERLY REPORT

Release Date: 1 May 2026
ASX Code: MNC

MERINO&Co

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MERINO&Co

"Q3 FY26 was an important execution quarter for Merino & Co. as the Company continued to align its operating capability, product readiness and market activity to confirmed international demand.

The Board is encouraged by early commercial momentum in China, including purchase orders secured through the Company's Shanghai distribution partner. This provides a stronger basis for disciplined investment in manufacturing, marketing and organisational capability.

While cash reduced during the quarter as the Company funded product and operational activity, the Board remains focused on ensuring expenditure is aligned to confirmed demand, near-term delivery and sustainable long-term shareholder value."

Steve Woolley
Board Chair

Key Quarterly Highlights

MERINO&Co

Merino & Co. (ASX: MNC) is an Australian Merino-wool products company focused on the design manufacture marketing and sales of high-quality apparel. During Q3 FY26, the Company continued to progress execution readiness, with investment directed toward product, inventory, manufacturing capability and international market development.

Quarter revenue was A$441,558, reflecting the Company's current transition phase as it rebalances product, inventory and channel strategy. As at 31 March 2026, the Company held A$654,282 in cash, compared with A$1.168 million in the previous quarter.

Key Quarterly Highlights – Q3 FY26

Domestic wholesale momentum: Secured a new domestic purchase order valued at A$300,000, supporting the Company's strategy to rebuild and strengthen its Australian wholesale distribution footprint.

New product range validation: The Company's recently launched product range has received strong early market feedback, resulting in approximately A$92,500 in orders during the period.

Retail channel reactivation: Merino & Co. products were secured in the newly opened Natural Collective store at Perth Airport, representing a return to airport retail distribution following disruption since COVID.

China expansion update: Progressed well with the Shanghai distribution agreement securing a further A$382,000 order, indicating positive reception from the China market.

Capital-light international growth model: The agreement enables Merino & Co. to expand through a partner-led model across e-commerce, retail and wholesale channels in China while retaining control of product supply, quality control and export operations.

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CEO's Statement

MERINO&Co

"The third quarter represented an important period of commercial progress for Merino & Co. as we continued executing against both our domestic and international growth strategy.

During the quarter, we secured a A$300,000 domestic purchase order which supports our strategy to rebuild and strengthen our Australian wholesale channel.

We were also pleased to see encouraging early market response to our newly launched product range, which generated approximately A$92,500 in orders, while also re-entering airport retail through the newly opened Natural Collective store at Perth Airport.

We have also progressed well with the Shanghai distribution agreement receiving a further A$382, 000 order.

Our focus remains on disciplined execution as we align production capability, inventory and operating resources to support these growth opportunities."

Fiona Yue
Managing Director

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APPENDIX 4C | QUARTERLY CASHFLOW REPORT

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Corporate & Financial Summary

The Company's Appendix 4C for the quarter ending 31 March 2026 is attached.

As at 31 March 2026, the Company held approximately A$654,000 in cash, compared with A$1,168,000 in the previous quarter.

The reduction in cash reflects investment during the quarter in product manufacturing and delivery, marketing and advertising, and staffing to support expanded commercial activity and growth initiatives.

During and subsequent to the quarter, the Company secured a A$300,000 domestic purchase order and A$382,000 overseas order as well as approximately A$92,500 in new products.

The Company remains focused on disciplined cost management, production execution and converting recent commercial momentum into operating cash inflows.

Additional ASX Disclosure

Consistent with ASX Listing Rule 4.7C.1, the Company reported operating cash outflows of approximately $389,000 for the March 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 31 March 2026, is provided in the table on page 7.

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 31 March 2026 (Yr2)*
Use of funds – Year 2	$	$	$
Expanding production capacity	-	-	321,866
Preparing stock for wholesale orders	236,000	250,000	824,666
Marketing and branding, including for online platforms	207,000	375,000	64,224
Research & development	150,000	150,000	-
Corporate expenses	534,000	534,000	201,932
Working capital	-	199,918	7,262
Costs of the Offer	-	-	-
Total Funds Allocated – Year 2	**1,127,000**	**1,508,918**	**1,419,950**

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