

APPENDIX 4D

RULE 4.2A

Interim report for the half-year ended 31 December 2024

1. Name of entity

MERINO & CO. LIMITED

ABN	Current Reporting Period	Previous Corresponding Period
74 162 863 121	Half-year ended 31 December 2024	Half-year ended 31 December 2023

2. Results for Announcement to the Market

	Change	31 Dec 2024 \$A	31 Dec 2023 \$A
Revenues from ordinary activities	Down 2%	2,384,451	2,436,514
Loss from ordinary activities after tax from continuing operations	Up 670%	(1,191,867)	(177,732)
Loss from ordinary activities after tax attributable to members	Up 670%	(1,191,867)	(177,732)
Final and interim dividends	It is not proposed that either a final or interim dividend be paid.		
Record date for determining entitlements to the dividend	N/A		
Brief explanation of any of the figures reported above	The loss in the current period relates to the Company's strategic decision to clear legacy inventory items at heavily discounted prices prior to the transformation of its brand moving forward and increased operating costs associated with the Initial Public Offering and listing on the ASX.		

3. NTA Backing

	Current Reporting Period	Previous Corresponding Period
Net tangible assets per ordinary share ¹	8.62 cents	6.74 cents

¹ Excludes intangible assets, deferred tax assets, right-of-use assets and lease liabilities.

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	N/A
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
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6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation for Merino & Co. Limited.
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>)
None
For description of the modified opinion, refer to auditor's review report.
N/A

Merino & Co. Limited

ABN 74 162 863 121

Interim Report - 31 December 2024

Merino & Co. Limited
Directors' report
31 December 2024

The Directors present their report, together with the financial statements of the consolidated entity (referred to hereafter as the 'Group') consisting of Merino & Co. Limited (the 'Company') and the entity it controlled, during the half-year ended 31 December 2024.

Directors

The following persons were directors of Merino & Co. Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Fang (Fiona) Yue
Jack Hanrahan
Boxiang (Peter) Zhao

Principal activities

During the half-year ended 31 December 2024, the principal continuing activities of the Group consisted of the design, manufacturing and sale of variety of wool products.

There were no significant changes in the nature of the Group's principal activities during the half-year ended 31 December 2024.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,191,867 (2023: \$177,732).

Financial performance and operational review

The Company reported revenue of \$2.38 million for the half-year, in line with the corresponding period. However, the Chinese market has grown by 33% year-on-year, driven by an expanded distribution network. Recognising the significant potential for high-premium wool products in China, the Company is committed to further investment and market development in this region.

To ensure that the Company is well placed to capitalise on the increased demand, broadened market reach and enhanced consumer engagement in the near future, the Company made the strategic decision to clear legacy inventory at heavily discounted prices and invest heavily in orders of new inventory.

While this initiative has ultimately contributed to its gross profit margin declining to 5% during the half-year, the Company undertook this deliberate step to strengthen its brand positioning and align its product offerings with premium distribution channels. This investment is expected to enhance long-term profitability and reinforce the Company's presence in key markets.

Strategic allocation of IPO proceeds

During the half-year ended 31 December 2024, the Company successfully completed its Initial Public Offering (IPO), raising a total of \$6.35 million before costs.

The capital raised has been strategically deployed to scale up manufacturing capabilities, reinforcing the Company's commitment to operational excellence and future market expansion.

Notably, more than twenty (20) additional state-of-the-art machines were acquired to enhance production efficiency and output capacity at the Group's Western Australian manufacturing facility. These include:

- Four (4) automated weaving loom machines to optimise textile production
- Four (4) advanced sock knitting, sewing and setting machines to enhance product consistency and quality
- Fifteen (15) high-performance knitting machines to drive increased production volume and meet growing demand

Expansion into new, scalable facilities

In November 2024, the Group secured a long-term lease agreement for a new manufacturing, storage and distribution facility in Wangara, Western Australia.

This facility is nearly twice the size of the Group's previous location, significantly expanding its capacity to support increased production and streamlined logistics.

Merino & Co. Limited
Directors' report (continued)
31 December 2024

Review of operations (continued)

Importantly the location is strategically positioned near some of Perth's key infrastructure hubs, offering direct access to Perth's largest port, enhancing importing efficiency for raw materials and exporting capabilities for wool products.

Brand transformation and inventory realignment

As part of our transition to a listed entity, the Company has initiated a new brand transformation strategy. To ensure complete alignment with our new market positioning, the Company made the strategic decision to clear legacy inventory at heavily discounted prices.


To support upcoming marketing campaigns and distribution expansion, the Company has placed substantial inventory orders in preparation for the northern hemisphere winter season, targeting the American and Chinese markets.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Fiona (Fang) Yue
Director

28 February 2025
Perth

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Merino & Co. Limited and its controlled entity

As lead auditor for the review of Merino & Co. Limited and its controlled entity for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Merino & Co. Limited and the entity it controlled during the period.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Deborah Chin

Deborah Chin
Director

Dated this 28th day of February 2025

Merino & Co. Limited
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31 December 2024

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General information

These consolidated financial statements cover the consolidated entity (referred to hereafter as the 'Group'), consisting of Merino & Co. Limited (the 'Company') and the entity it controlled, for the half-year ended 31 December 2024. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Merino & Co. Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

4 Quartz Way
Wangara WA 6065

Principal place of business

4 Quartz Way
Wangara WA 6065

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Directors.

Merino & Co. Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue	3	2,384,451	2,436,514
Other income	4	16,983	1,063
Interest revenue		4,028	265
Expenses			
Changes in inventories		(222,225)	608,762
Purchase of inventories		(2,061,540)	(2,246,099)
Employee benefits expense		(446,354)	(331,402)
Depreciation and amortisation expense		(146,869)	(145,858)
Impairment of receivables		(186,523)	(32,661)
Interest expense	5	(163,483)	(114,278)
Marketing expense		(186,181)	(133,178)
Listing expense		(157,527)	-
Rental expense	5	(52,801)	(95,381)
Other expenses		(325,746)	(338,606)
Foreign exchange (loss)/gain	5	(43,504)	33,158
Loss before income tax expense		(1,587,291)	(357,701)
Income tax benefit	6	395,424	179,969
Loss for the half-year representing total loss for the half-year		(1,191,867)	(177,732)
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(8,196)	-
Total comprehensive loss for the half-year		<u>(1,200,063)</u>	<u>(177,732)</u>
Loss per share (basic and diluted) (cents per share)	10	(2.77)	(0.74)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Merino & Co. Limited
Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		3,812,563	455,832
Trade and other receivables		769,295	2,213,854
Inventories		2,307,727	2,529,952
Other assets	7	2,797,548	1,010,785
Total current assets		<u>9,687,133</u>	<u>6,210,423</u>
Non-current assets			
Property, plant and equipment		735,731	786,739
Intangible assets		96,960	121,784
Right of use assets		1,428,555	57,561
Other assets	7	8,288	105,041
Deferred tax assets	6	500,656	105,232
Total non-current assets		<u>2,770,190</u>	<u>1,176,357</u>
Total assets		<u>12,457,323</u>	<u>7,386,780</u>
Liabilities			
Current liabilities			
Trade and other payables		787,289	1,498,634
Borrowings	8	1,156,985	1,803,890
Lease liabilities		55,749	61,604
Employee benefits		158,754	120,072
Total current liabilities		<u>2,158,777</u>	<u>3,484,200</u>
Non-current liabilities			
Borrowings	8	1,965,806	2,061,875
Lease liabilities		1,362,817	-
Total non-current liabilities		<u>3,328,623</u>	<u>2,061,875</u>
Total liabilities		<u>5,487,400</u>	<u>5,546,075</u>
Net assets		<u>6,969,923</u>	<u>1,840,705</u>
Equity			
Contributed equity	9	9,057,118	800,100
Reserves		14,497	1,950,430
Accumulated losses		(2,101,692)	(909,825)
Net equity		<u>6,969,923</u>	<u>1,840,705</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Merino & Co. Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2024

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2023	800,100	1,950,430	(1,047,081)	1,703,449
Loss after income tax expense for the half-year	-	-	(177,732)	(177,732)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(177,732)	(177,732)
<i>Transactions with owners in their capacity as owners:</i>	-	-	-	-
Convertible notes issued	-	-	-	-
Balance at 31 December 2023	800,100	1,950,430	(1,224,813)	1,525,717
	Contributed equity \$	Reserve \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2024	800,100	1,950,430	(909,825)	1,840,705
Loss after income tax expense for the half-year	-	-	(1,191,867)	(1,191,867)
Other comprehensive income for the half-year, net of tax	-	(8,196)	-	(8,196)
Total comprehensive loss for the half-year	-	(8,196)	(1,191,867)	(1,200,063)
<i>Transactions with owners in their capacity as owners:</i>				
Share issued	7,193,454	-	-	7,193,454
Convertible notes converted to equity	1,950,430	(1,950,430)	-	-
Options issued	-	22,693	-	22,693
Share issue costs	(886,866)	-	-	(886,866)
Balance at 31 December 2024	9,057,118	14,497	(2,101,692)	6,969,923

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Merino & Co. Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2024

	31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities		
Receipts from customers	3,659,470	3,650,052
Payments to suppliers and employees	<u>(5,047,814)</u>	<u>(3,186,124)</u>
	(1,388,344)	463,928
Government grant received	-	1,063
Interest received	2,802	265
Interest and other finance costs paid	(133,903)	(112,912)
Income taxes refund / (paid)	<u>-</u>	<u>(41,739)</u>
Net (used in)/generated from operating activities	<u>(1,519,445)</u>	<u>310,605</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(402,000)	-
Payments for intangible assets	<u>-</u>	<u>(1,619)</u>
Net cash used in investing activities	<u>(402,000)</u>	<u>(1,619)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	6,354,000	-
Payments of capital raising and IPO listing expenses	(892,317)	-
Proceeds from/(repayment of) borrowings – related	307,027	(15,542)
Repayment of borrowings	(388,771)	(234,822)
Repayment of lease liabilities	(85,070)	(54,097)
Repayment of hire purchases loans	(16,693)	(14,308)
Borrowing costs	<u>-</u>	<u>(1,805)</u>
Net cash used in financing activities	<u>5,278,176</u>	<u>(320,574)</u>
Net increase/(decrease) in cash and cash equivalents	3,356,731	(11,588)
Cash and cash equivalents at the beginning of the financial half-year	<u>455,832</u>	<u>480,562</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,812,563</u></u>	<u><u>468,974</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Merino & Co. Limited
Notes to the Financial Statements
31 December 2024

Note 1. Material accounting policy information

These general-purpose financial statements for the half-year ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

The Group has identified two main reporting segments, being Australia and China.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and the allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

	Australia	China	Total
31 December 2024	\$	\$	\$
Revenue	1,208,905	1,175,546	2,384,451
Profit/(loss) before income tax	(870,820)	(716,471)	(1,587,291)

31 December 2023			
Revenue	1,555,882	880,632	2,436,514
Profit/(loss) before income tax	(716,677)	358,976	(357,701)

31 December 2024			
Total segment assets	10,239,491	2,217,832	12,457,323
Total segment liabilities	3,091,107	2,396,293	5,487,400

30 June 2024			
Total segment assets	5,055,901	2,330,879	7,386,780
Total segment liabilities	5,153,858	392,217	5,546,075

Merino & Co. Limited
Notes to the financial statements
31 December 2023

Note 3. Revenue

	31 Dec 2024	31 Dec 2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>2,384,451</u>	<u>2,436,514</u>
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia	1,208,905	1,555,882
China	<u>1,175,546</u>	<u>880,632</u>
	<u>2,384,451</u>	<u>2,436,514</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>2,384,451</u>	<u>2,436,514</u>

Note 4. Other income

	31 Dec 2024	31 Dec 2023
	\$	\$
Government grants	-	1,063
Rental income	<u>16,983</u>	<u>-</u>
Other income	<u>16,983</u>	<u>1,063</u>

Note 5. Expenses

	31 Dec 2024	31 Dec 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	132,925	96,964
Interest and finance charges paid/payable on lease liabilities	23,867	17,314
Interest and finance charges paid/payable on other payables	<u>6,691</u>	<u>-</u>
Finance costs expensed	<u>163,483</u>	<u>114,278</u>
<i>Net foreign exchange loss/(gain)</i>		
Net foreign exchange loss/(gain)	<u>43,504</u>	<u>(33,158)</u>
<i>Leases</i>		
Variable lease payments	45,996	70,381
Short-term lease payments	<u>6,805</u>	<u>25,000</u>
	<u>52,801</u>	<u>95,381</u>

Merino & Co. Limited
Notes to the Financial Statements
31 December 2024

Note 6. Income tax

	31 Dec 2024 \$	31 Dec 2023 \$
<i>Income tax benefit</i>		
Current tax	359,324	99,899
Deferred tax – origination and reversal of temporary differences	36,100	80,070
Income tax benefit	395,424	179,969

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Deferred tax assets</i>		
Opening balance	105,232	94,073
Movement during the period	395,424	11,159
Closing balance	500,656	105,232

Deferred tax assets of \$500,656 (June 2024: \$105,232) have been brought to account arising from tax losses. The taxation benefits of tax losses will only be realised if the following conditions are satisfied:

- (a) assessable income is derived of a nature and of amount sufficient to enable the benefits from the deductions to be realised;
- (b) conditions for deductibility imposed by the law are complied with; and
- (c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 7. Other assets

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Current</i>		
Prepayments ¹	2,122,310	893,516
Deposits paid ²	348,000	-
Prepayments – capital raising/IPO related costs	-	117,269
Other prepayments	221,666	-
Rental deposit	105,572	-
	2,797,548	1,010,785
<i>Non-current</i>		
Rental deposit	-	102,903
Borrowing costs	1,871	2,138
Other assets	6,417	-
	8,288	105,041
	2,805,836	1,115,826

¹ The increase during the period ended 31 December 2024 represents the Group's prepayment of raw materials and other related supplies in anticipation of increasing the Group's manufacturing and production capabilities.

² Deposits paid during the period ended 31 December 2024 relates to the acquisition of more than twenty (20) additional manufacturing machines which arrived and commenced operations in February 2025.

Merino & Co. Limited
Notes to the Financial Statements
31 December 2024

Note 8. Borrowings

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Current</i>		
Loan from directors ¹	925,208	1,295,535
Accrued interest ¹	22,362	-
Hire purchase loan	7,055	20,837
Loan from bank ^{2a}	194,991	187,693
Loan from bank ^{2b}	-	300,000
Other	7,369	(175)
	<u>1,156,985</u>	<u>1,803,890</u>
<i>Non-current</i>		
Loan from bank ^{2c}	403,000	403,000
Loan from bank ^{2a}	<u>1,562,806</u>	<u>1,658,875</u>
	<u>1,965,806</u>	<u>2,061,875</u>
	<u><u>3,122,791</u></u>	<u><u>3,865,765</u></u>

¹ During the period ended 31 December 2024, the interest-free loan component of \$699,454 was converted into equity as part of the Company's Prospectus (refer to Note 9) and a further amount of \$329,127 was loaned to the Company by Directors. Interest of 5% p.a. has been charged on the remaining balance of \$925,208.

^{2a} Secured over the company's present and future rights, property and undertaking and director personal guarantee, interest charged at 8.2% p.a. Final repayment in December 2031.

^{2b} Secured over undertaking and director personal guarantee, interest charged at 6.2%. Loan was repaid in full during the period ended 31 December 2024.

^{2c} Secured over the property located at 3/82 Christable Way, Landsdale WA 6065.

Merino & Co. Limited
Notes to the Financial Statements
31 December 2024

Note 9. Contributed equity

(a) Shares

	31 Dec 2024 Number	30 Jun 2024 Number	31 Dec 2024 \$	30 Jun 2024 \$
Ordinary shares - fully paid	73,776,570	24,000,000	9,943,984	800,100
Less: Capital raising costs	-	-	(886,866)	-
	<u>73,776,570</u>	<u>24,000,000</u>	<u>9,057,118</u>	<u>800,100</u>

Movements in share capital during the six months to 31 December 2024 were as follows:

	Issue Price	Fully Paid Ordinary Shares	\$
01/07/24 Opening balance		24,000,000	800,100
23/10/24 Initial Public Offering	\$0.20	31,770,000	6,354,000
23/10/24 Conversion of convertible note	\$0.141	13,809,300	1,950,430
23/10/24 Management loan shares	\$0.20	3,497,270	699,454
23/10/24 Consultant shares	\$0.20	200,000	40,000
23/10/24 Lead manager shares	\$0.20	500,000	100,000
Capital raising costs	-	-	(886,866)
31/12/24 Closing balance		73,776,570	9,057,118

No shares were issued during the year ended 30 June 2024.

(b) Options

Movements in options during the six months to 31 December 2024 were as follows:

Exercise price	30c
Expiry date	<u>23 October 2027</u>
Opening balance	-
Issued during the period	300,000
Expired during the period	-
Closing balance	<u>300,000</u>

Pursuant to the Company's Prospectus, 300,000 unlisted options were issued to the lead manager associated with the Initial Public Offering. These options have an exercise price of \$0.30 and are due to expire on 23 October 2027. For the half-year ended 31 December 2024, an amount of \$22,693 was charged to share issue costs.

The fair value of the options granted was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	\$0.30
Weighted average life of the options	3.00 years
Weighted average underlying share price	\$0.20
Expected share price volatility	70%
Risk-free interest rate	3.96%
Expiry date	23 October 2027

(c) Convertible notes

During the half-year ended 31 December 2024, 500,000 convertible notes worth \$1,950,430 were converted into 13,809,300 ordinary shares as detailed in the Company's Prospectus.

Merino & Co. Limited
Notes to the financial statements
31 December 2024

Note 10. Loss per share

	31 Dec 2024 \$	31 Dec 2023 \$
Basic and diluted loss per share (cents)	<u>(2.77)</u>	<u>(0.74)</u>

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	31 Dec 2024 \$	31 Dec 2023 \$
Loss for the period	<u>(1,191,867)</u>	<u>(177,732)</u>
	Number	Number
Weighted average number of ordinary shares	<u>42,936,739</u>	<u>24,000,000</u>

Note 11. Contingent assets and liabilities

The Group has given bank guarantees as at 31 December 2024 of \$42,684 (30 June 2024: \$102,903) to the lessor.

The Group has no contingent assets as at 31 December 2024 and 30 June 2024.

Note 12. Investment in controlled entities

For the half-year ended 31 December 2024, the consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of Incorporation	Equity holding	
		2024 %	2023 %
Merinosnug (Shanghai) Wool Products Co. Ltd ¹	China	100	-

¹ The entity was incorporated on 2 February 2024.

Note 13. Commitments

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Research project funding	<u>410,000</u>	<u>410,000</u>

Note 14. Financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Merino & Co. Limited
Notes to the Financial Statements
31 December 2024

Note 15. Related party transactions

- (a) Pursuant to the Company's Prospectus, an interest-free loan from Directors of \$699,454 was converted into 3,497,270 shares at \$0.20 per share. Refer to Notes 8 and 9 for further details.
- (b) During the period ended 31 December 2024, a further amount of \$329,127 was loaned to the Company by Directors and interest charged at 5% p.a.
- (c) During the period ended 31 December 2024, the total remuneration paid to Directors and their related parties was \$296,454.

Note 16. Events after the reporting period

There are no matters or circumstances that have arisen since 31 December 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Merino & Co. Limited
Directors' Declaration
31 December 2024

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and correct view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors



Fiona (Fang) Yue
Director

28 February 2025
Perth

Independent auditor's review report to the members Merino & Co. Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Merino & Co. Limited (the Company), and its subsidiary (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Deborah Chin

Deborah Chin
Director

Dated this 28th day of February 2025