

McRae Industries, Inc.
Military Contract Award and Tariff Update

Mount Gilead, N.C.- On June 26, 2026, McRae Industries, Inc. received a contract award from the United States Government DLA Troops Support for Marine temperate weather combat boots. This is a firm fixed price, indefinite delivery/indefinite quantity contract for four years with no option periods. The estimated dollar amount for this award is \$24,296,263 while the maximum award amount is \$31,730,382.

On June 29, 2026, McRae Industries, Inc. received tariff refunds from the United States Government totaling approximately \$2,500,000 out of the \$3,000,000 of tariffs paid during this fiscal year. While we continue to seek additional refunds, there can be no assurance that we will receive any such refunds.

Forward-Looking Statements

This press release includes certain forward-looking statements. Important factors that could cause actual results or events to differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements include: the effect of competitive products and pricing, the potential impact of tariffs on our business, uncertainties concerning the tariff refund program announced in March 2026, risks unique to selling goods to the Government (including variation in the Government's requirements for our products and the Government's ability to terminate its contracts with vendors), changes in fashion cycles and trends in the western boot business, loss of key customers, acquisitions, supply interruptions, additional financing requirements, our expectation about future Government orders for military boots, loss of key management personnel, our ability to successfully develop new products and services, and the effect of general economic conditions in our markets.

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