

Not for distribution or release in the United States

Tuesday 31 March 2026

(All amounts in NZ\$ unless otherwise stated)

Next Level transformation delivers strong H1 for KMD Brands

KMD Brands Limited (NZX/ASX: KMD, “KMD” or the “Group”) today announces its results for the six months ended 31 January 2026 (“1H FY26”), and details relating to the Group’s approximately \$65.3 million fully underwritten equity raising and refinancing of its debt facilities.

1H FY26 financial summary (vs 1H FY25):

- Group sales up +7.3% to \$505.4 million.
- Gross margin³ down -1.2% of sales to 56.8%.
- Underlying operating expenses^{1,3} up +2.4% to \$275.6 million.
- Underlying EBITDA¹ \$11.5 million, up +196.6% year-on-year (“YOY”).
- Statutory NPAT loss -\$13.1 million. Underlying NPAT¹ loss -\$11.5 million.
- Net Working Capital \$179.2 million, -\$13.4 million lower YOY.
- Net Debt \$94.0 million, impacted by the weakening of the NZ dollar year-on-year.
- No interim dividend declared as a result of 1H FY26 operating performance.

Group financial performance

NZ\$ million ²	Statutory	Underlying ¹		
	1H FY26	1H FY26	1H FY25	Var %
Sales	505.4	505.4	470.9	7.3%
Gross Profit ³	287.1	287.1	273.0	5.2%
Gross Margin ³	56.8%	56.8%	58.0%	
Operating Expenses ³	(223.8)	(275.6)	(269.1)	2.4%
EBITDA	63.3	11.5	3.9	196.6%
EBIT	(1.7)	(6.4)	(13.3)	52.1%
NPAT	(13.1)	(11.5)	(16.1)	28.4%

Kathmandu has led the Group sales momentum in the first half, with total Group sales growth +7.3% YOY. The sales result is underpinned by solid growth in both the direct-to-consumer (“DTC”) and wholesale channels.

¹ Excluding the impact of IFRS 16, restructuring, software as a service accounting, the notional amortisation of customer relationships, impairment and onerous contracts.

² 1H FY26 NZD/AUD conversion rate 0.881 (1H FY25 0.909), 1H FY26 NZD/USD conversion rate 0.581 (1H FY25 0.595).

³ Prior period restatement: following an accounting system change at the Group’s wetsuit manufacturer, \$2.5m of 1H FY25 production labour and overhead costs have now been mapped to cost of sales. There was no impact on the Group’s 1H FY25 EBITDA or net profit.



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Gross margin decreased by -1.2% of sales below last year to 56.8%. In a promotional marketplace, the brands balanced sales growth with gross margin achievement, while optimising inventory composition and selling through aged inventory.

Underlying operating expenses were lower than last year on a constant currency basis, with a Next Level cost reset helping to offset strategic growth investments and continued global cost pressure.

Rip Curl

Rip Curl	Underlying¹		
NZ\$ million	1H FY26	1H FY25	Var %
Sales	291.4	278.5	4.6%
EBITDA	20.5	23.6	(13.0%)
EBIT	10.5	16.1	(34.3%)

Rip Curl total sales increased by +4.6% to \$291.4 million, helped by the YOY movement in FX rates used to convert global sales to NZD reporting currency. On a constant currency basis, Rip Curl total sales were +0.3% above the first half of last year.

Wholesale sales increased by +9.8% YOY, supported by strong demand in Europe and North America.

DTC total sales (including online) increased by +1.9%, with strong sales for North America offsetting a challenging market during the southern hemisphere peak summer period. Online sales increased by +6.7% to \$22.5 million, comprising 12.0% of DTC sales.

DTC same store sales (comprising owned retail stores and online)⁴ increased +1.5% YOY.

Gross margin decreased by -1.2% of sales, impacted by wholesale channel mix and elevated promotional activity. Underlying operating expenses were in line with last year on a constant currency basis, with a strategic cost reset helping to offset strategic growth investments and continued global cost pressures.

Kathmandu

Kathmandu	Underlying¹		
NZ\$ million	1H FY26	1H FY25	Var %
Sales	176.1	156.8	12.3%
EBITDA	(2.4)	(12.8)	81.6%
EBIT	(10.2)	(22.0)	53.9%

Kathmandu total sales increased by +12.3% to \$176.1 million, despite a net reduction of four stores YOY. Kathmandu showed strong sales momentum throughout the first half, and improved from +2.5% YOY in the fourth quarter of last year.

Strong sales results were achieved in both Australia⁵ (+10.2% YOY) and New Zealand (+8.9% YOY).

⁴ Same store sales are for the 27 full weeks ended 1 February 2026 and are measured at constant exchange rates.

⁵ At constant exchange rates.

Sales growth continued through the second quarter, with the key Black Friday and Christmas trading periods cycling a good result last year.

Online sales were in line with last year (cycling strong growth) at \$20.6 million, comprising 11.8% of DTC sales.

Same store sales (including online)⁴ increased by +12.8% YOY.

Gross margin decreased by -1.5% of sales, with a focus on selling through aged inventory in the first quarter, and maintaining competitive promotional intensity through the second quarter. Total inventory ended 1H FY26 \$9.8 million lower than last year (\$13.5 million lower at constant currency). Underlying operating expenses reduced YOY, improving operating leverage following a strategic cost reset and ongoing cost discipline.

Oboz

Oboz NZ\$ million	Underlying ¹		
	1H FY26	1H FY25	Var %
Sales	38.0	35.6	6.5%
EBITDA	(1.1)	(2.2)	52.5%
EBIT	(1.1)	(2.6)	59.5%

Total sales increased by +6.5% YOY to \$38.0 million.

Online sales increased by +0.9%, impacted by lower closeout inventory levels YOY. In the second half, the website will move onto the group online trading platform. Digital marketing continues to be refined with new agency partners through an updated digital funnel strategy and fresh creative.

Wholesale sales increased by +7.5% with strong in-season buying from key accounts.

Gross margin remained stable, improving +0.2% of sales despite tariff impacts, supported by lower closeout activity YOY.

Underlying operating expenses were tightly controlled and lower than last year.

Balance sheet

Net working capital remains a key focus for the Group, ending the first half -\$13.4 million lower than 31 January 2025. The Group inventory balance reduced for the third successive year, decreasing by -\$29.6 million YOY, with a continued focus by all brands to optimise mix and sell through aged inventory.

At 31 January 2026 the Group had a net debt position of \$94.0 million, impacted by \$5.6 million with the weakening of the NZ dollar year-on-year. The Group complies with all amended bank covenants at 31 January 2026.

Refinance

On 30 January 2026 the Group extended its existing debt facility term and adjusted the fixed charge cover ratio for the July 2026 and January 2027 measurement periods.



The Group also reduced its total syndicated bank facilities by \$49 million to approximately \$283 million, consisting of an A\$207 million and NZ\$43 million multi-currency revolving facility.

As part of a longer-term refinance plan, the Group has now secured a refinanced debt facility, provided by a majority of our existing banking syndicate for a new multi-year bank debt facility with an approximately NZ\$205 million⁶ capacity. The refinanced facility provides KMD with a stable, long-term capital structure that, in combination with the proceeds from the equity raising, is expected to provide sufficient liquidity to execute on the Next Level transformation and fund working capital requirements. The new facility term of up to 2.5 years provides the Group with funding stability through to 1 October 2028, removing near-term refinancing pressures and allowing management to remain focused on strategic execution and delivery of shareholder value.

The refinanced facility structure includes fixed charge cover ratio and leverage covenant arrangements for the Group over the term of the facility. The facility provides KMD with operational flexibility as it continues to execute its strategy and further reduce leverage over the longer-term to a ratio of <0.5x Net Debt / EBITDA.

In connection with the refinance, KMD is undertaking an equity raise, as described in more detail below.

Trading update

Direct-to-consumer same store sales (including online) for the first six full weeks of the second half from Monday 2 February to Sunday 15 March 2026⁷ in a seasonally non-significant trading period:

- Kathmandu +11.1% YOY, combined with gross margin improvement YOY of c. +50 basis points (+0.5% of sales).
- Rip Curl +1.2% YOY.

Outlook

Given early momentum in its Next Level turnaround strategy and despite a challenging global consumer operating environment, the Group remains focused on delivering continued performance improvement compared to prior year.

Kathmandu continued its recent sales momentum in the first 6 weeks of 2H FY26, with the key Autumn and Winter trading periods still to come. Kathmandu are also on track to achieve gross margin expansion YOY in 2H FY26, with consumers responding positively to improved product flow and assortment.

Rip Curl and Oboz wholesale order books for 2H FY26 are in line with last year, with the Europe and North America summer season to come. Gross margin expansion is anticipated YOY in 2H FY26, reflecting actions taken to offset the US tariffs, and cycling specific clearance of inventory in the second half of last year.

Group underlying operating expenses¹ as a % of sales are forecasted to improve YOY, showing progress towards mid-term targets. Underlying operating expenses¹ for the full year are planned to be broadly flat YOY on a constant currency basis (before any FY26 management incentives). The year-on-year impact of global currency fluctuation is expected to have a significant impact on underlying

⁶ Based on NZD / AUD exchange rate published by RBNZ as at 24 March 2026 and net offer proceeds of \$62m. A\$8.5m of the facility will be unavailable until key covenant milestones met.

⁷ Sales and gross profit results for the six full trading weeks from Monday 2 February to Sunday 15 March 2026 are sourced from BI reports and measured at constant currency YOY.



operating expenses (1H FY26 half-year impact \$9.1 million as shown in the appendices of the full Investor Presentation accompanying this announcement). The Group remains on track to achieve its Next Level strategic cost reset savings, helping to offset cost inflation, and deliver moderated re-investment to drive Next Level strategic growth opportunities.

KMD Brands expects to deliver further EBITDA margin expansion in FY26.

The Group continues to focus on the optimisation of its store network as part of the Next Level integrated marketplace strategy. Capital expenditure for FY26 is targeted to be at the lower end of the guided range (approximately \$25 million).

KMD Brands continues to target a leverage ratio of <0.5x Net Debt / EBITDA by end of FY27.

Brent Scrimshaw, Group CEO and Managing Director, KMD Brands, said:

“Since launching our Next Level strategy, we have accelerated the pace and quality of execution and returned each of our brands to growth in a short timeframe. Strong early progress has been made against our key initiatives, giving us further conviction in our potential.”

“We’re particularly encouraged by the improved performance of Kathmandu, which has delivered double-digit same store sales growth for the first time in over two years. It’s also pleasing to see consumers responding positively to our accelerated product freshness, flow and assortment, along with a renewed focus on innovation.”

“While Rip Curl has navigated more volatile global trading conditions, we remain confident that the brand’s repositioning will drive long-term growth and youthful energy, connected to the next generation of core surf and beach consumers.”

David Kirk, Chairman, KMD Brands, said:

“Over the last 6 months, the refreshed KMD Brands leadership team has delivered against the clear objectives laid out in the Next Level strategy, including driving an inflection in growth at each of our core brands and overdelivering on cost savings targets.”

“After securing a short-term extension to our debt facilities in January 2026, it was important for our continued execution to strengthen our balance sheet, accelerate our path to our leverage target, and secure a longer-term debt facility to support our ongoing transformation.”

“With the balance sheet now strengthened through the debt refinancing and the launch of the equity raise, KMD Brands is well positioned to continue executing its Next Level strategy. Having worked closely with the Board and management through this critical phase, and been on the Board for 13 years, I believe this is the right time to signal my intention to step down as Chairman in the coming months. The Board has commenced an orderly succession process.”

Equity raising details

KMD today announces an approximately \$65.3 million fully underwritten equity raising (“**Offer**”), comprising:

- a fully underwritten placement (“**Placement**”) of new fully paid ordinary shares (“**New Shares**”) to eligible institutional shareholders and new institutional investors to raise approximately \$6.8 million; and



- a fully underwritten 1 for 0.73 pro-rata accelerated renounceable entitlement offer (“**Entitlement Offer**”) of New Shares to eligible shareholders to raise approximately \$58.5 million.

The Offer will be conducted at an offer price of NZ\$0.06 per share (“**Offer Price**”), representing a:

- 47.1% discount to the theoretical ex-rights price (“**TERP**”)⁸ of NZ\$0.113; and
- 69.2% discount to KMD’s last traded price of NZ\$0.195 on NZX on Wednesday, 25 March 2026.

Approximately 1,087.8 million New Shares are to be issued under the Offer, representing approximately 152.8% of the existing shares on issue.

New Shares issued under the Offer will rank equally with existing fully paid ordinary shares from their time of issue.

Goldman Sachs New Zealand Limited is acting as Arranger, and Goldman Sachs New Zealand Limited and Forsyth Barr Limited are acting as Joint Lead Managers for the Offer. The Offer is fully underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited.

Placement details

KMD is undertaking a fully underwritten Placement of New Shares to eligible institutional shareholders and new institutional investors to raise approximately \$6.8 million. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

Entitlement Offer details

KMD will invite eligible shareholders to subscribe for 1 New Share for every 0.73 existing KMD shares held as at 7:00pm NZDT (5:00pm AEDT) on Wednesday, 1 April 2026 (“**Record Date**”). Eligible shareholders can choose to take up all, part or none of their entitlement to New Shares. New Shares not taken up by Eligible Shareholders (or attributable to ineligible shareholders) will be offered for sale through Bookbuilds run by the Joint Lead Managers.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”), which is being conducted today (Tuesday, 31 March 2026) and closes on Wednesday, 1 April 2026⁹, along with the Placement. Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement to New Shares.

Institutional entitlements that are not taken up, together with the entitlements of ineligible institutional shareholders, will be offered for sale under an institutional shortfall bookbuild (“**Institutional Shortfall Bookbuild**”) on Wednesday, 1 April 2026, with any premium above the Offer Price (net of any applicable withholding taxes) paid to the relevant shareholders.

Retail Entitlement Offer

⁸ TERP is the theoretical price at which KMD shares trade immediately after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which KMD shares trade on NZX immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the last traded price of the KMD share price as traded on NZX on Wednesday, 25 March 2026 being the last trading day prior to the announcement of the Offer and includes all New Shares issued under the Placement and Entitlement Offer.

⁹ The Placement and Institutional Entitlement Offer for Australian, New Zealand and certain investors in Asia-Pacific region closes on Tuesday, 31 March 2026. For all other regions, the Placement and Institutional Entitlement Offer closes on Wednesday, 1 April 2026.



The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) will be open from Tuesday, 7 April 2026 to 5:00pm NZST (3:00pm AEST) on Thursday, 16 April 2026, to eligible retail shareholders with an address recorded on KMD’s share register in New Zealand or Australia at the Record Date. The entitlements will not be quoted on NZX or ASX.

Under the Retail Entitlement Offer, eligible retail shareholders may:

- elect to take-up all, part or none of their entitlement before the Retail Entitlement Offer closes at 5:00pm NZST (3:00pm AEST) on Thursday, 16 April 2026; or
- elect to take-up their entitlement in full and also apply for additional New Shares. Any application for New Shares above their pro-rata entitlement will be included in the retail shortfall bookbuild (“**Retail Shortfall Bookbuild**”) and made at the retail shortfall bookbuild clearing price; or
- do nothing in which case their entitlements will be offered for sale under the Retail Shortfall Bookbuild.

Retail entitlements not taken up, along with entitlements of ineligible retail shareholders, will be offered for sale under the Retail Shortfall Bookbuild to be conducted on or about Tuesday, 21 April 2026, with any premium above the Offer Price (net of any applicable withholding tax) paid to the relevant shareholders.

Further details about the Retail Entitlement Offer are set out in the Offer Document. Shareholders entitled to participate in the Retail Entitlement Offer should visit kmd.rightsoffer.co.nz and apply online by 5:00pm NZST (3:00pm AEST) on Thursday, 16 April 2026.

Further information on the Offer is detailed below and is to be read in conjunction with the Offer Document and the Investor Presentation which are available to eligible shareholders via the offer website at kmd.rightsoffer.co.nz.

Investor briefing being held today at 8:30am AEDT / 10:30am NZDT

Brent Scrimshaw (Group CEO), and Carla Webb-Sear (Group CFO) will be holding a briefing session for investors and analysts at 8:30am AEDT / 10:30am NZDT today (Tuesday, 31 March 2026). Please attend the meeting by following this link: www.virtualmeeting.co.nz/kmd1hfy26.

You may also dial one of the numbers below and provide the conference ID **1914594** to the operator to listen to the meeting.

- Australia - Toll (Sydney) +61 2 8088 0946
- Australia - Toll Free +61 1800 571 226
- New Zealand - Toll Free +64800450012
- New Zealand - Auckland +64 9 887 4636
- USA & Canada - Toll-Free (800) 715-9871
- United Kingdom - Toll-Free +44 800 260 6466
- France - Toll-Free +33 801 238862
- Norway - National +47 57 98 94 30
- Spain - Toll-Free +34 800 906909

The webcast will be available on the KMD Brands investor website following the call.



This announcement has been authorised for release to NZX / ASX by Frances Blundell, Chief Legal & ESG Officer and Company Secretary.

- ENDS -

**For further information, whether an investor or media enquiry, please contact:
Frances Blundell, Chief Legal & ESG Officer and Company Secretary
companysecretary@kmdbrands.com**

Appendix: Key offer dates¹⁰

General	
Announcement of Offer Voluntary suspension continued on NZX and ASX	Tuesday, 31 March 2026
Record date for the Offer	7:00pm NZDT (5:00pm AEDT) Wednesday, 1 April 2026
Placement and Institutional Entitlement Offer	
Placement and Institutional Entitlement Offer opens	Tuesday, 31 March 2026
Placement and Institutional Entitlement Offer closes ¹¹	Wednesday, 1 April 2026
Institutional Shortfall Bookbuild	Wednesday, 1 April 2026
Trading recommences <i>KMD shares will commence trading on NZX and ASX on an ex-entitlement basis</i>	Thursday, 2 April 2026
ASX Settlement of New Shares under the Placement and Institutional Entitlement Offer	Friday, 10 April 2026
ASX Allotment of New Shares under the Placement and Institutional Entitlement Offer	Monday, 13 April 2026
NZX Settlement and Allotment of New Shares under the Placement and Institutional Entitlement Offer	Monday, 13 April 2026
Commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer on NZX and ASX	Monday, 13 April 2026

¹⁰ The timetable presented is indicative only and subject to change without notice (subject to applicable laws and the NZX Listing Rules and ASX Listing Rules). All dates and times refer to New Zealand Time (unless stated otherwise). KMD reserves the right to withdraw the Offer at any time prior to the issue of the New Shares at its absolute discretion.

¹¹ The Placement and Institutional Entitlement Offer for Australian, New Zealand and certain investors in the Asia-Pacific region closes on Tuesday 31 March 2026. For all other regions, the Placement and Institutional Entitlement Offer closes on Wednesday, 1 April 2026.



Retail Entitlement Offer	
Record date	7:00pm NZDT (5:00pm AEDT) Wednesday, 1 April 2026
A\$ Price announcement	Thursday, 2 April 2026
Retail Entitlement Offer opens	Tuesday, 7 April 2026
Retail Entitlement Offer closes	5:00pm NZST (3:00pm AEST) Thursday, 16 April 2026
Retail Shortfall Bookbuild (for Retail Entitlements not taken up and Retail Entitlements of ineligible retail shareholders)	Tuesday, 21 April 2026
ASX Settlement of New Shares under the Retail Entitlement Offer	Monday, 27 April 2026
NZX Settlement and Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 28 April 2026
Commencement of trading of New Shares issued under the Retail Entitlement Offer on NZX	Tuesday, 28 April 2026
Commencement of trading of New Shares issued under the Retail Entitlement Offer on ASX	Wednesday, 29 April 2026
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	By Wednesday, 29 April 2026

Not an offer of securities in the United States

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be unlawful. The entitlements and New Shares described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 (“U.S. Securities Act”), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements under the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

