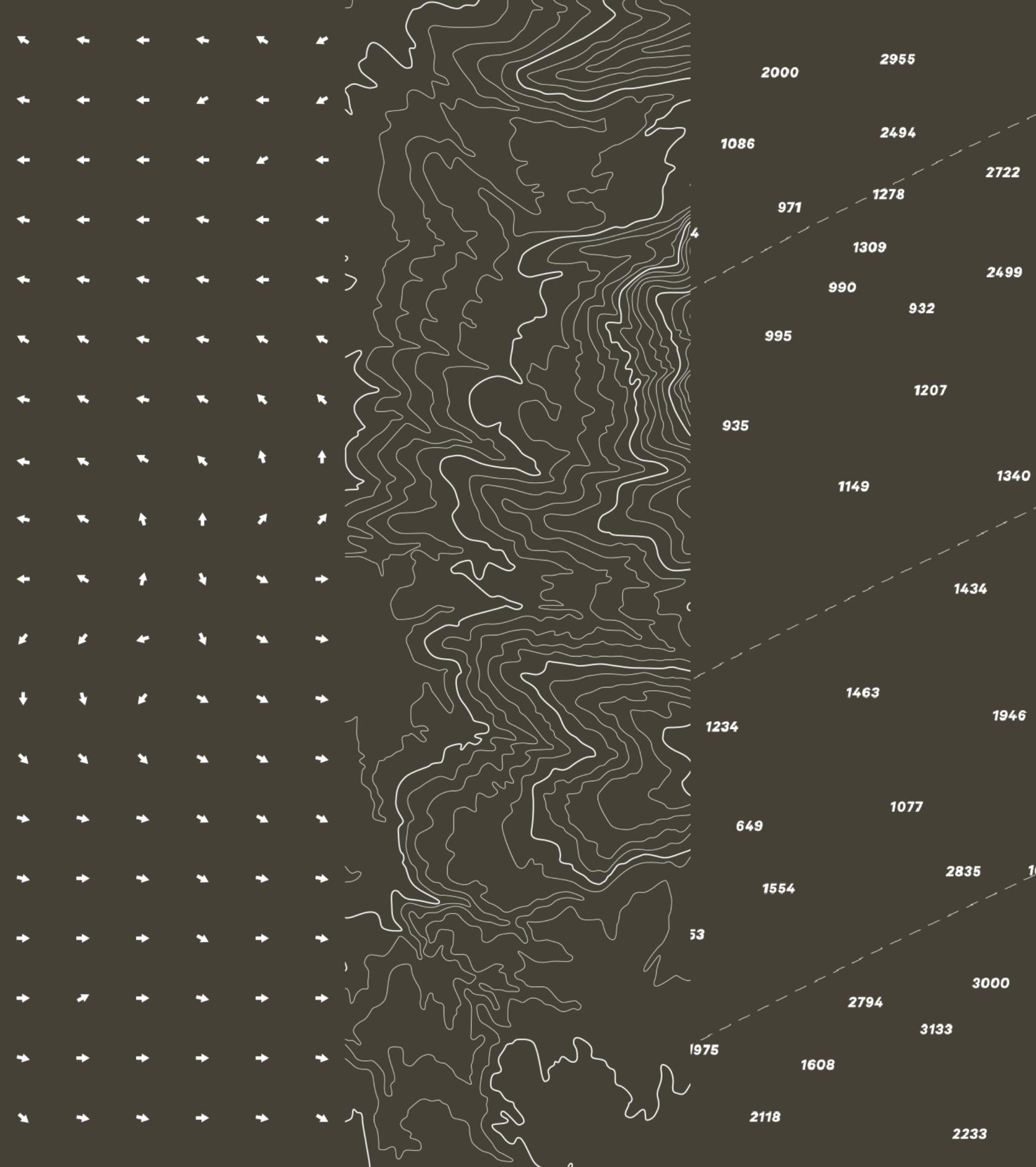




# CREATING A STRONGER KMD BRANDS

31 MARCH 2026



# IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by KMD Brands Limited (*KMD*) in relation to an offer of new shares in KMD (*New Shares*) by way of a placement to eligible institutional and other selected investors (*Placement*) and a 1-for-0.73 pro rata renounceable accelerated entitlement offer to eligible shareholders (*Entitlement Offer*, together with the Placement, the *Offer*).

The Offer is made to eligible shareholders and other investors in New Zealand pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 (the *FMCA*).

The Offer is made to eligible shareholders and other investors in Australia in reliance on sections 708AA and 708A of the Australian Corporations Act 2001 (Cth) (*Corporations Act*), each as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and ASIC Instrument 19-0895.

## Information of a General Nature

This presentation contains summary information about KMD and its activities that is current as of the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in KMD or that would be required in a product disclosure statement for the purposes of the FMCA or a prospectus or other disclosure document for the purposes of the Corporations Act or the laws of any other jurisdiction. KMD is subject to disclosure obligations that require it to notify certain material information to NZX Limited (*NZX*) and ASX Limited (*ASX*). This presentation should be read in conjunction with KMD's 1H FY26 Financial Statements, market releases and other periodic and continuous disclosure announcements released to NZX and ASX, which are available at [www.nzx.com](http://www.nzx.com) and [www.asx.com](http://www.asx.com) under the ticker code "KMD". No information set out in this presentation will form the basis of any contract.

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The information in this presentation has been prepared on the basis that all offers of New Shares in Australia under the Offer will be made to Australian investors to whom an offer of New Shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act because of sections 708A or 708AA of that Corporations Act, each as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and ASIC Instrument 19-0895.

# IMPORTANT NOTICE AND DISCLAIMER (CONT.)

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of KMD, including the Outlook on slide 21. Forward-looking statements can generally be identified by use of words such as 'approximate', 'project', 'foresee', 'plan', 'target', 'seek', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will', 'objective', 'assume', 'guidance', 'outlook' or similar expressions.

This also includes statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, targets, objectives and strategies of KMD, statements about the industry and the markets in which KMD operates and statements about the future performance of, and outlook for, KMD's business. Any indications of, or guidance or outlook on, future earnings or financial position or performance and future distributions are also forward-looking statements.

All such forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of KMD, are difficult to predict, and which may cause the actual results or performance of KMD to be materially different from any future results or performance expressed or implied by such forward-looking statements.

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In particular, investors should be aware that the statements in slides 21, 31, 32, 33 and 34, and other statements and information regarding outlook, growth or strategy (collectively, the "outlook information") are forward-looking statements. The outlook information has been prepared by KMD based on an assessment of current economic and operating conditions and various assumptions regarding future factors, events and actions, and general macro-economic drivers. Investors should note that given the significant uncertainties that exist in the current economic and operating conditions and geopolitical climate, the outlook information may not be achieved. The outlook information assumes the success of KMD's business strategies, the success of which may not be realised within the period for which the outlook information has been prepared, or at all. The outlook information is subject to a number of risks, including the risks set out in this presentation. Investors should be aware that the timing of actual events, and the magnitude of their impact, might differ from that which is assumed in preparing the outlook information, which may have a material negative effect on KMD's actual financial performance, financial position and cash flows. In addition, the assumptions upon which the outlook information is based are subject to significant uncertainties and contingencies, many of which are outside KMD's control, are not reliably predictable, and it is not reasonably possible to itemise each item. Accordingly, neither KMD nor any other person can give investors assurance that the outcomes discussed in the outlook information will be achieved. Investors are strongly cautioned not to place undue reliance on any forward looking statements, such as indications of, and guidance on, outlook, future earnings and financial position and performance.

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## Financial Information

All dollar values are in New Zealand dollars (\$) or NZD) unless otherwise stated.

KMD's statutory financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The financial information in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of KMD's views on its future financial performance or condition. Investors should note that past performance of KMD, including the historical trading price of the shares, cannot be relied upon as an indicator of (and provides no guidance as to) future performance of KMD, including the future trading price of shares.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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This presentation includes certain financial measures that are "non-GAAP (generally accepted accounting practice) financial information" under Guidance Note 2017: 'Disclosing non-GAAP financial information' published by the New Zealand Financial Markets Authority, and "non-IFRS financial information" under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information'. Such financial information and financial measures (including Underlying EBITDA and Pro Forma LTM leverage) have not been subject to audit or review, and do not have standardised meanings prescribed under NZ IFRS, Australian Accounting Standards (AAS) or IFRS and therefore, may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with NZ IFRS, AAS or IFRS. Investors are cautioned not to place undue reliance on any such non-GAAP financial measures included in this presentation. Non-GAAP financial information has not been subject to audit or review.

# IMPORTANT NOTICE AND DISCLAIMER (CONT.)

## Pro Forma Financial Information

This presentation includes a pro forma balance sheet, KMD's pro forma debt maturity profile, pro forma EBITDA and KMD's pro forma liquidity and leverage, which have been adjusted to reflect the impact of the Offer, assuming it occurred as at 31 January 2026. The pro forma financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of KMD's future financial position and/or performance. Pro forma financial information has not been subject to audit or review.

## Basis Of Preparation

KMD has prepared unaudited pro forma financial information as at 31 January 2026 based on unaudited statutory financial statements of KMD as at that date in order to provide investors with the illustration of the impact of the proposed equity raising on the net debt position of KMD and related credit metrics.

The financial information presented (excluding pro forma adjustments) has been prepared on a basis consistent with the recognition and measurement principles as disclosed by KMD in the General Information, Basis of Preparation of Financial Statements and Accounting Policies sections of the Notes to the Financial Statements contained within KMD's HY26 results. The accounting policies adopted by the Directors are in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They are also in accordance with International Financial Reporting Standards.

## Key Assumptions

The pro forma financial information presents the assumed impact of the proposed equity raising as if it had occurred on 31 January 2026. It has been assumed that proceeds from the equity raising of NZ\$65.3m will be applied to repay debt and recapitalize the business.

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**2. 1H FY26 RESULT AND FY26 OUTLOOK**

**3. UPDATE ON NEXT LEVEL TRANSFORMATION**

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**5. KEY RISKS**



SECTION 1

# EXECUTIVE SUMMARY



# CREATING A STRONGER KMD BRANDS

- 1** **KMD Brands has returned to growth under new leadership in 1H FY26**
- 2** **Substantial progress achieved against strategic initiatives**
- 3** **Significant upside remains with improved capabilities supporting identified growth opportunities and stronger margins**
- 4** **High conviction in three pillars of strategy – 1) brand and product-led offence, 2) data-driven intelligence and 3) sustainable profitability**
- 5** **Equity raise and bank facility refinancing to strengthen our balance sheet and focus on ‘Next Level’ execution**

# WE ARE MAKING STRONG PROGRESS IN OUR 3-YEAR NEXT LEVEL JOURNEY



**\$27.5M**  
COST SAVINGS ON TRACK FOR FY26

**15**  
STORES CLOSED TO DATE

**10+**  
SENIOR LEADERSHIP CHANGES

**GROWTH ACROSS ALL BRANDS**

**60%**  
TARGET GROSS MARGIN

**10%**  
TARGET EBITDA MARGIN

- ✓ Iconic global brands built for purpose with strong awareness
- ✓ Highly technical and seasonally diverse
- ✓ Diversified presence across geography and channels

- ✓ Strong focus on brand building and product innovation
- ✓ On-track to deliver cost-savings above target for FY26
- ✓ Disciplined ROI focus with FY26 cash flow benefits
- ✓ Reduced inventory balance with improved mix

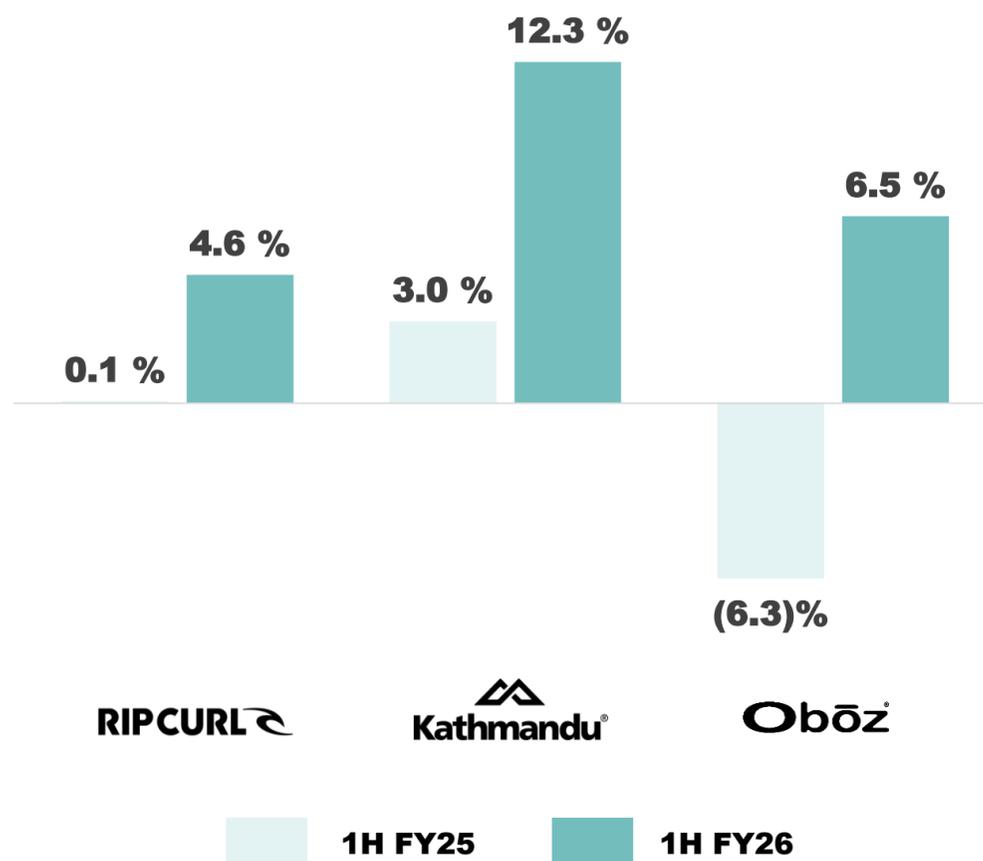
- ✓ Positive growth inflection in all brands in 1H FY26
- ✓ New product driving topline
- ✓ Ongoing improvements in systems and capabilities to support improved execution
- ✓ Ongoing focus on cost and investment discipline

Note: Target EBITDA Margin refers to Underlying metrics.

# NEXT LEVEL TRANSFORMATION IS BEGINNING TO DELIVER RESULTS

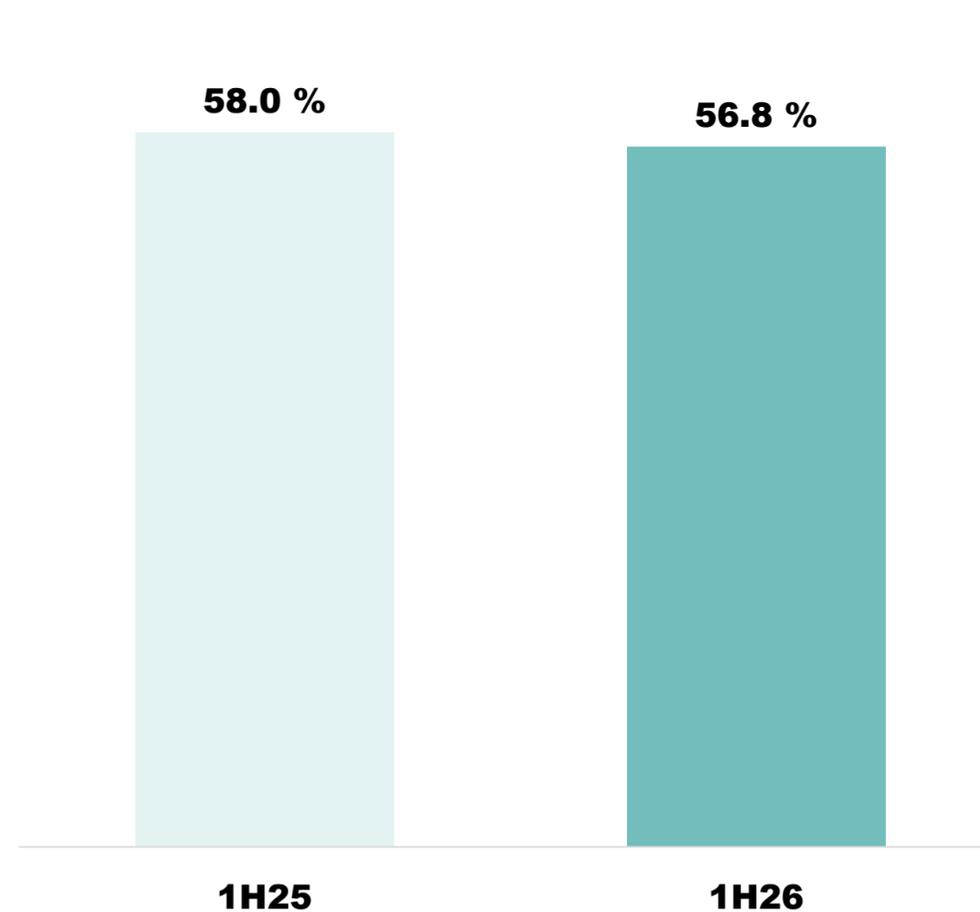
## OVERALL INFLECTION IN GROWTH ACROSS BRANDS

Sales growth %



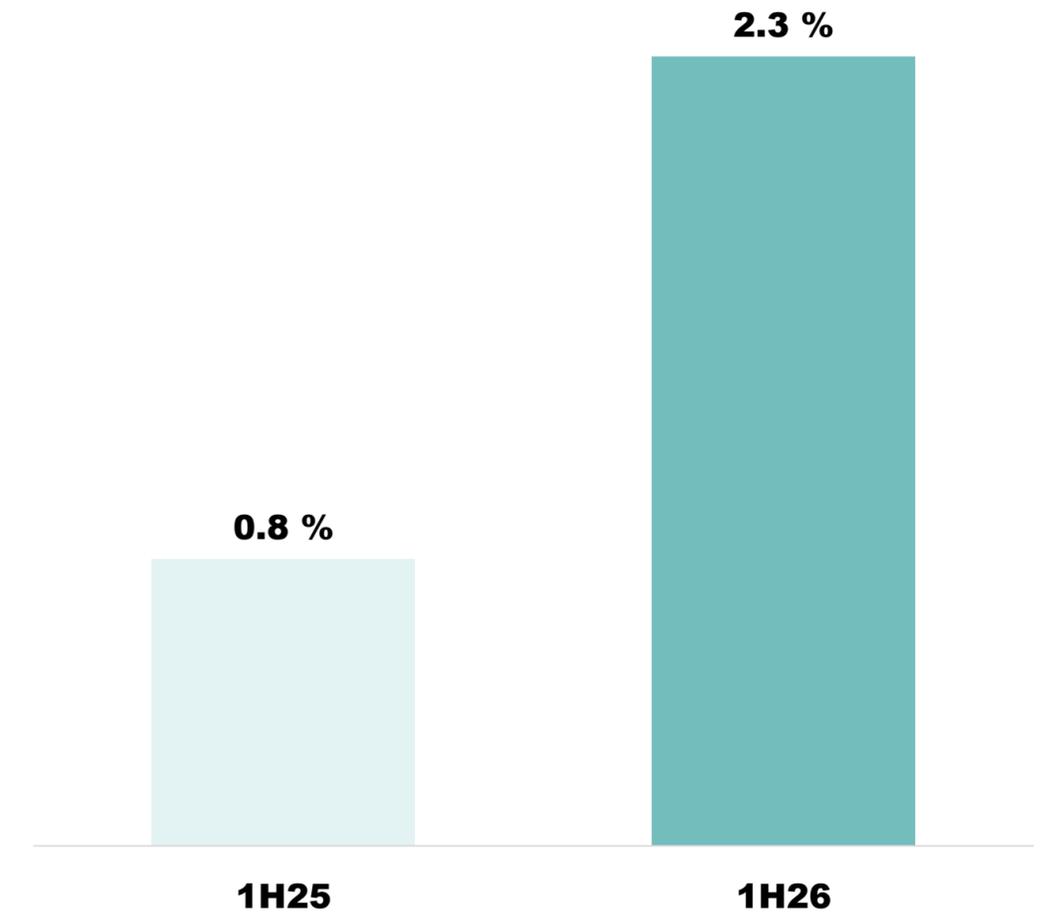
## EFFECTIVE GROSS MARGIN MANAGEMENT AGAINST DIFFICULT MARKET BACKDROP & INVENTORY CLEARING

Group underlying gross margin %



## IMPROVED PROFITABILITY WITH STRONG COST CONTROL

Group underlying EBITDA margin %



Note: EBITDA margin refers to Underlying metrics.

# WE ARE STRENGTHENING OUR BALANCE SHEET TO FOCUS ON EXECUTION OF NEXT LEVEL STRATEGY

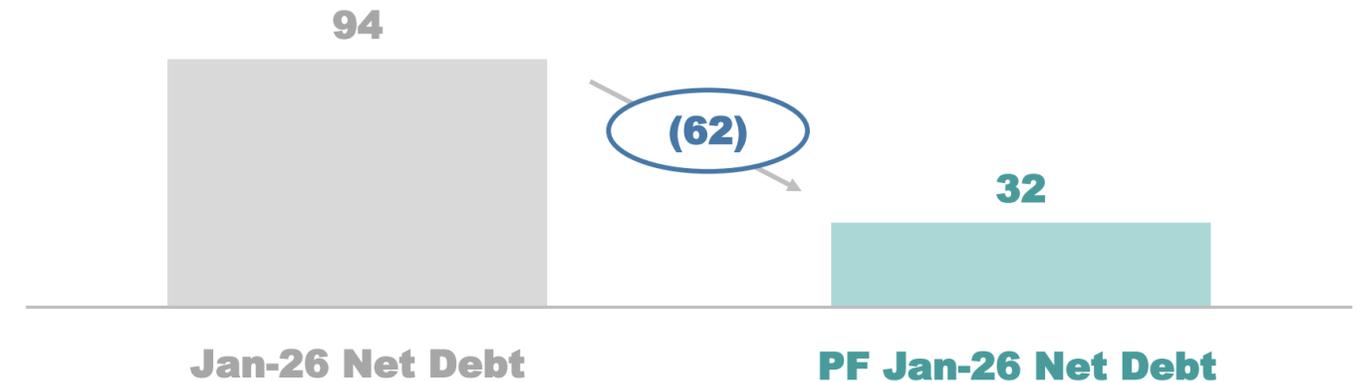
## KEY MESSAGES

- ✓ **Strengthen KMD balance sheet with NZ\$65m equity raising**
- ✓ **Up to 2.5 year refinancing of debt facility**
- ✓ **Provides access to sufficient liquidity and stable capital structure to execute strategy**
- ✓ **Lowers leverage with pathway to reach target <0.5x ratio by end of FY27**

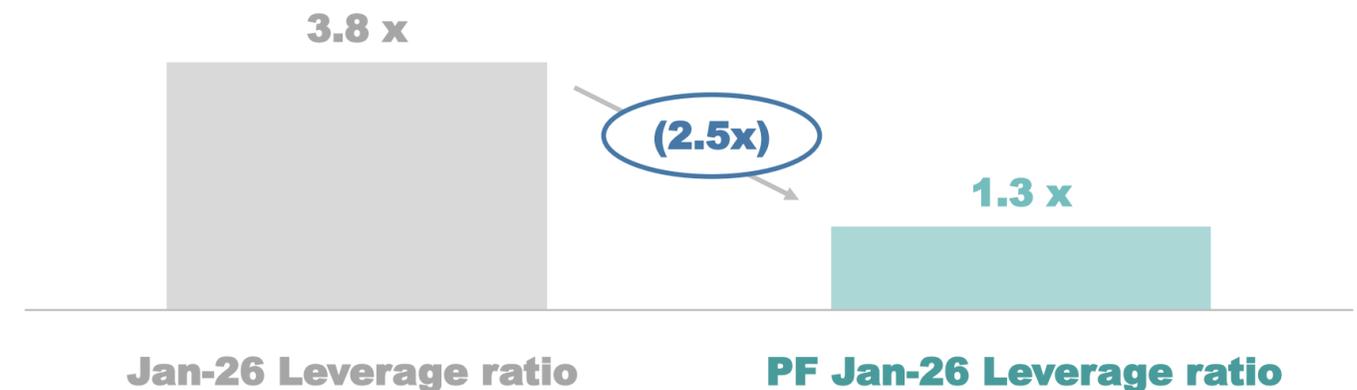


## PRO FORMA IMPACT<sup>1</sup>

### Net Debt (NZ\$m)



### Leverage ratio (x)<sup>2</sup>



1. Pro forma for net proceeds of equity raise (net of underwriting fees and other capital raising costs).

2. Net Debt / EBITDA (per covenant measurement definitions).

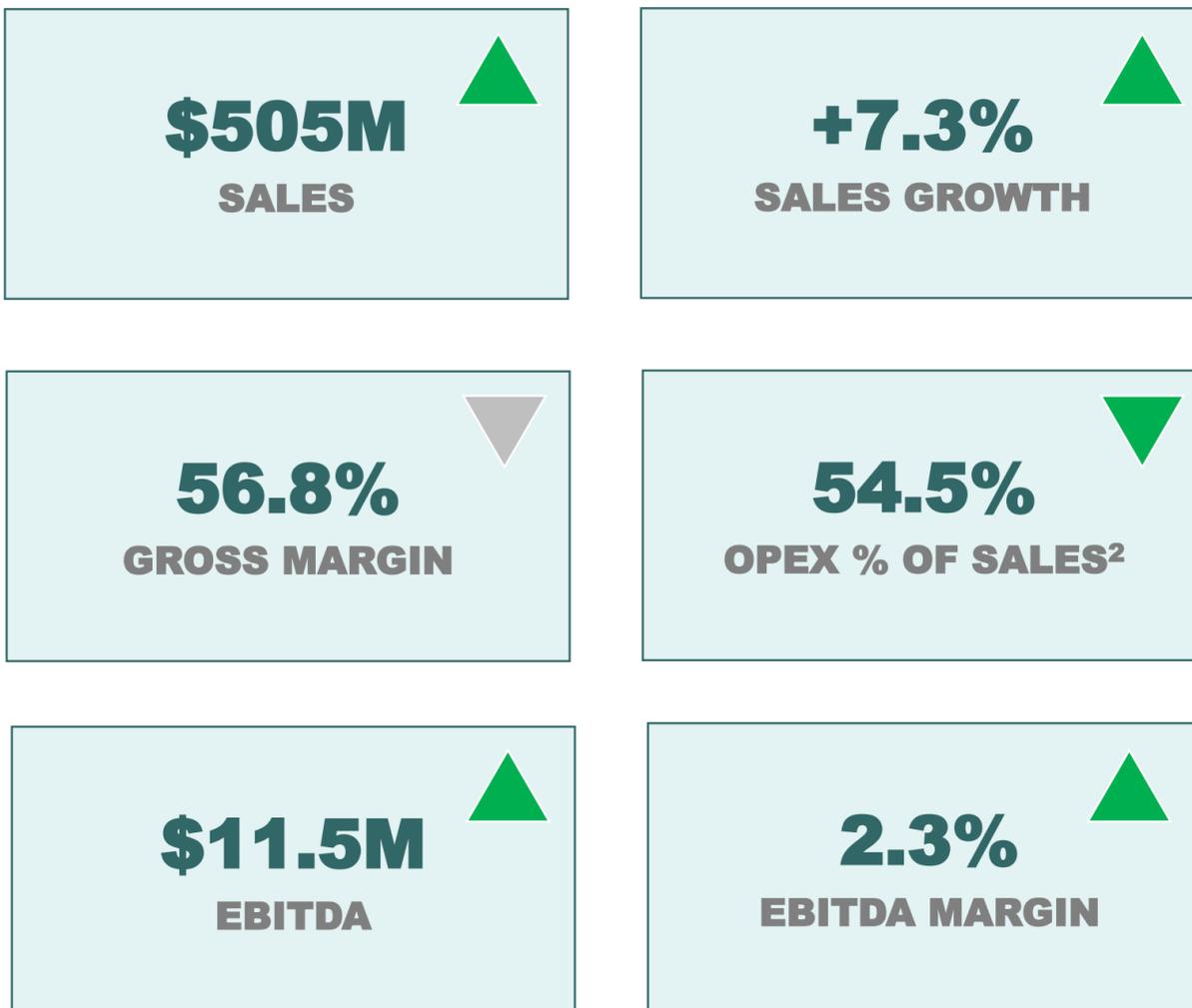
SECTION 2

# 1H FY26 RESULT AND FY26 OUTLOOK



# EARLY MOMENTUM IN NEXT LEVEL TURNAROUND

## 1H FY26 RESULT SNAPSHOT<sup>1</sup>



1. Reflected results are underlying; metrics are compared against last year (1H FY25).

2. OPEX refers to underlying operating expenses.

## KEY TAKEAWAYS

- Group sales growth achieved in both the wholesale and direct-to-consumer channels
- Gross margin reflecting near-term impact of marketplace and channel management
- OPEX % of Sales trending towards 50% target<sup>2</sup>
- Significant underlying EBITDA growth
- Underlying EBITDA margin expansion with sales growth and reset cost base

# GROUP PROFIT & LOSS

KMD BRANDS NZ \$m <sup>2</sup>	Statutory		Underlying <sup>1</sup>		Var %
	1H FY26	1H FY25	1H FY26	1H FY25	
SALES	505.4	470.9	<b>505.4</b>	470.9	7.3%
GROSS PROFIT <sup>3</sup>	287.1	273.0	<b>287.1</b>	273.0	5.2%
<i>Gross margin</i>	56.8%	58.0%	<b>56.8%</b>	58.0%	
OPERATING EXPENSES <sup>3</sup>	(223.8)	(220.3)	<b>(275.6)</b>	(269.1)	2.4%
<i>% of Sales</i>	44.3%	46.8%	<b>54.5%</b>	57.2%	
EBITDA	63.3	52.7	<b>11.5</b>	3.9	196.6%
<i>EBITDA margin %</i>	12.5%	11.2%	<b>2.3%</b>	0.8%	
EBIT	(1.7)	(12.7)	<b>(6.4)</b>	(13.3)	52.1%
<i>EBIT margin %</i>	-0.3%	-2.7%	<b>-1.3%</b>	-2.8%	
NPAT	(13.1)	(20.7)	<b>(11.5)</b>	(16.1)	28.4%

1. Statutory results include the impact of IFRS 16 leases. The impacts of IFRS 16, restructuring, software as a service accounting, the notional amortisation of customer relationships, impairment and onerous contracts have been excluded from Underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.
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.

## GROUP SALES MOMENTUM

- Total sales +7.3% YOY, with solid growth achieved in both the direct-to-consumer ("DTC") and wholesale channels.
- Kathmandu achieved strong DTC sales growth throughout the first half in both Australia and New Zealand.
- Rip Curl wholesale sales growth outperformed the DTC channel, with strong wholesale demand in Europe and North America.
- Oboz wholesale sales grew strongly, supported by closeout activity and strong in-season buying from key accounts.

## GROSS MARGIN REFLECTS A PROMOTIONAL MARKETPLACE

- Group gross margin decreased -1.2% of sales in a promotional marketplace, balancing sales growth with gross margin achievement, while optimising inventory composition and selling through aged inventory.
- 1H FY25 Group gross margin has reduced by c. 0.5% of sales following an accounting system change at the Group's wetsuit manufacturer, with no impact on EBITDA or net profit<sup>3</sup>.
- 1H FY26 gross margin is above 2H FY25 gross margin.

## OPERATING LEVERAGE (% OF SALES) ACHIEVED

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

# KATHMANDU PROFIT & LOSS



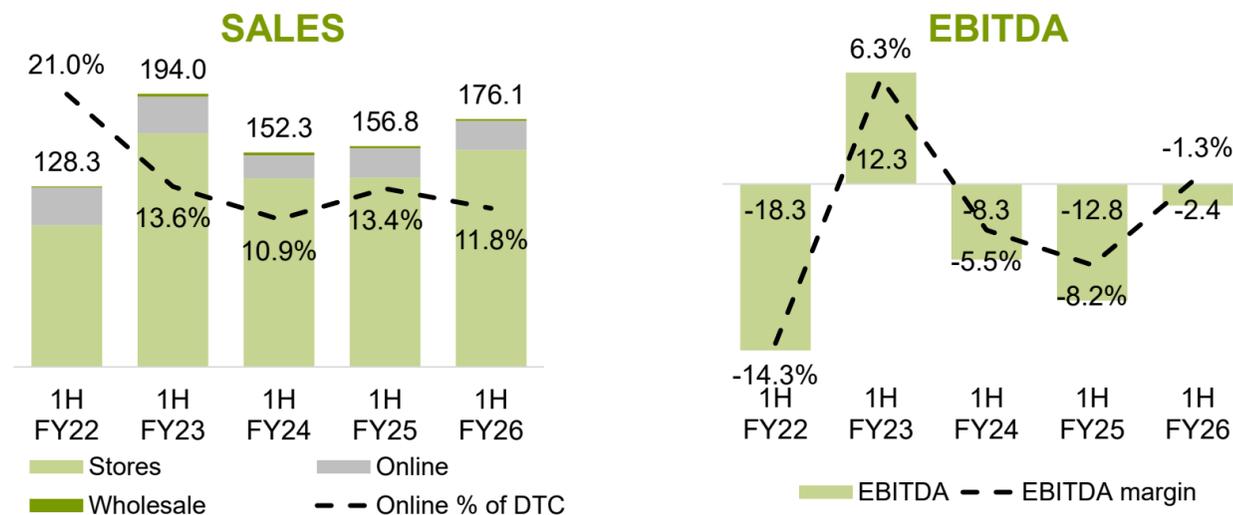
NZ \$m	1H FY26	1H FY25	Var %
SALES	176.1	156.8	12.3%
EBITDA (underlying <sup>1</sup> )	(2.4)	(12.8)	81.6%
EBITDA margin %	-1.3%	-8.2%	
EBIT (underlying <sup>1</sup> )	(10.2)	(22.0)	53.9%
EBIT margin %	-5.8%	-14.1%	
Owned stores	152	156	

## KATHMANDU LEADS GROUP SALES MOMENTUM

- Total sales +12.3% YOY despite a net reduction of 4 stores, showing strong sales momentum throughout the first half, and improving from +2.5% YOY in the fourth quarter of last year.
- Strong sales results in both Australia<sup>2</sup> (+10.2% YOY) and New Zealand (+8.9% YOY).
- Sales growth continued through the second quarter, with the key Black Friday and Christmas trading periods cycling a good result last year.
- Online sales in line with last year (cycling strong growth) at \$20.6m, comprising 11.8% of DTC sales.
- Same store sales (incl. online) +12.8%<sup>3</sup>.

## GROSS MARGIN AND OPERATING EXPENSES

- Gross margin decreased -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 \$9.8m lower than last year (\$13.5m lower at constant currency).
- Underlying operating expenses reduced YOY, improving operating leverage following a strategic cost reset and ongoing cost discipline.



1. The impacts of IFRS 16, restructuring, impairment and onerous contracts are excluded from underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.  
 2. At constant exchange rates.  
 3. Same store sales are for the 27 full weeks ended 1 February 2026 and are measured at constant exchange rates.

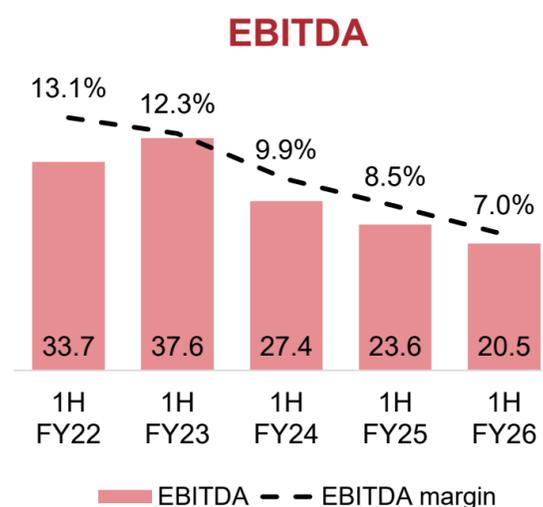
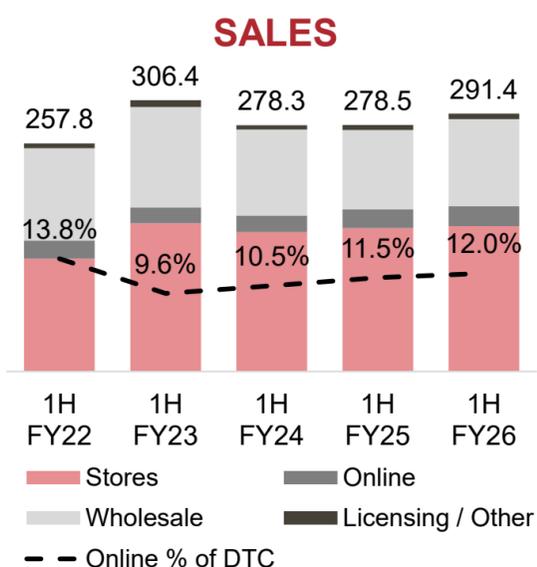
# RIP CURL PROFIT & LOSS



NZ \$m	1H FY26	1H FY25	Var %
SALES	291.4	278.5	4.6%
EBITDA (underlying <sup>1</sup> )	20.5	23.6	(13.0%)
EBITDA margin %	7.0%	8.5%	
EBIT (underlying <sup>1</sup> )	10.5	16.1	(34.3%)
EBIT margin %	3.6%	5.8%	
Owned stores	170	177	

## STABLE GLOBAL DIVERSIFIED SALES

- Total sales +4.6% YOY, helped by 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 +9.8%, supported by strong demand in Europe and North America.
- Online sales +6.7% to \$22.5m, comprising 12.0% of DTC sales.
- Direct-to-consumer total sales (incl. online) +1.9%, with strong sales results for North America offsetting a challenging market during the southern hemisphere peak summer period.
- Direct-to-consumer same store sales (incl. online) +1.5%<sup>2</sup>.



## GROSS MARGIN AND OPERATING EXPENSES

- Gross margin decreased -1.2% of sales, impacted by wholesale channel mix and elevated promotional activity.
- Underlying operating expenses 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.

1. The impacts of IFRS 16, restructuring, the notional amortisation of customer relationships, impairment and onerous contracts are excluded from underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.

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

# OBOZ PROFIT & LOSS



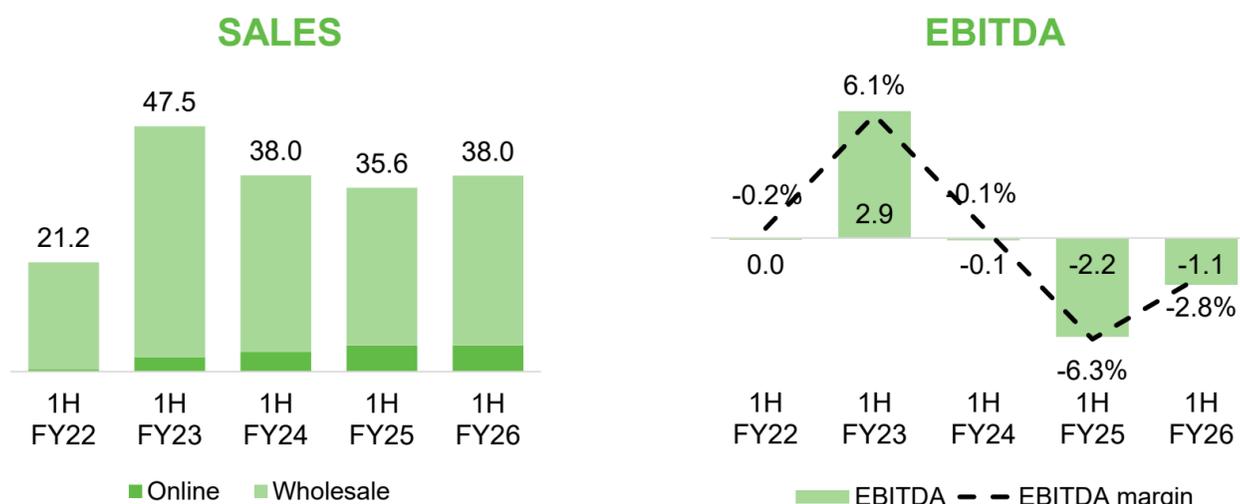
NZ \$m	1H FY26	1H FY25	Var %
SALES	<b>38.0</b>	35.6	6.5%
EBITDA (underlying <sup>1</sup> )	<b>(1.1)</b>	(2.2)	52.5%
EBITDA margin %	<b>-2.8%</b>	-6.3%	
EBIT (underlying <sup>1</sup> )	<b>(1.1)</b>	(2.6)	59.5%
EBIT margin %	<b>-2.8%</b>	-7.3%	

## SALES TREND IMPROVING

- Total sales +6.5% YOY.
- Online sales +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 +7.5% with strong in-season buying from key accounts.

## GROSS MARGIN AND OPERATING EXPENSES

- Gross margin remained stable, improving +0.2% of sales despite tariff impacts, supported by lower closeout activity YOY.
- Underlying operating expenses tightly controlled and lower than last year.
- Note: The Kathmandu segment includes 1H FY26 \$3.2m sales of Oboz products in Kathmandu AU & NZ stores at full vertical gross margin (1H FY25 \$3.4m).



1. The impacts of IFRS 16, restructuring, the notional amortisation of customer relationships, impairment and onerous contracts have been excluded from underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.

# BALANCE SHEET

Key Balance Sheet items and ratios <sup>1</sup>			
NZ \$m	Jan 26	Jan 25	Jul 25
<b>Net working capital</b>	<b>179.2</b>	<b>192.6</b>	<b>157.7</b>
Inventories	274.1	303.7	254.0
Current trade and other receivables	80.0	79.1	92.3
Current trade and other payables	(174.8)	(190.2)	(188.7)
<i>Net working capital % of sales</i>	17.5%	19.6%	15.9%
<i>Stock Turns</i> <sup>2</sup>	1.56x	1.33x	1.65x
<b>Net Debt</b>	<b>(94.0)</b>	<b>(76.2)</b>	<b>(52.8)</b>
<i>Leverage Ratio</i> <sup>3</sup>	3.8x	2.1x	3.3x
<i>Net Debt to Equity</i> <sup>4</sup>	12.0%	8.9%	7.1%
<i>Fixed Charge Cover Ratio (FCCR)</i> <sup>5</sup>	1.08x	1.17x	1.03x
<b>Equity</b>	<b>689.3</b>	<b>778.7</b>	<b>689.9</b>

PF Jan-26 net debt of NZ\$31.9m<sup>6</sup> and leverage ratio of 1.3x<sup>6</sup>

1. Key ratios calculated using 12-month Underlying P&L measures.
2. Cost of sales / Average Inventories YOY.
3. Net Debt / EBITDA (per covenant measurement definitions).
4. Net Debt / (Net Debt + Equity).
5. (EBITDA + Rent) / (Rent + Net Finance Costs excl. FX).
6. Pro forma for net proceeds of equity raise (net of underwriting fees and other capital raising costs).

## INVENTORY AT A THREE-YEAR LOW

- Group inventory balance reduced for the third successive year, as inventory positions continue to reduce towards optimal levels.
- Inventory obsolescence provisions represent 1.7% of gross inventory, consistent with the last two half-years, and -50 bps below Jul 25.
- Inventory and trade payables include -\$17.1m lower goods in transit YOY.
- Stock turns improved from 1.33x at Jan 25 to 1.56x at Jan 26.

## DEBT

- Net Debt \$94.0m at Jan 26 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.
- 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. See slide 39 for information about the Group's new bank debt facility.

# CASH FLOW

Cash Flow (NZ \$m)	1H FY26	1H FY25
NPAT	(13.1)	(20.7)
Change in working capital	(21.3)	(1.5)
Non-cash items	60.0	68.0
<b>Operating cash flow</b>	<b>25.6</b>	<b>45.8</b>
<b>Adjusted operating cash flow<sup>1</sup></b>	<b>(23.0)</b>	<b>(0.8)</b>

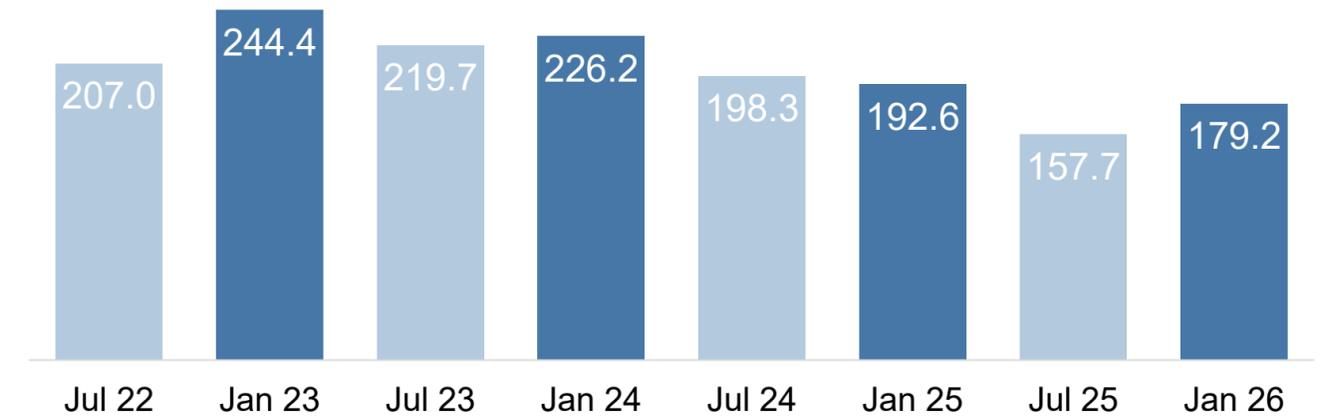
  

Key Line Items:	1H FY26	1H FY25
Net interest paid (including facility fees) <sup>1</sup>	(6.0)	(6.3)
Net income taxes paid	(2.8)	(4.7)
Capital expenditure	(13.1)	(14.1)

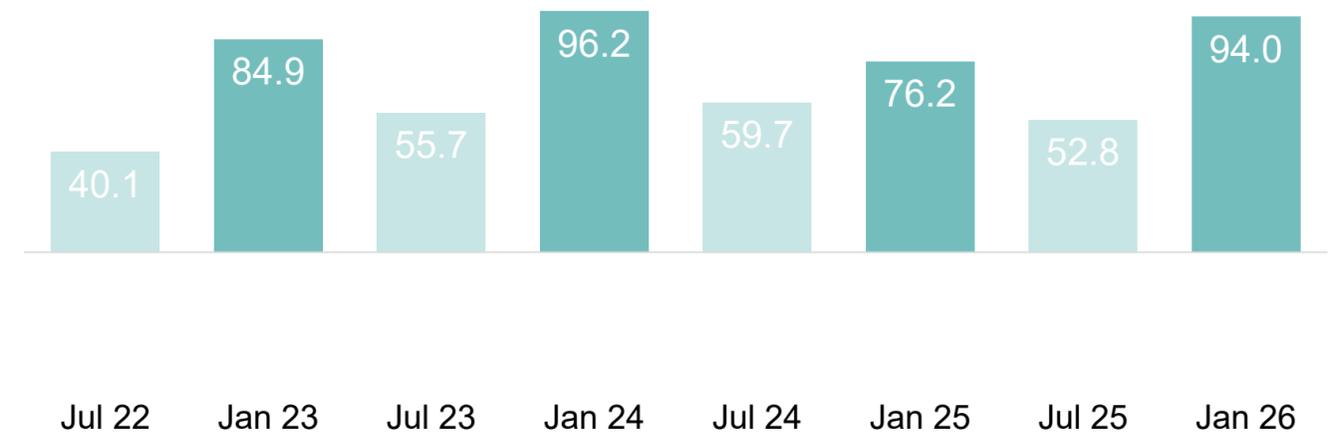
- Working capital outflow: January net working capital balances are traditionally elevated as stock to support Kathmandu's Southern Hemisphere Autumn / Winter season, and Rip Curl's Northern Hemisphere Summer season is shipped before Chinese New Year.
- Inventory purchase timing phased earlier than last year, helping to bring newness into stores to capitalise on Black Friday and Christmas trade, therefore reducing trade payables at January 2026. Also, higher trade payables at July 2025, which unwound in August 2025, resulted in additional cash outflows in 1H FY26.
- Net Debt \$94.0m at Jan 26 includes a \$5.6m impact from a weaker NZ dollar YOY.
- No interim dividend declared as a result of 1H FY26 operating performance.

1. Adjusted for impacts of adopting IFRS 16.

### GROUP NET WORKING CAPITAL HALF-YEAR CYCLE



### GROUP NET DEBT HALF-YEAR CYCLE



# 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 2026<sup>1</sup> in a seasonally non-significant trading period:

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

1. Sales and gross profit results for the 6 full trading weeks from Monday 2 February 2026 to Sunday 15 March 2026 are sourced from BI reports and measured at constant currency 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.

## BRAND GROWTH AND GROSS MARGIN

- 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.

## OPERATING LEVERAGE<sup>1</sup>

- Group underlying operating expenses as a % of sales are forecasted to improve YOY, showing progress towards mid-term targets. Underlying operating expenses 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 operating expenses (1H FY26 half-year impact \$9.1m as shown in Appendix A). 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.

## EBITDA MARGIN<sup>1</sup>

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

## CAPITAL ALLOCATION

- 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 \$25m).
- KMD Brands continues to target a leverage ratio of <0.5x Net Debt / EBITDA by end of FY27.

1. *The impacts of IFRS 16, restructuring, software as a service accounting, the notional amortisation of customer relationships, impairment and onerous contracts are excluded from Underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.*

SECTION 3

# UPDATE ON NEXT LEVEL TRANSFORMATION

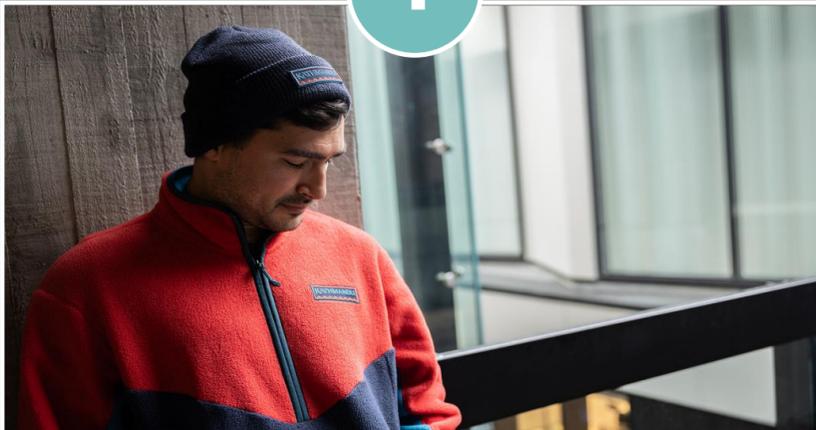


# WE HAVE BEEN DELIVERING ON WHAT WE SAID IN THE FIRST 6 MONTHS OF OUR 3-YEAR **NEXT LEVEL JOURNEY**

WHAT WE SAID	WHAT WE'RE DELIVERING	WHAT IS NEXT ON OUR 3-YEAR JOURNEY
<b>Reboot growth at right profitability</b>	<ul style="list-style-type: none"> <li>✓ Inflection to growth for all brands in 1H FY26 with effective gross margin management despite challenging backdrop</li> </ul>	<ul style="list-style-type: none"> <li>▶ Deliver sustainable brand growth and ~60% gross margin by FY28</li> </ul>
<b>Reset strategy on three core brands</b>	<ul style="list-style-type: none"> <li>✓ Faster product innovation and storytelling, sharper channel-led assortments and portfolio actions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Scaling product-led growth and channel discipline to build sustained brand momentum and margin improvement</li> </ul>
<b>Improve digital and data-led decision making</b>	<ul style="list-style-type: none"> <li>✓ ERP/D365 implementation completed, Shopify live across brands, and decision-intelligence tools deployed</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leveraging data and analytics to drive further inventory reduction, profitability uplift and productivity gains across the group</li> </ul>
<b>\$25m cost reset in FY26</b>	<ul style="list-style-type: none"> <li>✓ On track to deliver \$27.5m cost savings</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continued assessment for simplification and cost savings</li> <li>▶ Maintain cost growth at or below inflation to support operating expenses reaching &lt;50% of sales</li> </ul>
<b>\$15m growth investment in FY26</b>	<ul style="list-style-type: none"> <li>✓ Investments to drive short and long-term profitable growth</li> <li>✓ FY26 investment reduced to \$10.8m (withholding \$4.2m) with discipline around market conditions and returns</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue to apply rigorous investment criteria and sequence investment based on self-funding approach</li> </ul>
<b>21 store closures</b>	<ul style="list-style-type: none"> <li>✓ 15 stores closed and 6 further on track for closure by September 2027</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going evaluation of stores against clear criteria to determine the optimal path for our store portfolio</li> </ul>
<b>Improved inventory management</b>	<ul style="list-style-type: none"> <li>✓ Inventory reduced by 9.7% (Jan 26 vs. Jan 25) with improved mix</li> </ul>	<ul style="list-style-type: none"> <li>▶ Working capital &lt;16% of sales by FY28</li> </ul>
<b>Review non-core assets</b>	<ul style="list-style-type: none"> <li>✓ Review underway on non-core assets</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ongoing assessment of non-core assets that do not provide advantage to three core brands</li> </ul>

# INCREASED CONVICTION IN NEXT LEVEL TRANSFORMATION STRATEGY

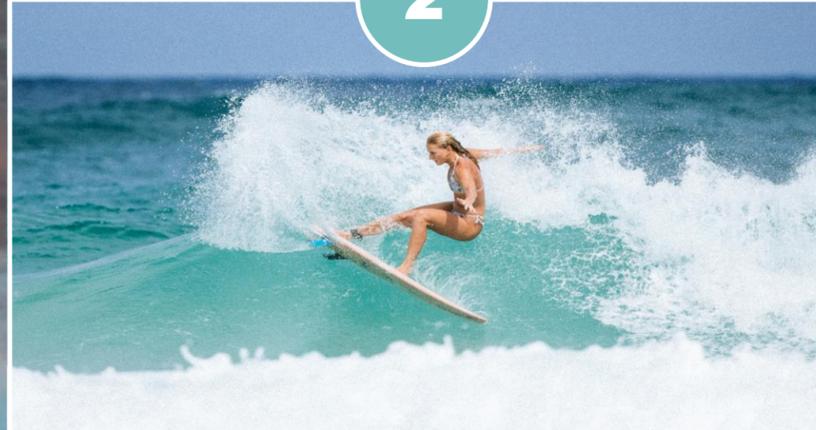
1



**A brand & product-led offence**

**Delivering growth across all brands**

2



**Efficient, scalable processes and decision intelligence**

**Adding new capabilities to fuel growth & drive operating leverage**

3



**Delivering sustainable profitability**

**Reset cost base with focused gross margin expansion**

# GLOBAL PLATFORM BUILT AROUND THREE TECHNICAL, PURPOSE DRIVEN BRANDS

## STRONG BRAND RELEVANCE DRIVEN BY PURPOSE

- Strong awareness of all brands
- **Kathmandu** is known and trusted for outdoor adventure
- **Rip Curl** has a deep connection and credibility in core surf
- **Oboz** is authentic to the trail

## POSITIONED IN ATTRACTIVE CATEGORIES

- Participate in activity-based segment of market, which is seeing growth across categories of 5%+<sup>1</sup>
- Ongoing market shift to technical and premium product

## GLOBAL REACH AND DIVERSIFICATION

- Global presence with bespoke go to market model for each region
- Seasonal diversity across portfolio

1. Segment growth is based on Mordor Intelligence, Reuters, IMARC Group, Statistica, Grand View Research, Euro Monitor, IBISWorld.



**INITIATIVES TO DRIVE NEXT LEVEL AT KATHMANDU**

**BRAND STRATEGY**

**WHAT HAS BEEN SET IN MOTION**

**WHAT IT ENABLES**

<b>Accelerated product strategy</b>	<ul style="list-style-type: none"> <li>Seasonal product assortments</li> <li>Limited-quantity ranges on faster timelines</li> </ul>	<p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Product relevance, brand buzz and faster trend response</li> </ul>
<b>Brand storytelling &amp; innovation</b>	<ul style="list-style-type: none"> <li>Innovation embedded in seasonal launches</li> <li>“Store of the Future” concepts</li> </ul>	<p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Authentic positioning across outdoor and adventure categories</li> </ul>
<b>Profitable channel mix / Integrated Marketplace</b>	<ul style="list-style-type: none"> <li>Improved pricing and markdown strategy</li> <li>Assortment alignment across store segments</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Store segmentation improvements</li> <li>Digital platform re-engineered</li> </ul>	<p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Reset of expectations on product and brand value</li> </ul> <hr/> <p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Optimal store network</li> <li>✓ Stronger brand value and more efficient digital sales</li> </ul>
<b>International Strategy</b>	<ul style="list-style-type: none"> <li>Shift to distributor-led and digital expansion</li> <li>Focused regional market prioritisation</li> </ul>	<p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Improved profitability</li> <li>✓ New market penetration</li> </ul>
<b>Strong capability</b>	<ul style="list-style-type: none"> <li>Established leadership team and capability mix in place</li> <li>Investment in store staff training</li> </ul>	<p>&gt;</p> <ul style="list-style-type: none"> <li>✓ Confidence in strategic and operational execution</li> </ul>

**HOW WE WILL MEASURE SUCCESS**

**Fresh product flow and innovation in FY26/27 seasonal releases**

**Clear product roadmap and associated stories**

**Store network segmentation optimised for profitability**

**Shift to capital-light distributor-led model and digital expansion**

**Strong brand and executional capability**



**INITIATIVES TO DRIVE NEXT LEVEL AT RIP CURL**

<b>BRAND STRATEGY</b>	<b>WHAT HAS BEEN SET IN MOTION</b>	<b>WHAT IT ENABLES</b>
<b>Youthful brand reset</b>	<ul style="list-style-type: none"> <li>• “Next Gen” focus across brand, athletes and product</li> <li>• Sharpened positioning around <i>The Search</i></li> </ul>	<p>➤ ✓ Clear, authentic surf brand with modern appeal</p>
<b>Growth beyond core</b>	<ul style="list-style-type: none"> <li>• Expanded from surf-only to broader beach lifestyle</li> <li>• Trialled women-focused stores (e.g. Bondi)</li> </ul>	<p>➤ ✓ Broader reach and improved distribution</p>
<b>Return US to profitability</b>	<ul style="list-style-type: none"> <li>• Resized North American operations</li> <li>• Store closures and costs base reduction</li> </ul>	<p>➤ ✓ Stable, profitable, US business anchored by Hawaii</p>
<b>Digital uplift</b>	<ul style="list-style-type: none"> <li>• Rebuilt digital platform (Shopify)</li> <li>• Reset digital capability and operating model</li> </ul>	<p>➤ ✓ Higher online sales efficiency and lower costs</p>
<b>Product simplification</b>	<ul style="list-style-type: none"> <li>• Innovation focused on core categories</li> <li>• Centralised product engine and reduced SKUs</li> </ul>	<p>➤ ✓ Clearer product DNA and lower COGS</p>

**HOW WE WILL MEASURE SUCCESS**

**Brand resonance and energy with younger demographic**

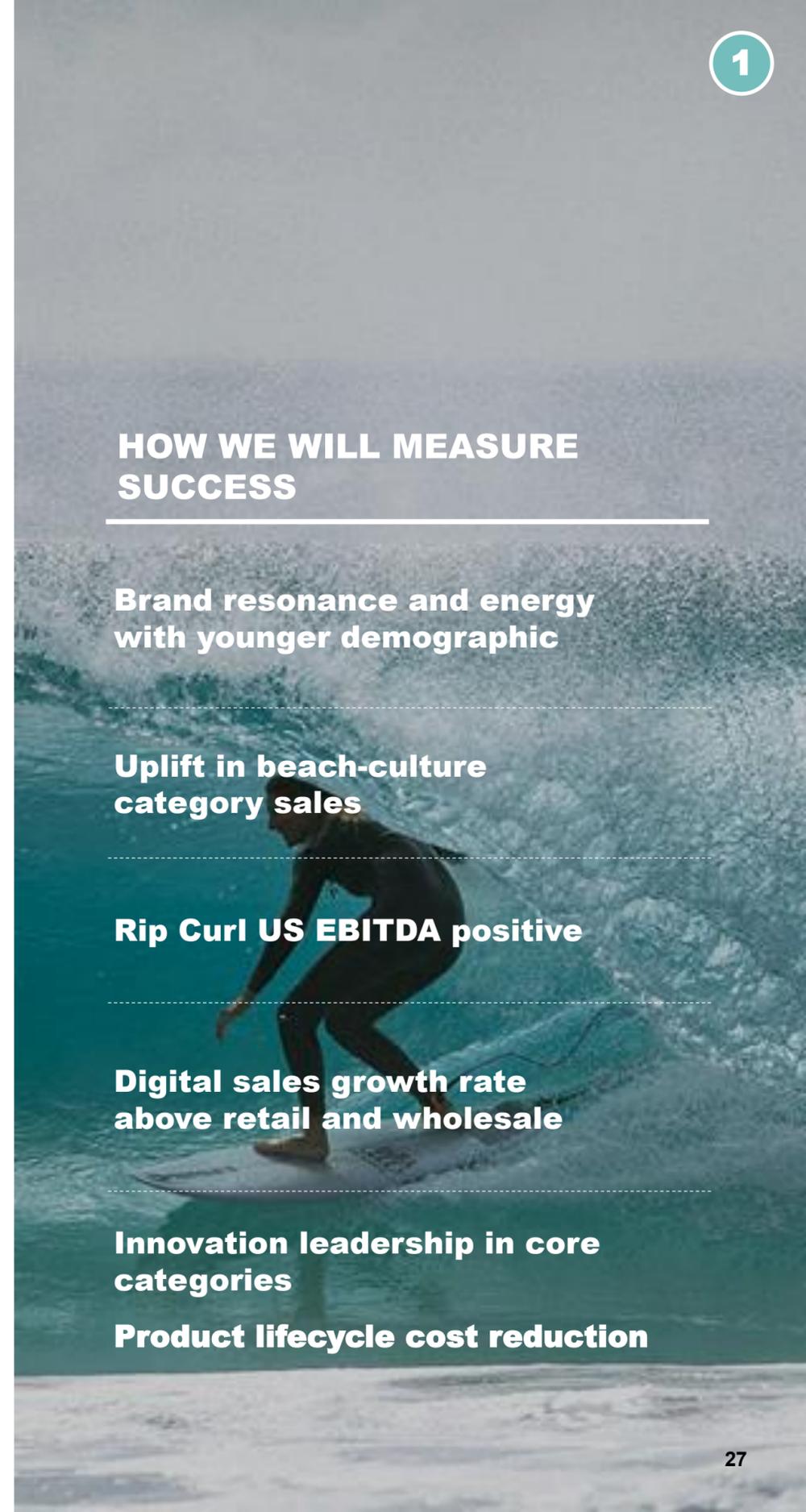
**Uplift in beach-culture category sales**

**Rip Curl US EBITDA positive**

**Digital sales growth rate above retail and wholesale**

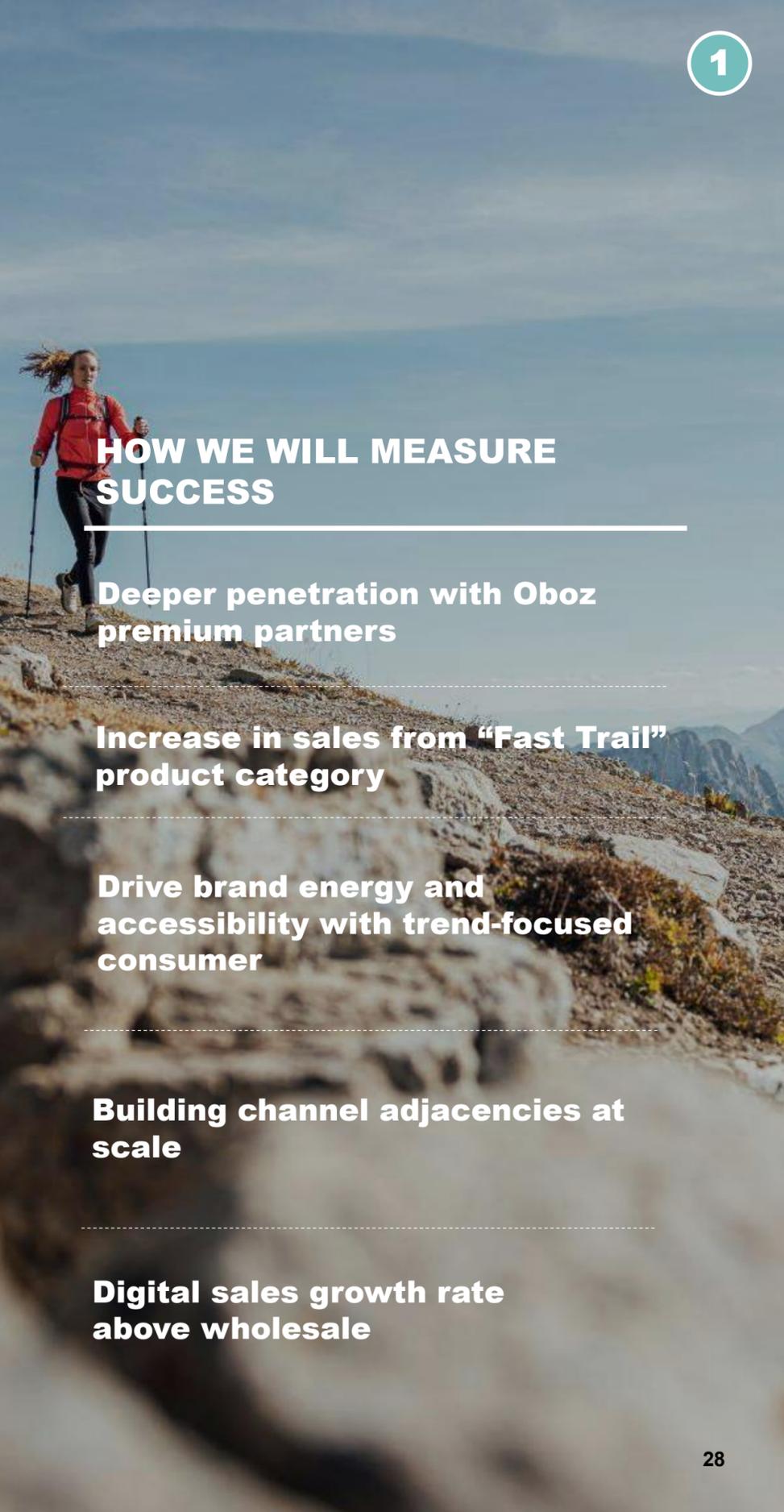
**Innovation leadership in core categories**

**Product lifecycle cost reduction**



## INITIATIVES TO DRIVE NEXT LEVEL AT OBOZ

BRAND STRATEGY	WHAT HAS BEEN SET IN MOTION	WHAT IT ENABLES
<b>More with the core</b>	<ul style="list-style-type: none"> <li>Accelerated core product innovation to market earlier</li> </ul>	<ul style="list-style-type: none"> <li>✓ Fresher range for rugged, comfort-focused customers</li> </ul>
<b>Accelerate 'fast' category</b>	<ul style="list-style-type: none"> <li>Updated Fast Trail range for future seasons</li> <li>Consumer research to refine fast &amp; light segments</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clear category fit and brand reset</li> </ul>
<b>Products that open all-terrain opportunities</b>	<ul style="list-style-type: none"> <li>Extended all-terrain category</li> <li>Deeper cross-trail and introduce Vault categories</li> </ul>	<ul style="list-style-type: none"> <li>✓ Trend-right product design</li> </ul>
	<ul style="list-style-type: none"> <li>New distribution relevant to Vault</li> </ul>	<ul style="list-style-type: none"> <li>✓ New entry point to Oboz</li> </ul>
<b>Channel diversity</b>	<ul style="list-style-type: none"> <li>Renewed focus with Oboz premium partners</li> <li>Marketplace distribution with large outdoor-adjacent distribution</li> </ul>	<ul style="list-style-type: none"> <li>✓ Fresh offering with outdoor speciality and farm and ranch</li> <li>✓ Expand reach and scale with right product</li> </ul>
<b>Digital uplift</b>	<ul style="list-style-type: none"> <li>Shopify launch in Q3'FY26</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enhance brand storytelling</li> <li>✓ Premium distribution for refreshed offering</li> </ul>



### HOW WE WILL MEASURE SUCCESS

Deeper penetration with Oboz premium partners

Increase in sales from "Fast Trail" product category

Drive brand energy and accessibility with trend-focused consumer

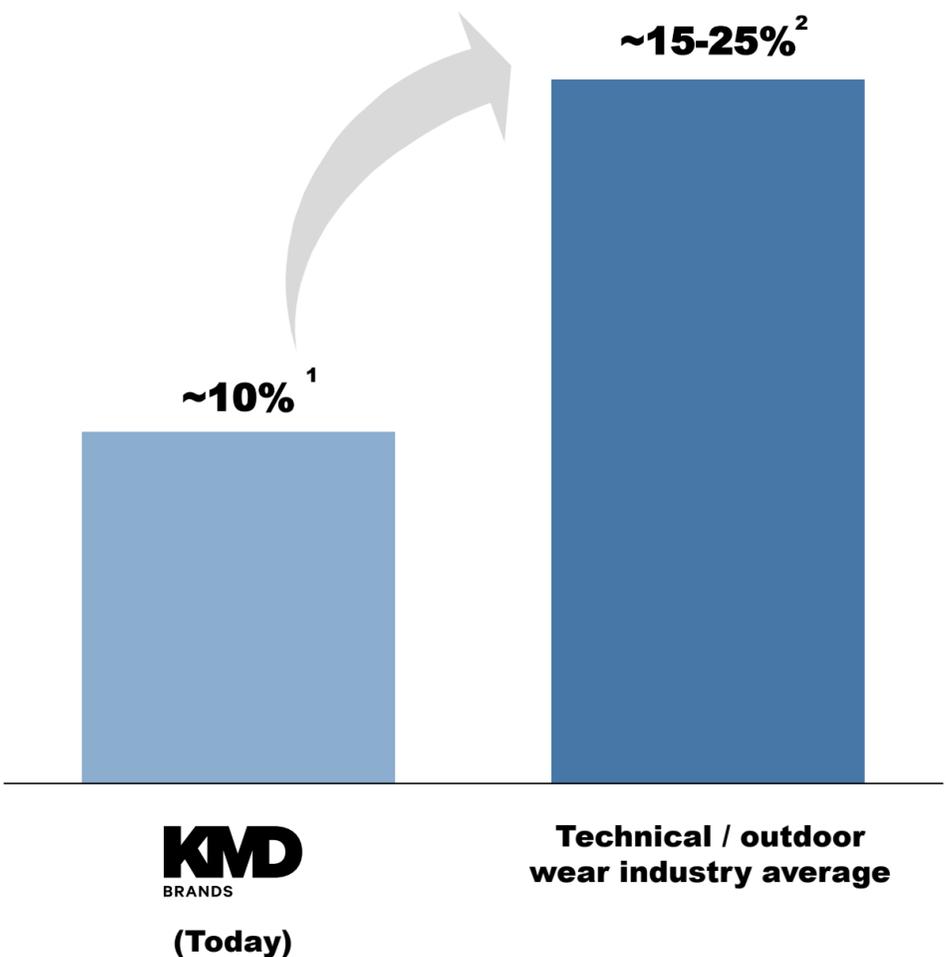
Building channel adjacencies at scale

Digital sales growth rate above wholesale

# DIGITAL PLATFORM CHANGES TO DRIVE GROWTH ACROSS OMNI-CHANNEL MODEL

## THE OPPORTUNITY

Online sales penetration (%)



## FY26 ACTIONS

- ✓ Leverage recent Shopify and D365 implementation to improve consumer experience and drive conversion
- ✓ Reset product assortment, fulfilment and planning for digital business
- ✓ Scale creative ad volume with new performance marketing capabilities and AI tools
- ✓ Connect reward members to digital campaigns with laser focus on highest-value consumer opportunities

## WHAT'S NEXT



1. Represents online sales as % of total sales. 2. Various market reports / desktop research.

# IMPROVED CAPABILITIES AND TECHNOLOGY IN PLACE TO DRIVE INTEGRATED EXECUTION

	 <b>WHAT HAS BEEN SET IN MOTION OR COMPLETED</b>	<b>WHAT IT ENABLES</b>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Identified and executed procurement savings</b> <ul style="list-style-type: none"> <li>– Improved terms with manufacturers, and efficiencies on freight and logistics</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>✓ <b>Cost of goods sold reduction, product relevance, and faster trend response</b></li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>Implemented digital systems to drive durable efficiencies</b> <ul style="list-style-type: none"> <li>– ERP / D365 system, Shopify integration across brands, updated HR platform</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>✓ <b>Better forecasting, planning, and assortment strategies</b></li> <li>✓ <b>Improved employee and consumer experience</b></li> </ul>
<b>Decision intelligence</b>	<ul style="list-style-type: none"> <li>• <b>Deployed data intelligence tools to enhance growth and profitability</b> <ul style="list-style-type: none"> <li>– Implementation of inventory and store profitability tools and advanced consumer analytics</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>✓ <b>Improved profitability</b></li> <li>✓ <b>Accelerated insight generation</b></li> </ul>
<b>Supply chain excellence</b>	<ul style="list-style-type: none"> <li>• <b>Consistent measures to optimise supply chain operations</b> <ul style="list-style-type: none"> <li>– Kathmandu and Oboz sales and operations planning process underway</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>✓ <b>Confidence in strategic and operational execution</b></li> <li>✓ <b>Improved inventory decisions</b></li> </ul>

# ON TRACK TO OVER-DELIVER ON FY26 COST SAVINGS

ON TRACK TO DELIVER \$27.5M OF COST SAVINGS, IMPROVEMENT ON THE \$25M ANNOUNCED AT INVESTOR DAY IN SEPTEMBER 2025



# DISCIPLINED APPROACH TO INVESTMENT WITH ROI FOCUS

UPDATE ON ANNOUNCED FY26 INVESTMENT	
<b>1</b> DIGITAL RESET	\$2.3m
<b>2</b> PRODUCT INNOVATION	\$1.5m
<b>3</b> STORE NETWORK AND PERFORMANCE	\$4.8m
<b>4</b> INTEGRATED BUSINESS EXECUTION	\$2.2m
<b>Total FY26E Investment</b>	<b>\$10.8m</b>
Investment withheld given performance / market	+\$4.2m

COMMENTARY
<p>✓ <b>Strategic investment to support growth and profitability</b></p>
<p>✓ <b>Phased, self-funded model</b></p>
<p>✓ <b>Incremental investment unlocked as performance improves</b></p>
<p>✓ <b>Growth initiatives prioritised by ROI and speed to payback</b></p>

# PROGRESSING WITH PLANNED STORE CLOSURES AND CONTINUING TO REFINE OUR STORE PORTFOLIO

## UPDATE ON ANNOUNCED CLOSURES

**Lease cost savings**



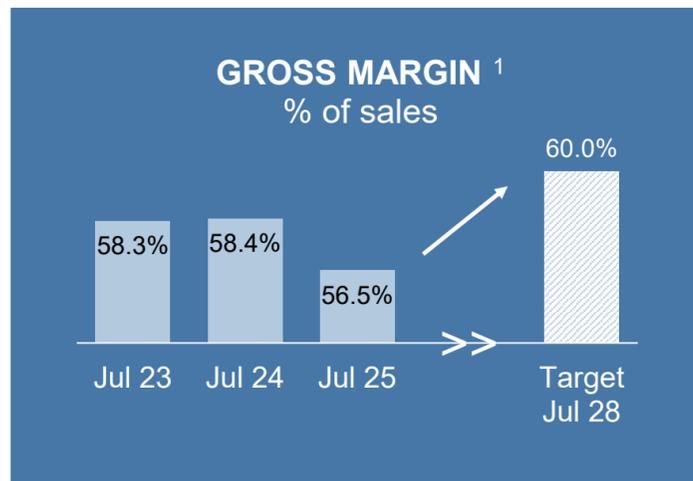
## REVIEW OF ADDITIONAL STORES

- Stores are evaluated against clear criteria to determine the optimal path for our store portfolio
- Our evaluation criteria:
  - Geographic alignment with strategy
  - Presence in attractive shopping locations
  - Alignment with brand store segmentation and category vision
  - Threshold profitability

# DELIVERING OUR FINANCIAL AMBITION OVER THE NEXT THREE YEARS

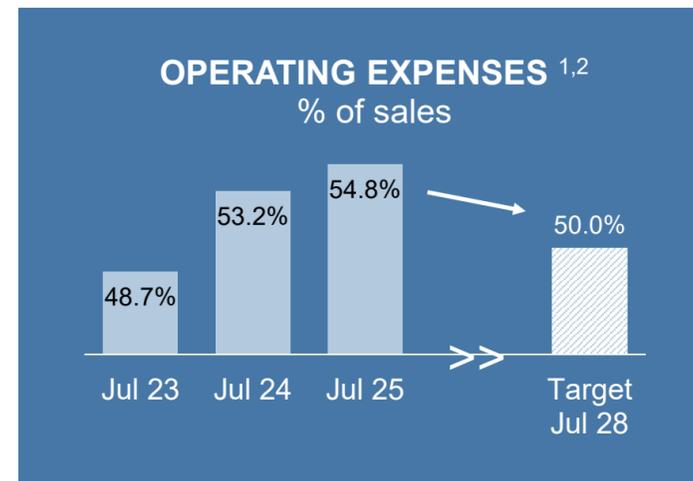
~60%

**GROSS MARGIN**



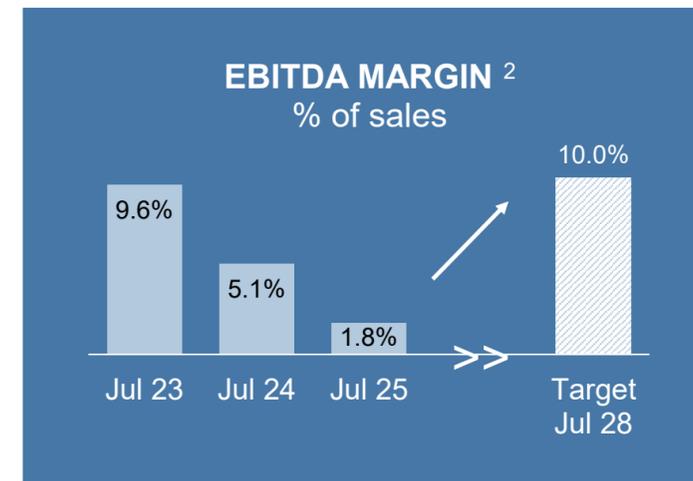
<50%

**OPERATING EXPENSE % OF SALES**



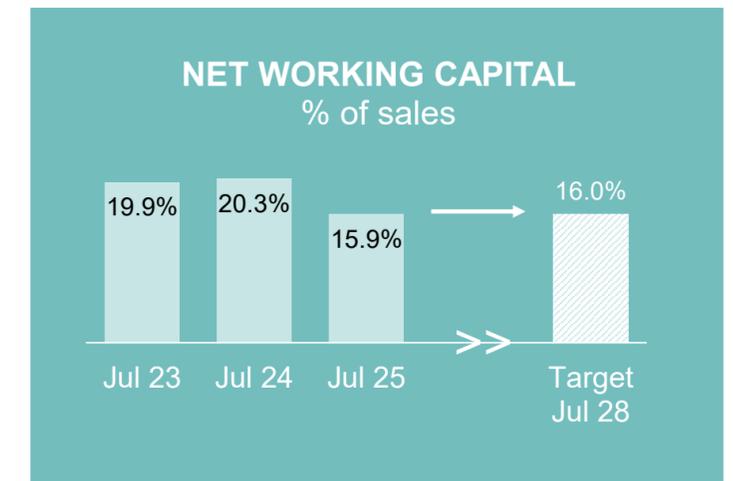
10%+

**EBITDA<sup>2</sup> MARGIN**



<16%

**NET WORKING CAPITAL % OF SALES**



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

2. Statutory results include the impact of IFRS 16 leases. The impacts of IFRS 16, restructuring, software as a service accounting, the notional amortisation of customer relationships, impairment and onerous contracts have been excluded from Underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.

SECTION 4

# EQUITY RAISING AND DEBT REFINANCING



# EQUITY RAISING DETAILS

<b>Offer size and structure</b>	<ul style="list-style-type: none"> <li>Fully underwritten NZ\$65.3 million equity raising (Offer), comprising:             <ul style="list-style-type: none"> <li>1 for 0.73 pro-rata accelerated renounceable entitlement offer to raise approximately NZ\$58.5m (Entitlement Offer), and</li> <li>Placement to raise approximately NZ\$6.8m (Placement)</li> </ul> </li> <li>The Entitlement Offer consists of an offer to Eligible Institutional Shareholders (Institutional Entitlement Offer) and an offer to Eligible Retail Shareholders (Retail Entitlement Offer)</li> <li>Approximately 1,087.8 million New Shares are to be issued under the Offer, representing approximately 152.8% of the existing shares on issue</li> </ul>
<b>Offer price for the equity raising</b>	<ul style="list-style-type: none"> <li>The Offer Price under both the Placement and Entitlement Offer is NZ\$0.06 per New Share, representing a:             <ul style="list-style-type: none"> <li>47.1% discount to TERP<sup>1</sup> of NZ\$0.113</li> <li>69.2% discount to KMD's last traded price of NZ\$0.195 on NZX as at Wednesday, 25 March 2026</li> </ul> </li> <li>The Australian Dollar Offer Price for the Retail Entitlement Offer will be announced on Thursday, 2 April 2026 using the prevailing AUD/NZD exchange rate published by the New Zealand Reserve Bank on Tuesday, 31 March 2026</li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>The net proceeds will be used to reduce KMD's net debt position and strengthen the balance sheet, and in conjunction with the refinanced debt facility provide a stable balance sheet to enable execution of KMD's next level strategy</li> </ul>
<b>Placement</b>	<ul style="list-style-type: none"> <li>Institutional Investors (which may include Eligible Institutional Shareholders and ASX Brokers or NZX Firms acting on behalf of retail clients) will be invited to participate in the Placement</li> <li>New Shares issued to participants in the Placement will be on an ex-entitlement basis</li> </ul>
<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Eligible Institutional Shareholders will be invited to take up their entitlements in an accelerated Institutional Entitlement Offer</li> <li>New Shares relating to entitlements not taken up will be offered to Institutional Investors (which may include Eligible Institutional Shareholders and ASX Brokers or NZX Firms acting on behalf of retail clients) in the Institutional Bookbuild</li> <li>Any Premium achieved in the Institutional Bookbuild will be returned to renouncing and Ineligible Institutional Shareholders as detailed further in the Offer Document</li> </ul>

1. 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 KMD shares 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.

# EQUITY RAISING DETAILS (CONT.)

<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"><li>• Eligible Retail Shareholders will be invited to take up their entitlement in the Retail Entitlement Offer</li><li>• Eligible Retail Shareholders seeking to participate in the Retail Entitlement Offer will only be able to do so electronically and should visit the offer website for more details (<a href="http://kmd.rightsoffer.co.nz">kmd.rightsoffer.co.nz</a>)</li><li>• Eligible Retail Shareholders who take up their entitlement in full may participate in the Retail Bookbuild by applying for additional New Shares in excess of their Entitlement</li><li>• New Shares relating to entitlements not taken up will be offered to Institutional Investors (which may include Eligible Institutional Shareholders and ASX Brokers or NZX Firms acting on behalf of retail clients) and Eligible Retail Shareholders in the Retail Bookbuild</li><li>• Any Premium achieved in the Retail Bookbuild will be returned to renouncing and Ineligible Retail Shareholders as detailed further in the Offer Document. There will be no entitlements trading on market and entitlements are not otherwise transferable</li></ul>
<b>Board participation</b>	<ul style="list-style-type: none"><li>• All Directors of KMD who are shareholders have confirmed they will participate in the Offer to maintain their pro rata shareholding. David Kirk and Philip Bowman have confirmed they will apply for at least twice the level of their pro rata entitlement in the AREO</li></ul>
<b>Record date</b>	<ul style="list-style-type: none"><li>• 7:00pm New Zealand time on Wednesday, 1 April 2026</li></ul>
<b>Ranking</b>	<ul style="list-style-type: none"><li>• All new shares issued under the Offer will rank equally with existing KMD ordinary shares from date of issue</li></ul>
<b>Underwriting</b>	<ul style="list-style-type: none"><li>• The Offer is fully underwritten</li></ul>

# EQUITY RAISING TIMETABLE

General	Date
Announcement of Offer, and 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	Wednesday, 1 April 2026
Institutional Shortfall Bookbuild	Wednesday, 1 April 2026
Voluntary suspension lifted – <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
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	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 on NZX and ASX	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

# DEBT REFINANCING PROVIDING STABLE CAPITAL STRUCTURE

REFINANCED DEBT FACILITY PROVIDES FUNDING STABILITY FOR KMD BRANDS TO EXECUTE STRATEGY

## DEBT REFINANCING



## OVERVIEW OF KEY TERMS

~\$205M<sup>1</sup>

TOTAL DEBT  
CAPACITY

UP TO  
2.5

YEAR  
FACILITY



Refinanced debt facility provided by a majority of our existing syndicate to support KMD Next Level strategy



Provides stability in KMD Brands funding



Expected to provide sufficient liquidity to execute on Next Level transformation and fund working capital

### Overview

- Debt facility of ~NZ\$205m<sup>1</sup>
- ~NZ\$40m tranche maturing 30 June 2027, with the balance of the facility maturing 1 October 2028

### Financial covenants

- KMD sufficiency analysis supports FCCR and leverage covenants being met over the term of the debt facility while executing on the Next Level strategy

### Other key terms

- Full net proceeds of the Equity Raising will be applied in permanent repayment (and a corresponding and subsequent cancellation) of the existing facilities
- New facilities subject to entry into definitive documentation (on the basis of an agreed term sheet) by 30 June 2026

1. Based on NZD / AUD exchange rate published by RBNZ as at 25 March 2026 and net offer proceeds of \$62m. A\$8.5m of the facility will be unavailable until key covenant milestones are met.

# CREATING A STRONGER KMD BRANDS

- 1** **KMD Brands has returned** to growth under new leadership in 1H FY26
- 2** **Substantial progress achieved** against strategic initiatives
- 3** **Significant upside remains** with improved capabilities supporting identified growth opportunities and stronger margins
- 4** **High conviction in three pillars of strategy** – 1) brand and product-led offence, 2) data-driven intelligence and 3) sustainable profitability
- 5** **Equity raise and bank facility refinancing to strengthen balance sheet and focus on ‘Next Level’ execution**

SECTION 5

**KEY RISKS**



  
**Kathmandu**<sup>®</sup>



**RIPCURL** 



**Obōz**<sup>®</sup>

# KEY RISKS

This section outlines the key risks that KMD has identified which are relevant to investors in the Offer. These risks may affect the future operating and financial performance of KMD and the KMD share price. Like any investment, there are risks associated with an investment in KMD's shares. Please note that this section does not (and does not purport to) set out all of the risks related to an investment in KMD shares, the future operating or financial performance of KMD, the Offer or general market or industry risks. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material.

Before deciding whether to invest in KMD shares, investors must make an independent assessment of the risks associated with the investment and should consider whether such an investment is suitable for them, having regard to publicly available information (including this presentation), their personal circumstances and following consultation with a financial advisor or other professional advisor.

## Capital sufficiency and banking support risk

KMD has undertaken a capital sufficiency modelling exercise to assist in determining the size of the Offer. Based on this model, KMD expects to have sufficient liquidity to execute its 'Next Level' transformation strategy and to remove near-term funding and covenant pressures.

The Offer is also being conducted alongside refinancing of KMD's debt facilities. KMD has received commitments from members of its existing banking syndicate for a new bank debt facility, which is conditional on receiving net proceeds of \$50 million from an equity raising. The Offer is fully underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited (the Underwriters). However, the underwriting agreement contains termination rights which are consistent with market practice for an offer of this nature. In certain circumstances, the Underwriters may terminate their underwriting obligations under the underwriting agreement, in which case KMD may not receive the full amount of proceeds expected from the Offer, or the Offer may not proceed at all.

The events which may trigger termination of the underwriting agreement include events which are outside KMD's control, such as material adverse movements in financial markets, the occurrence of certain hostilities or acts of terrorism, or a general moratorium on commercial banking activities. There is a risk that if the underwriting agreement is terminated or the Offer does not proceed or KMD raises less than the amount sought, this may have a material adverse effect on KMD's financial position and ability to execute on its strategic objectives and KMD may not be able to access the new debt facility.

In addition, if KMD's financial performance deteriorates, there is a risk that KMD may breach its debt funding covenants or be unable to refinance its existing debt facilities on favourable terms, or at all. Severe deterioration in macro-economic conditions could impact on the availability and/or utility of KMD's funding arrangements or otherwise impact upon KMD's liquidity.

A failure to secure or maintain adequate financing could limit KMD's ability to execute on its Next Level transformation strategy and could have a material adverse effect on KMD's financial position and operations.

# KEY RISKS (CONT.)

## Project execution risk

KMD is currently executing its 'Next Level' transformation strategy, which involves strategic projects including cost restructuring, store network optimisation, digital platform upgrades and supply chain improvements. There is a risk that these strategic projects are not executed as planned, exceed budget or timetable, or do not meet their objectives.

The design and delivery of new products and improvements to existing products will be a key driver of KMD's success, and there is always a risk that development of a new product or product feature may not be successful or may take longer or be more expensive than anticipated.

KMD has established a Project Management Office to define and maintain project management standards, which is expected to reduce the likelihood of project failure over time by ensuring projects are executed consistently and efficiently. Notwithstanding these measures, a failure to successfully execute strategic projects could have a material adverse effect on KMD's ability to achieve its financial targets and growth aspirations.

## Foreign exchange and interest rate risk

KMD operates across multiple geographies and currencies, which exposes the business to foreign exchange risk. Movements in exchange rates may affect KMD's cost of goods sold, sales and reported financial results. KMD also sources products and raw materials internationally, and adverse currency movements may increase purchasing costs. KMD is exposed to interest rate movements on its debt facilities. Increases in interest rates could increase KMD's financing costs and reduce profitability.

KMD monitors and manages its foreign exchange rate and interest rate exposures through careful order management based on demand and ongoing assessment of market conditions. KMD also seeks to hedge its exposure to movements in foreign exchange rates and interest rates through entering into various derivatives. Despite these measures, significant adverse movements in exchange rates or interest rates could have a material adverse effect on KMD's financial performance, particularly given current global volatility and uncertainty.

## Economic and market conditions

KMD operates in the retail sector, which is sensitive to changes in general economic conditions. Factors such as inflation, interest rate movements, unemployment levels, consumer confidence and discretionary spending patterns may adversely affect demand for KMD's products. During periods of economic uncertainty or downturn, consumers may reduce spending on discretionary items, including the products that KMD sells, which could result in reduced sales volumes and increased promotional activity to stimulate demand.

The current macroeconomic environment, including elevated interest rates, cost-of-living pressures and heightened geopolitical tensions (including current hostilities in the Middle East), may continue to adversely impact consumer spending as well as KMD's operating costs. There is a risk that these conditions persist or worsen, which could have a material adverse effect on KMD's sales, margins and financial performance.

KMD has a strategic objective to increase the share of its business conducted through digital channels, rather than physical stores. There is a risk that KMD may not be able to transition to digital channels as quickly as anticipated, which may expose KMD to inflationary pressures on the cost of operating physical stores for longer than expected. There is also a risk that inflationary pressures result in the margins achieved through digital channels being below expectations due to increased transition and digital channel operating costs.

# KEY RISKS (CONT.)

## Supply chain complexity / logistics disruption

KMD faces the risk of inefficient, costly and delayed delivery of inventory or materials due to single points of failure across the supply chain, including major international suppliers and single country distribution centres, or logistics complexities such as container shortages. There is a risk that geopolitical events may disrupt key trade routes and producing regions, leading to supply chain interruptions, increased costs and potential shortages of essential goods. Tariffs and geopolitical instability across countries within the supply chain (including current hostilities in the Middle East) have materially increased both the likelihood and impact of this risk.

KMD has implemented mitigants including diversification of suppliers (by geographic location and ownership structure), continued transition away from China sourcing where practicable, maintenance of strong logistics relationships, and third-party logistics warehousing diversification to provide flexibility in stock movements. KMD has also introduced new resource capabilities with a focus on procurement, planning and supply chain. KMD holds business interruption insurance, which provides some degree of protection against business disruption. KMD is currently in discussions with its insurers regarding a claim under its business interruption insurance in relation to disruption to the business arising during COVID-19, the outcome of which is not yet known. Despite these measures, supply chain disruptions could have a material adverse effect on KMD's operating and financial performance.

## Asset sales risk

Part of the 'Next Level' strategy involves the ongoing assessment of non-core assets that do not provide advantage to the three core brands, which may include the potential sale of non-core assets. There are risks associated with any sale of assets by KMD, regardless of whether any such sale is successfully completed. These risks include that KMD may be unable to agree acceptable terms with a purchaser for any proposed sale of assets, that KMD may not realise a fair value for any assets sold, that the time required by KMD's board and management to progress any asset sale may negatively affect their ability to focus on executing the remainder of the 'Next Level' strategy and that KMD may remain liable for various pre completion liabilities and historical matters even if such asset sale is completed. Any proposed sale of assets may remain subject to conditions and approvals, including shareholder approval where required by the NZX Listing Rules or Companies Act. There can therefore be no assurance that any sale of assets will result in a value enhancing outcome for KMD and its shareholders. Any proposed sale of assets may result in KMD incurring costs, and may have a negative effect on KMD's financial position and performance.

The board has separately received unsolicited, tentative and preliminary interest from third parties (including Stokehouse) to acquire Rip Curl. No formal proposals or offers have been received and the board has no present intention to sell any of KMD's core brands. As announced to NZX and ASX on 24 March 2026, the board received a transaction concept for the demerger of Rip Curl into a standalone listed company and subsequent acquisition of Stokehouse, which the board carefully evaluated and determined was not in the best interests of shareholders. In response to the board's decision not to engage, Paul Naude, CEO of Stokehouse, has indicated Stokehouse may present a proposal to acquire Rip Curl for an unspecified price which would purportedly exceed the current market capitalisation of KMD, subject to due diligence. No such proposal has been received and the board is not minded to provide access to due diligence to Stokehouse given the price, terms and executability of any such transaction by Stokehouse remains uncertain.

# KEY RISKS (CONT.)

## Increased production costs or reduced access to key materials

KMD's sales and margins are exposed to movements in production costs, including materials, labour and factory costs. There is a risk of restricted availability of key resources and materials, which could increase costs of production and impact lead times.

Geopolitical developments, including tariffs, have increased the financial impact of this risk by introducing additional fees and taxes on sourcing. Tariffs may also impact the sourcing of raw materials.

KMD has implemented mitigants including prebooking raw materials in advance, careful order management based on demand, close control of inventory orders, and ongoing monitoring of tariff impacts. KMD is also considering moving certain sourcing away from affected regions and utilising external sourcing expertise. While these measures are in place, changes in the global trade environment or further cost pressures could have a material adverse effect on KMD's operating and financial performance.

## Cyber security and information systems availability

KMD relies on the performance, reliability and availability of its information technology, communication and other business systems. Cyber security threats to KMD's IT and eCommerce systems, including DDoS attacks, malicious hacking, phishing, ransomware, theft and unauthorised disclosure, could lead to loss of core operating systems or data privacy and compliance breaches. The delivery of many of KMD's products through digital platforms heightens the risk associated with cyber attacks or outages due to other causes, and the impact any disruption to information systems may have on the availability of KMD's systems and services.

A cyber breach (whether by way of an external party or as a result of employee actions) could cause widespread operational and reputational damage. Recovery would be reputationally costly for KMD.

KMD has implemented controls including disaster recovery planning, system security measures, penetration testing and desktop exercises, multi-factor authentication, patch management, employee training, and the removal of legacy systems. KMD has also established a Chief Information Security Officer role and implemented mandatory quarterly cyber training. Despite these measures, there is no guarantee that KMD's systems will be protected from a cyber attack or other outages, and any such attack or outage could have a material adverse effect on KMD's reputation, financial performance and operations.

## Production quality issues

There is a risk of product quality or brand issues arising from supplier issues, including inconsistent quality, damage or defective products. In addition, outsourcing certain development and design processes, while increasing speed and capacity, may introduce risks related to quality control.

KMD has implemented quality control and quality assurance processes, third-party inspections and maintains long-term relationships with suppliers. A failure to maintain product quality could result in reputational damage, product returns or recalls, and/or financial recourse, which could have a material adverse effect on KMD's financial performance and brand reputation.

# KEY RISKS (CONT.)

## Inventory management

KMD has an ambition to grow online sales; however, it is important that investment in stock keeps pace with order demand, which increases the risk to KMD's ability to effectively plan for emerging opportunities.

KMD has implemented group oversight of inventory buying processes, clear financial guardrails, critical path processes, and a Sales & Operations Planning process supported by data reports to optimise demand and supply planning. Notwithstanding these measures, ineffective inventory management could have a material adverse effect on KMD's operating and financial performance.

## Misaligned pricing and channel appropriateness

There is a risk that ineffective product pricing strategies and channel appropriateness could result in diminished competitiveness and reduced profitability, leading to potential market share loss. In addition, KMD's go-to-market uplift and markdown management, while intended to improve profitability, may risk loss of sales momentum if not executed effectively. Competitors in KMD's markets are engaging in heavy price discounting, which may impact sales performance.

KMD has implemented mitigants including strategic pricing reviews, market and competitor analysis, channel profitability analysis, and a customer insights project supported by external agency expertise. A failure to implement effective pricing and channel strategies could have a material adverse effect on KMD's operating and financial performance.

## Lack of connection in marketing/product offering with consumer

There is a risk that KMD's brand purpose may not resonate or remain relevant with consumers, leading to a lack of perceived desirability, benefit or value in KMD's products. This disconnect, whether due to ineffective marketing or unmet customer expectations, could result in diminished sales and loss of market share. The retail industry is experiencing challenges, requiring KMD to keep adapting and innovating. Everchanging expectations of retail brands have increased the likelihood of brand reputation risk.

KMD has implemented mitigants including brand health monitoring and customer insights surveys, focus on innovative products and customer experience to ensure ongoing brand relevance, a customer insights project supported by external agency expertise, and investment in store segmentation and 'Store of the Future' concepts. A failure to maintain consumer connection could have a material adverse effect on KMD's sales and financial performance.

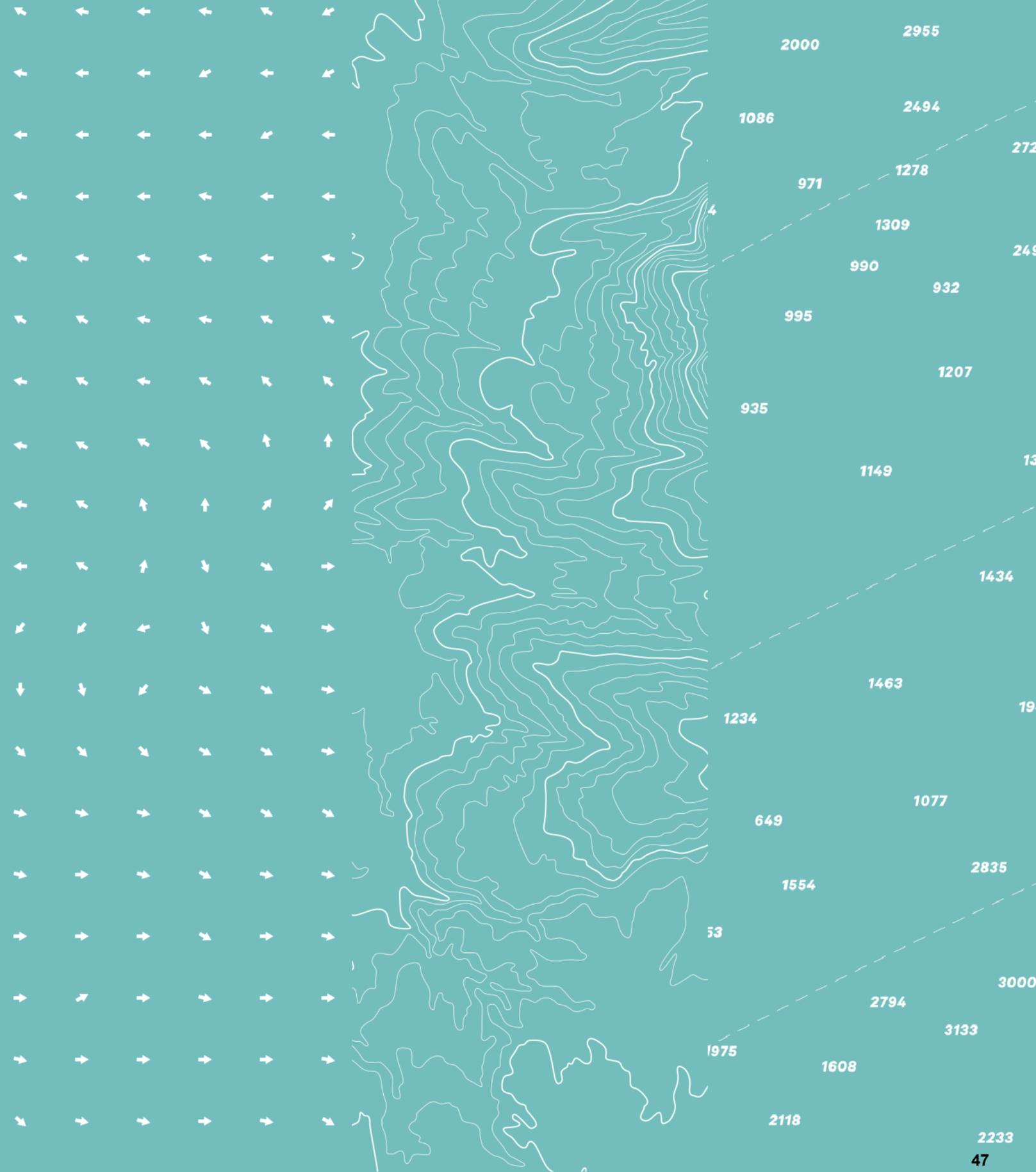
## Personnel risk

KMD's success depends on its ability to attract and recruit the right talent, upskill staff, and retain key employees with critical knowledge, experience, skills and intellectual property. The loss of key senior executive personnel or an inability to attract and retain qualified employees could disrupt KMD's operations and adversely affect its ability to execute on its strategic objectives. This risk is heightened during periods of organisational change. KMD has implemented retention and succession planning strategies and invests in employee engagement initiatives. Notwithstanding these measures, a failure to retain key personnel or attract suitable replacements could have a material adverse effect on KMD's operations and financial performance.

KMD BRANDS

APPENDIX A

# ADDITIONAL 1H FY26 DETAIL



# STATUTORY TO UNDERLYING PROFIT AND LOSS

GROUP	1H FY26						1H FY25					
	Statutory	IFRS 16 Leases <sup>1</sup>	Restructuring <sup>2</sup>	SaaS Capitalisation Adjustments <sup>3</sup>	Amortisation of Customer Relationships <sup>4</sup>	Underlying	Statutory	IFRS 16 Leases <sup>1</sup>	Restructuring <sup>2</sup>	SaaS Capitalisation Adjustments <sup>3</sup>	Amortisation of Customer Relationships <sup>4</sup>	Underlying
NZ \$m												
SALES	505.4	-	-	-	-	505.4	470.9	-	-	-	-	470.9
GROSS PROFIT	287.1	-	-	-	-	287.1	273.0	-	-	-	-	273.0
<i>Gross margin</i>	56.8%					56.8%	58.0%					58.0%
OPERATING EXPENSES	(223.8)	(57.4)	3.4	2.2	-	(275.6)	(220.3)	(52.0)	2.2	0.9	-	(269.1)
<i>% of Sales</i>	44.3%					54.5%	46.8%					57.2%
EBITDA	63.3	(57.4)	3.4	2.2	-	11.5	52.7	(52.0)	2.2	0.9	-	3.9
<i>EBITDA margin %</i>	12.5%					2.3%	11.2%					0.8%
EBIT	(1.7)	(11.8)	3.4	2.2	1.6	(6.4)	(12.7)	(5.8)	2.2	0.9	2.1	(13.3)
<i>EBIT margin %</i>	-0.3%					-1.3%	-2.7%					-2.8%
NPAT	(13.1)	(3.5)	2.4	1.5	1.1	(11.5)	(20.7)	0.9	1.6	0.6	1.5	(16.1)

1. Statutory results include the impact of IFRS 16 leases. The impact of IFRS 16 is excluded from Underlying results.
2. Restructuring and organisational change was undertaken in 1H FY25 and 1H FY26. These one-off costs have been excluded from Underlying results.
3. IFRIC Software as a Service ("SaaS") capitalisation adjustments have been excluded from Underlying results.
4. Notional amortisation of Rip Curl and Oboz customer relationships are excluded from Underlying results.

# SEGMENT NOTE

	1H FY26					1H FY25				
	Rip Curl	Kathmandu	Oboz	Corporate	Total	Rip Curl	Kathmandu	Oboz	Corporate	Total
<b>SALES</b> (NZ \$'000)										
SALES per segment note	291,423	176,072	37,953	-	505,448	278,487	156,831	35,627	-	470,945
SALES (Underlying)	291,423	176,072	37,953	-	505,448	278,487	156,831	35,627	-	470,945
<b>EBITDA</b> (NZ \$'000)										
EBITDA per segment note	43,226	29,023	(947)	(8,006)	63,296	45,281	15,848	(2,223)	(6,168)	52,738
IFRS 16 Leases <sup>1</sup>	(24,690)	(32,430)	(293)	-	(57,413)	(23,023)	(28,704)	(264)	-	(51,991)
Restructuring <sup>2</sup>	1,969	1,042	178	228	3,416	1,318	37	250	639	2,244
SaaS Capitalisation Adjustments <sup>3</sup>	-	-	-	2,165	2,165	-	-	-	875	875
Amortisation of Customer Relationships <sup>4</sup>	-	-	-	-	-	-	-	-	-	-
EBITDA (Underlying)	20,505	(2,365)	(1,062)	(5,613)	11,465	23,576	(12,819)	(2,237)	(4,654)	3,866
<b>EBIT</b> (NZ \$'000)										
EBIT per segment note	11,853	(4,185)	(1,319)	(8,096)	(1,747)	15,278	(18,727)	(3,012)	(6,250)	(12,711)
IFRS 16 Leases <sup>1</sup>	(4,796)	(7,027)	(16)	-	(11,839)	(2,561)	(3,347)	61	-	(5,847)
Restructuring <sup>2</sup>	1,969	1,042	178	228	3,416	1,318	37	250	639	2,244
SaaS Capitalisation Adjustments <sup>3</sup>	-	-	-	2,165	2,165	-	-	-	875	875
Amortisation of Customer Relationships <sup>4</sup>	1,521	-	106	-	1,627	2,024	-	104	-	2,128
EBIT (Underlying)	10,547	(10,170)	(1,051)	(5,703)	(6,378)	16,059	(22,037)	(2,597)	(4,736)	(13,311)

1. Statutory results include the impact of IFRS 16 leases. The impact of IFRS 16 is excluded from Underlying results.
2. Restructuring and organisational change was undertaken in 1H FY25 and 1H FY26. These one-off costs have been excluded from Underlying results.
3. IFRIC Software as a Service ("SaaS") capitalisation adjustments have been excluded from Underlying results.
4. Notional amortisation of Rip Curl and Oboz customer relationships are excluded from Underlying results.

# BALANCE SHEET

Balance Sheet (NZ \$m)	Jan 26	Jan 25	Jul 25
Inventories	274.1	303.7	254.0
Property, plant and equipment	74.4	83.6	75.3
Right of Use Asset (IFRS 16)	246.5	261.6	243.0
Intangible assets	647.9	671.1	626.1
Other assets	111.4	124.8	118.0
<b>Total assets (excl. cash)</b>	<b>1,354.3</b>	<b>1,444.8</b>	<b>1,316.4</b>
Net interest bearing liabilities and cash	(94.0)	(76.2)	(52.8)
Lease Liability (IFRS 16)	(287.9)	(293.2)	(287.8)
Other non-current liabilities	(97.9)	(105.9)	(94.4)
Current liabilities	(185.2)	(190.8)	(191.5)
<b>Total liabilities (net of cash)</b>	<b>(665.0)</b>	<b>(666.1)</b>	<b>(626.5)</b>
<b>Net assets</b>	<b>689.3</b>	<b>778.7</b>	<b>689.9</b>



# CONSTANT CURRENCY PROFIT & LOSS

KMD BRANDS NZ \$m <sup>3</sup>	Underlying <sup>1</sup>			Underlying at Constant Currency <sup>2</sup>		
	1H FY26	1H FY25	Var %	1H FY26	1H FY25	Var %
SALES	505.4	470.9	7.3%	<b>488.4</b>	470.9	3.7%
GROSS PROFIT	287.1	273.0	5.2%	<b>277.2</b>	273.0	1.5%
<i>Gross margin</i>	56.8%	58.0%		<b>56.8%</b>	58.0%	
OPERATING EXPENSES	(275.6)	(269.1)	2.4%	<b>(266.5)</b>	(269.1)	(1.0%)
<i>% of Sales</i>	54.5%	57.2%		<b>54.6%</b>	57.2%	
EBITDA	11.5	3.9	196.6%	<b>10.6</b>	3.9	171.8%
<i>EBITDA margin %</i>	2.3%	0.8%		<b>2.2%</b>	0.8%	
EBIT	(6.4)	(13.3)	52.1%	<b>(6.6)</b>	(13.3)	50.4%
<i>EBIT margin %</i>	-1.3%	-2.8%		<b>-1.3%</b>	-2.8%	
NPAT	(11.5)	(16.1)	28.4%	<b>(11.6)</b>	(16.1)	28.0%

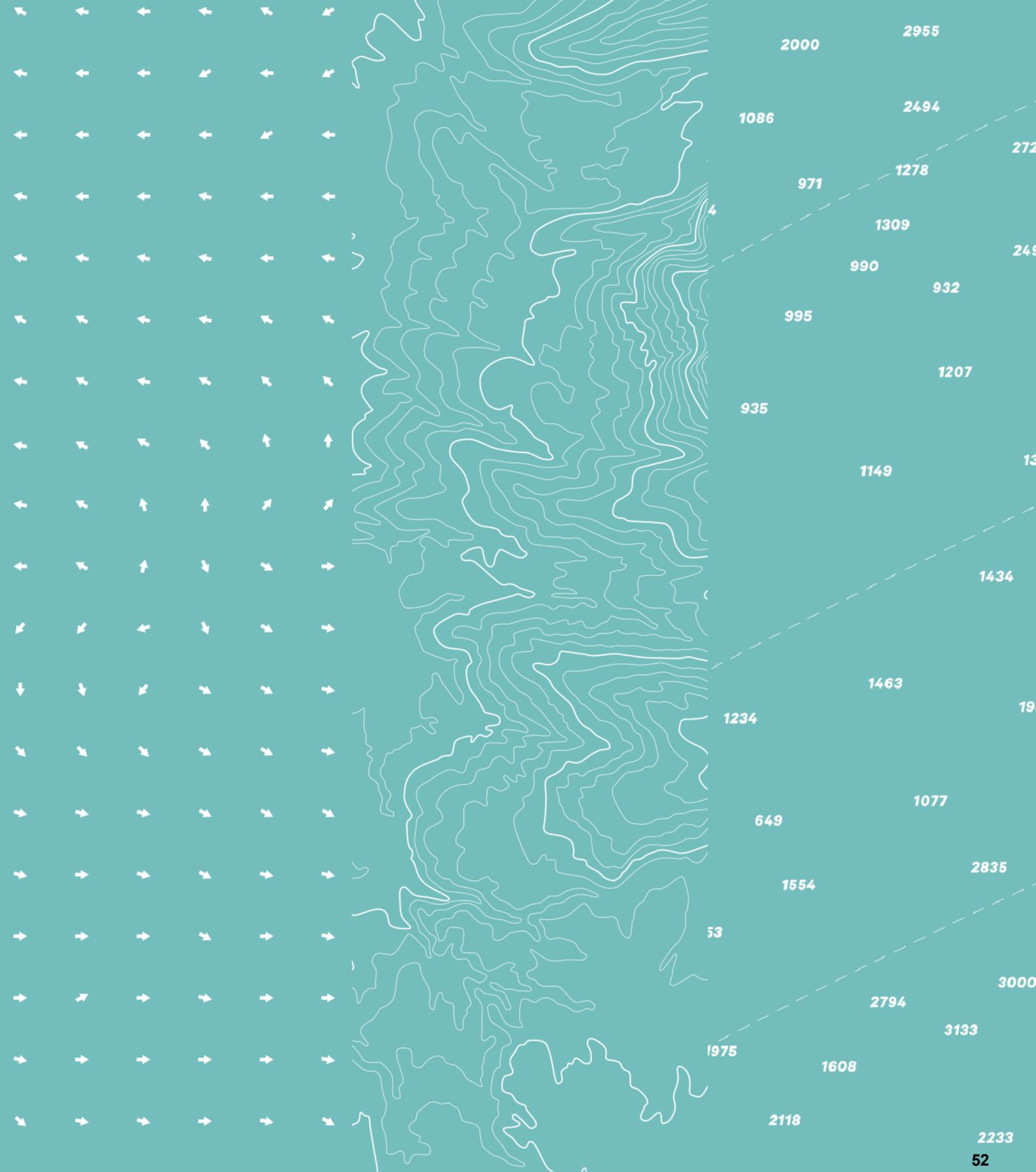
1. Statutory results include the impact of IFRS 16 leases. The impacts of IFRS 16, restructuring, software as a service accounting, the notional amortisation of customer relationships, impairment and onerous contracts have been excluded from Underlying results. Refer to Appendix A for a reconciliation of Statutory to Underlying results.
2. Constant Currency Underlying results are calculated by consolidating 1H FY26 global local currency Underlying results at 1H FY25 FX conversion rates.
3. 1H FY26 NZD/AUD conversion rate 0.881 (1H FY25 0.909), 1H FY26 NZD/USD conversion rate 0.581 (1H FY25 0.595).



KMD BRANDS

APPENDIX B

# SELLING RESTRICTIONS



# SELLING RESTRICTIONS

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# SELLING RESTRICTIONS (CONT.)

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## UNITED KINGDOM

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**) and Prospectus Rules: Admission to Trading on a Regulated Market sourcebook of the FCA Handbook) has been published or is intended to be published in respect of the New Shares.

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