25 November 2026

KMD Brands Limited Annual Shareholder Meeting 2026

Chairperson's Address

Now, a few words about the year just passed. In May this year the Board unanimously appointed me as Chairman following the resignation of David Kirk after twelve years as your last Chairman. David oversaw a period of significant change in the retail sector and challenge for KMD Brands. Since becoming Chairman, my priorities have been clear – refreshing and strengthening the Board, improving communication with our major shareholders, supporting and challenging Management's execution of our Next Level turnaround strategy, and evaluating options to accelerate the delivery of value to you, our shareholders.

The transition from bricks and mortar stores to digital, combined with the impact of rising rents and government mandated minimum labour costs and additional regulation are changing the economics of retailing across the world. During FY26 geopolitical tensions in the Middle East, uncertainty associated with the New Zealand election, and concerns about the economic implications of the May Australian Federal Budget contributed to declining consumer confidence and one of the toughest discretionary retail environments in recent years. Rising interest rates, persistent cost-of-living pressures and heightened household budget constraints have further reduced consumers' willingness to spend on non-essential purchases.

The result was a challenging environment not only for KMD, but for the retail sector more broadly. The recent collapse of 188-year-old retailer David Jones served as a stark reminder that no retailer is immune to sustained pressure on consumer spending and the increasing costs of doing business. Across the market, intensified discounting, margin erosion and growing financial distress became defining features of an increasingly difficult retail landscape.

Against this backdrop, Management has remained focused on strengthening the foundations of the business. At our last ASM Brent set out the priorities of the Next Level turnaround strategy. FY26 was about executing that strategy. Over the past year we have improved performance, simplified operations, and taken necessary but painful steps to strengthen KMD’s financial position. The actions taken reflect a clear focus and have positioned KMD to better navigate current market conditions and improve profitability and cash generation.

Capital raise

A major focus for the Board during FY26 was strengthening the Group's financial position.

Following extensive discussions with our banking syndicate it became clear that we needed to raise new equity to strengthen the balance sheet in order to refinance our banking facilities ahead of their approaching expiry. We therefore completed a fully underwritten equity raising – a decision that the Board did not take lightly, particularly given the challenging market conditions and the fact that not all shareholders were minded to support the transaction. The equity raising was completed at a significant discount to the prevailing share price, resulting in substantial dilution for existing shareholders who were unable to, or chose not to follow their money by taking up their entitlement to new shares. We recognise that many shareholders found the terms

difficult whilst a number believe that a larger raising would have been appropriate. However, after careful consideration, the Board concluded that strengthening the balance sheet, improving liquidity, and securing continued support from our banking partners was in the best interests of the Company and all shareholders. Whilst these actions have improved KMD's financial position, leverage is higher than for many retail peers and debt reduction remains a priority.

The subsequent share consolidation was undertaken to reduce the high number of shares on issue after the capital raise and allowed KMD's shares to trade within a more normal price range on the market. It is important to note that this consolidation did not alter the aggregate value of the holding of any shareholder, rather reduced the number of shares on issue while maintaining investors' proportionate ownership of the Company.

Next Level turnaround

Throughout this refinancing and the business review Management remained focused on executing the Next Level turnaround strategy. During the year, the team improved operational efficiency, reduced costs and complexity, closed a number of underperforming stores (with more to follow in FY27), improved the average profitability of the store network, and continued targeted investment in new product, digital capability and customer experience. While there is much left to do, these actions have left the business better positioned for the future.

Brent will speak in more detail about the progress made under the Next Level strategy shortly, but I would like to acknowledge the determination of the leadership team to maintain focus on executing the turnaround plan despite the many distractions during last year.

FY26 results

Despite the difficult backdrop, KMD delivered a notable improvement in underlying financial performance in FY26, returning to growth with improved sales and a significant increase in EBITDA compared with FY25. All three brands grew revenues during the year. Kathmandu regained momentum in Australia and New Zealand following investments in product and digital capabilities, whilst Oboz returned to profitability. Rip Curl's performance was below expectations, and Management has taken a number of steps to reposition the brand, strengthen digital capability and refresh product assortments to support an improved outcome in FY27.

KMD's statutory result was significantly impacted by a substantial non-cash impairment charge. The Board devoted considerable time to reviewing the assumptions underpinning the impairment assessment and testing Management's forecasts and expectations for the business. The Board concluded that it was appropriate to discount Management's ambitious forecasts, reflecting both the challenging macroeconomic environment and the execution risks inherent in any turnaround program. While this resulted in a significant accounting impairment, it is important to emphasise that this was a non-cash adjustment and does not affect the day-to-day operations, cash generation or underlying performance of the business. Importantly, even after the impairment, the carrying value of the Group's net assets equates to approximately $4.81 per share, a figure very significantly above where shares have been trading in the market over recent months.

Business review

One of the most important matters addressed by the Board during FY26 was the strategic review initiated in May. The Board commenced the review against the backdrop of an extended period of share price underperformance, clear feedback from shareholders, and a challenging retail environment.

While management remained focused on improving business performance through the Next Level strategy, the Board also had a responsibility to consider whether alternative pathways existed to deliver greater value for shareholders. Accordingly, we undertook a comprehensive review of the Group's portfolio, capital structure and operating model, supported by external advisers. No options or outcomes were excluded.

As part of this process, the Board approved the divestment of Rip Curl's wetsuit manufacturing facility in Southeast Asia. This transaction supports a simpler operating model and provides additional financial flexibility through release of working capital and the prospective sale of land and buildings.

We also assessed strategic options for Ozmosis, our regional Australian multi-brand retail chain. Following a thorough process, the Board concluded that continuing to optimise and improve the business offered greater value than the alternatives presented.

The review generated significant interest from a range of parties in relation to both individual brands and the broader Group.

Following careful consideration of those approaches, the Board elected to enter into an exclusivity arrangement with Bluestar Alliance, as the Board considered its proposal to be sufficiently attractive to warrant granting a period of exclusivity in order to progress due diligence investigations and transaction documentation.

Since this announcement, KMD Brands and Bluestar Alliance have continued discussions and Bluestar has undertaken due diligence in relation to its possible acquisition of all of the shares in KMD Brands.

As we announced to the market yesterday, Bluestar declined to further progress due diligence and the negotiation of transaction terms unless KMD either granted a significant extension to the restrictions on responding to a superior proposal, or agreed to reimburse Bluestar's costs if a transaction did not proceed.

The Board carefully considered those requests and determined that extending the exclusivity period in the circumstances would not be in shareholders' best interests. The parties were also unable to agree a reasonable cost reimbursement arrangement. Accordingly, exclusivity arrangements are expected to conclude at 5.00pm New Zealand time on 2 December 2026. Importantly, the conclusion of discussions was not driven by any material adverse matter identified through Bluestar's due diligence investigations.

Our focus remains on disciplined execution of the Next Level strategy, including delivery of the FY27 plan, improving profitability, generating free cash flow and reducing leverage. The Board will assess credible expressions of interest that may deliver superior value for shareholders, having regard to the interests of other stakeholders.

Board renewal

Ensuring the Board has the right mix of skills and experience to guide the Company through its next phase has also been an important focus during FY26.

As mentioned earlier, I succeeded David Kirk as Chairman in May, following his decision to step down from the Board. Zion Armstrong also stepped down as a director to pursue other business interests. Having served on the Board for a number of years, my colleagues believed that I was able to bring continuity to the Chair role during a period of transition for the Company. Two new directors were appointed during the year. John Strowger brings a strong combination of commercial, legal and capital market skills, whilst Ian Morrice brings a wealth of international retail experience. Both have significant governance experience.

These appointments broaden the Board's collective experience and strengthen our capability to provide effective oversight as KMD Brands enters its next phase.

Outlook

FY27 has commenced broadly in line with our expectations and Management remains focused on delivering improved performance. We are encouraged by the continued momentum in Kathmandu as well as the progress of Next Level initiatives across the Group. Brent will provide a more detailed outlook statement in his address.

As a reminder, our trading updatedoes not cover a material percentage of annual revenues or profits. As commented earlier consumer confidence remains weak and macroeconomic conditions remain challenging.

Management is focused on maintaining tight cost control, while recognising that further restructuring will be required to further reduce KMD’s cost base and reduce the Group's operating leverage. Priorities for FY27 remain unchanged - improving profitability, generating free cash flow to reduce leverage, and executing the Next Level turnaround strategy.

While the business review has required considerable input from both Management and the Board, it has not changed our focus. Management remains firmly committed to executing the turnaround strategy and improving business performance. The Board remains firmly committed to accelerating value generation for shareholders.

Closing remarks

Before concluding, I would like to acknowledge a number of groups whose support and commitment have been particularly important during a demanding year.

Firstly, Brent Scrimshaw and the entire management team. KMD has operated in a challenging environment, while navigating significant change and the additional demands of the business review. Despite this, the team has made demonstrable progress in executing the turnaround strategy, improving performance and better serving our customers. I thank Brent and the wider team for their continued commitment and focus.

Secondly, my fellow Directors. The Board has devoted a very substantial amount of time and energy to the many complex issues facing the Company during the past year. This has required balancing our ongoing governance and oversight responsibilities with the considerable demands of the business review. I would also like to acknowledge the contribution of our new directors, John Strowger and Ian Morrice, whose experience has further strengthened the Board. I thank all my colleagues for their commitment, constructive challenge and support throughout the year.

Thirdly, I would like to thank our employees, suppliers and customers around the world for their continued commitment and support of KMD and our brands.

And finally, to you, our shareholders. I fully recognise the frustration and disappointment many shareholders feel about the significant decline in value over recent years. As a shareholder I share the frustration and financial loss. The Board is acutely aware of its responsibility to address it. The clear focus of the Board, alongside Brent and the management team, is to improve the performance of the business and to rebuild value for shareholders. This includes executing the turnaround plan, strengthening the balance sheet, improving governance and carefully evaluating strategic alternatives. I am committed to doing everything within my capacity, alongside the Board and Management, to deliver this.

Thank you for listening to my address and for your continued support of KMD Brands. I will now invite KMD's Chief Executive Officer, Brent Scrimshaw, to address the meeting and provide a more detailed update on the Group's performance and strategic priorities.

Thank you.

ENDS

