

2 February 2026

(All amounts in NZ\$ unless otherwise stated)

Kathmandu leads KMD Brands sales momentum

KMD Brands Limited (NZX/ASX: KMD, "KMD" or the "Group") provides the following update on trading performance for the first five months of the 2026 financial year.

The Group is pleased to report that sales trends continue to be positive, and consistent overall with the first quarter trading update provided at the Annual Meeting on 19 November 2025.

TOTAL SALES CHANGE YOY ¹ (unaudited)	Q1 3 months Aug 25 to Oct 25	Q2 to date 2 months Nov 25 to Dec 25	YTD 5 months Aug 25 to Dec 25
Rip Curl	+6.6%	+4.4%	+5.6%
Kathmandu	+13.9%	+12.1%	+12.9%
Oboz	-1.3%	+21.0%	+4.5%
Group	+7.9%	+8.0%	+7.9%

The total sales result is driven by growth in the direct-to-consumer ("DTC") channel, especially for Kathmandu over the Black Friday and Christmas trading periods.

Same store sales (including online)² for the 23 full weeks ended 4 January 2026:

- Rip Curl +1.7% year-on-year ("YOY"), with strong same store sales results for North America.
- Kathmandu +12.7% YOY, continuing sales momentum in both Australia and New Zealand.

Group wholesale sales for the five months of FY26 year-to-date ("YTD") are +9.4% above last year. Forward wholesale order books remain stable and slightly above last year. In-season buying from key accounts has also been positive.

Group gross margin YTD is 56.7%, approximately -100 basis points lower YOY due to the elevated level of promotional activity in the marketplace, and continued focus by all brands to optimise mix and sell through aged inventory. YTD gross margin is above 2H FY25 gross margin.

The Group expects first half ("1H FY26") underlying EBITDA³ to be in the range of \$8 million to \$11 million (1H FY25 \$3.9 million).

As part of a longer-term refinance plan, the Group has extended its existing debt facility term to April 2027 and has adjusted the fixed cover charge ratio for July 2026 and January 2027 measurement periods with no restrictions in place. The Group has also reduced its total syndicated bank facilities to approximately NZ\$283 million. The Group expects to comply with all amended covenants at the

¹ Total sales YTD benefit by approximately +2% from the year-on-year movement in exchange rates used to convert Rip Curl AUD and Oboz USD results to the Group NZD reporting currency.

² At constant exchange rates.

³ Earnings before interest, tax, depreciation, and amortisation, excluding the impact of IFRS 16, software as a service accounting, restructuring, and one-off non-cash items.



January 2026 measurement point and is in discussions with lenders on the refinancing of its long-term debt facilities.

The Group expects net debt at 31 January 2026 to be in the range of \$85 million to \$90 million (1H FY25 \$76.2 million) impacted by the weakening of the NZ dollar year-on-year.

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

“We are pleased with the Group’s early progress in the execution of its Next Level transformation strategy, in particular trading over the critical Black Friday and Christmas periods. Whilst we are still at the early stages of our transformation, we are encouraged by the improved performance of Kathmandu, with an adjusted flow of fresh innovation planned in the second half which we believe will strengthen our ability to expand gross margin over time. We continue to focus on optimising the balance between sales and gross margin while actively managing our inventory investment.”

The Group will release its results for the first half year ending 31 January 2026 on Wednesday 25 March 2026.

This announcement has been authorised for release to NZX / ASX by the Board of Directors of KMD Brands Limited.

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For further information, whether an investor or media enquiry, please contact:
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