

KATHMANDU HOLDINGS LIMITED

ASX / NZX / MEDIA ANNOUNCEMENT

26 May 2021

Kathmandu Holdings Limited completes A\$300m debt facility refinancing, including the establishment of a syndicated A\$100 million sustainability linked loan (SLL) facility, the largest syndicated SLL in the New Zealand market.

Kathmandu Holdings Limited (NZX / ASX: KMD) (Kathmandu Holdings) has successfully completed the refinance of its syndicated debt facilities with a three-year A\$300 million facility, consisting of a A\$100m sustainability linked loan and a A\$200 million multi-option facility. The refinance increases tenor, provides significant ongoing liquidity in the uncertain COVID-19 environment and incorporates a pricing mechanism that incentivises improvement in material sustainability metrics. Kathmandu Holdings is the first New Zealand entity in the Apparel sector to enter into a Sustainable Finance transaction, and the largest syndicated SLL in the NZ market to date.

The sustainability aspect of the new facility is underpinned by material metrics and targets of the Group such as greenhouse gas emissions, B Corp certification, and improving the transparency, wellbeing and labour conditions for workers in its supply chain. Achievement of these targets is linked to the borrowing costs of the facility. These sustainability-linked KPIs are unique to Kathmandu Holdings and are fully aligned to the Group's continued commitment to its sustainability goals. The sustainability linked loan is fully aligned with the Sustainability Linked Loan Principles published in May 2020.

Kathmandu Holdings Group CFO, Chris Kinraid, commented: "Sustainability is in our DNA and is a core foundation of the Group, linking our financial arrangements to our sustainability goals made perfect sense. It reinforces to our shareholders and stakeholders that we are committed to sustainability across all aspects of our Group."

"I would like to thank our banking group for their support of the refinance which received strong backing from a range of domestic and international banks."

The refinancing was jointly arranged by ANZ Bank New Zealand Limited (ANZ) and National Australia Bank (NAB) who were joint Sustainability Coordinators for the transactions.

ENDS

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