KMD Brands Limited

ASX / NZX announcement

16 May 2023

KMD Brands Limited completes NZ\$310 million sustainability linked debt refinance

KMD Brands Limited (NZX / ASX: KMD) today announces that it has successfully refinanced its existing debt facilities with NZ\$310 million of syndicated sustainability-linked multi-currency revolving facilities.

The Group has completed the refinance of its syndicated debt facilities with a three-and-a-half-year NZ\$310 million facility, consisting of an A\$240 million multi-currency revolving facility and an NZ\$54 million multi-currency revolving facility. The refinance increases tenor and provides significant ongoing liquidity to support the Group's growth objectives. The new facility also builds on our previous sustainability linked loan with revised targets that incorporate a pricing mechanism that incentivises ongoing improvement in achieving our key environmental, social and governance (ESG) objectives.

The sustainability aspect of the new facility is underpinned by material metrics and targets of the Group such as reducing greenhouse gas emissions, continued B Corp certification, and improving transparency within its supply chain, including around the wellbeing and labour conditions of workers, and environmental metrics. Achievement of these targets is linked to the borrowing costs of the facility.

The sustainability linked KPIs are unique to KMD Brands, built on the original targets set in 2021 and are fully aligned to the Group's continued commitment to its ESG goals. In the conversion of the debt facilities to sustainability linked loans, the Group has successfully converted its guarantee facilities to be incorporated under the structure. The facilities are fully aligned with the APLMA Sustainability-Linked Loan Principles (February 2023), and the structure was externally reviewed by an independent third party.

KMD Brands Group CFO, Chris Kinraid, commented: "Sustainability and ESG are core strategic pillars for the Group and we are delighted to set new challenges for our businesses to achieve in coming years. We continue to challenge ourselves to make better decisions for people and planet and linking our debt finance to these initiatives makes perfect sense for us."

"We would like to thank our banking group for their support of the refinance which received significant oversubscriptions from a range of high quality domestic and international banks."

ANZ Bank New Zealand Limited acted as Lead Arranger and Sustainability Coordinator for the transaction.

ENDS

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