

Capital Change Notice

Notice of issue of Performance Rights under KMD Brands Limited's Long-Term Incentive Plan

This notice is given under the NZX Listing Rule 3.13.1 and relates to the issue of Performance Rights which are convertible into fully paid ordinary shares in KMD Brands Limited should certain vesting criteria be met under the KMD Brands Limited Long Term Incentive Plan.

| Section 1: Issuer information | |
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| Name of issuer | KMD Brands Limited |
| NZX ticker code | KMD |
| Class of financial product | Unquoted Performance Rights convertible into fully paid ordinary shares in KMD Brands Limited |
| ISIN (If unknown, check on NZX website) | NZKMDE0001S3 |
| Currency | NZD |
| Section 2: Capital change details | |
| Number issued/acquired/redeemed | 9,882,905 Performance Rights |
| Nominal value (if any) | N/A |
| Issue price per security | Nil |
| Nature of the payment (for example, cash or other consideration) | No amount is payable for the grant of Performance Rights under the KMD Brands Limited Long-Term Incentive Plan |
| Amount paid up (if not in full) | N/A |
| Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) | The Performance Rights comprise 100% of the financial products of that class. |
| For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date) | <ul style="list-style-type: none">Each Performance Right granted under the Plan entitles the holder to acquire one fully paid ordinary share in KMD Brands Limited.50% of vesting is subject to an Earnings Per Share Compound Annual Growth Rate hurdle and vesting is on a sliding scale proportionate to the Earnings Per Share Compound Annual Growth Rate over the three year performance period.50% of vesting is subject to the Company achieving Total Shareholder Return performance relative to a defined comparable group of companies and vesting is determined on a sliding scale proportionate to the Total Shareholder Return performance.Performance Rights will lapse where the performance conditions are not met.Performance Rights will lapse where the holder ceases to be employed by the KMD |



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| | <p>Brands group before the end of a performance period.</p> <ul style="list-style-type: none"> There is no amount payable by holders either on grant or exercise of the Performance Rights. |
| Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here) | <p>Issue of Performance Rights to selected Senior Management employees to be converted into Ordinary Shares in the Company upon the satisfaction of certain conditions in accordance with the KMD Brands Limited Long-Term Incentive Plan.</p> <p>Authorised by resolutions of the Board.</p> |
| Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption. | 9,882,905 Performance Rights |
| In the case of an acquisition of shares, whether those shares are to be held as treasury stock | Not applicable |
| Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made | Board resolution dated 19 th December 2023 pursuant to NZX Listing Rule 4.6.1 |
| Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements) | <p>The holder of the Performance Rights has the right to be issued Ordinary Shares vesting on 30 September 2026 provided the employee remains in employment with the company at the end of the Performance Period.</p> <ul style="list-style-type: none"> 50% of the number of performance rights that vest will depend on KMD Brands Limited's Earnings Per Share Compound Annual Growth Rate over the three-year Performance Period between 1 August 2023 and 31 July 2026. 50% of the number of performance rights that vest will depend on KMD Brands Limited's Total Shareholder Return performance relative to a defined comparable group of companies over the 36 months ending 31 July 2026. Performance Rights will lapse where the performance conditions are not met. |
| Date of issue | 19 December 2023 |
| Section 3: Authority for this announcement and contact person | |
| Name of person authorised to make this announcement | Frances Blundell |

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| Contact person for this announcement | Frances Blundell |
| Contact phone number | 03 968 6110 |
| Contact email address | companysecretary@kmdbrands.com |
| Date of release through MAP | 20 December 2023 |