

25 November 2020

Kathmandu Holdings Limited Annual Shareholder Meeting

Chairman's' Address

The first item on today's agenda is for me, as Chairman, to make some comments on the 2020 financial year.

The 2020 financial year has been transformative for Kathmandu Holdings. The thirty first of October marked one year since the Company completed the successful acquisition of the Rip Curl brand. The Kathmandu Holdings Group now consists of three iconic, inspirational brands, each with a loyal customer base. The acquisition of Rip Curl diversified the Group's geographic footprint, channels to market and seasonality profile.

Our three brands, Oboz, Rip Curl and Kathmandu, are culturally aligned with a shared focus on brand differentiation, technical innovation, quality, customer engagement and sustainability. Our portfolio of brands provides us with leverage opportunities in sourcing, supply chain and systems and work is well underway to deliver operational excellence in these areas.

The Group responded quickly and decisively to the COVID-19 pandemic. The Company raised \$207 million in additional equity in April 2020 to fortify the Group's balance sheet. Operational costs were reduced and synergy opportunities accelerated, where possible, to minimise expenditure across the Group's business operations. As a result, the Company ended its financial year on 31 July 2020 well positioned for future opportunities with significant debt facility headroom.

Our brands had the capability and capacity to rapidly scale up to meet the increase in demand for online orders during the lockdowns which began back in March, which further confirms the Group's strategy to deliver an omni-channel experience for customers.

As restrictions in various countries eased throughout May and June, we saw a strong rebound in sales across each of our three brands, reducing the inventory on hand and generating strong cashflow. The Company ended its 2020 financial year well-positioned for the future, with a strong balance sheet.

On behalf of my fellow directors, I would like to thank management and the wider team across each of our Brands for their outstanding resilience, flexibility and ongoing commitment throughout the challenges of the COVID-19 pandemic.

I would also like to thank all our shareholders for their continued support over the past 12 months and into the future.

I will now ask our Group CEO, Xavier Simonet, to address you.

ENDS