

9 October 2019

Kathmandu – comments by NZSA Chair Tony Mitchell, on LinkedIn

https://www.linkedin.com/posts/tony-mitchell-fcim-949aa47_capitalraising-shares-activity-6585493298914390017-we N

“Kathmandu shows how to respect retail investors when needing to raise capital for acquisition!

Well done Kathmandu, not just for entering into an agreement to purchase 100% of Rip Curl (which is impressive news), but for also leading the way with respecting & including retail investors when capital raising is required in a short space of time.

Retail investors account for the 2nd largest group of investors on the NZX (24%) & deserve the opportunity to participate in capital raising opportunities.

Kathmandu will issue an underwritten 1 for 4 pro-rata accelerated entitlement offer to raise \$145m. As well as a placement of \$32m shares to founders and CEO of Rip Curl.

What this all means is that retail investors (individual investors in NZ like you & me) that already own their shares can take up the offer of new shares at 1 for every 4 owned. The accelerated bit means it is completed in a shorter time frame so any shares not taken up can go to the underwriter. This allows the deal to be closed quickly.

Many listed companies in NZ follow approaches such as above to ensure they respect all shareholders. Unfortunately, some still do not when undertaking acquisitions.

Thank you, Kathmandu for demonstrating how to include retail investors.”

Tony Mitchell



New Zealand Shareholders Association

Chair

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