



2021 ANNUAL GENERAL MEETING

25 NOVEMBER 2021

IMPORTANT NOTICE

This disclaimer applies to this Presentation and the information contained in it (the “Presentation”).

By reading this disclaimer you agree to be bound by it.

Important notice and disclaimer: This Presentation contains a general summary of the activities of Kogan.com Ltd (the Company; the Business; Kogan.com; the Group), does not purport to be complete and is to be read in conjunction with all other announcements filed with the Australian Securities Exchange (ASX), including Kogan.com’s year-end results filed with the ASX on 24 August 2021. Information in this Presentation is current as at the date of this Presentation 25 November 2021 and remains subject to change without notice. Financial information in this Presentation is unaudited. Kogan.com does not warrant the accuracy, adequacy or reliability of the information in this Presentation and, to the maximum extent permitted by law, disclaims all liability and responsibility flowing from the use of or reliance on such information by any person.

Not an offer or financial product advice: This Presentation is not investment or financial product advice or any recommendation (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision. In providing this document, Kogan.com has not considered the objectives, financial position or needs of any particular recipients. Each recipient should consult with its professional adviser(s), conduct its own investigation and perform its own analysis in order to satisfy themselves of the accuracy and completeness of the information, statements and opinions contained in this document. This Presentation does not constitute an offer to issue or sell securities or other financial products in any jurisdiction. The distribution of this Presentation outside Australia may be restricted by law.

Forward looking statements: This Presentation contains forward looking statements and comments about future events, which reflect Kogan.com’s intent, belief or expectation as at the date of this Presentation. Such forward looking statements may include forecast financial and operating information about Kogan.com, its projects and strategies and statements about the industries and locations in which Kogan.com operates. Forward looking statements can be identified by forward-looking terminology including, without limitation, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “due to”, “goal”, “aim” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies, both general and specific, many of which are beyond Kogan.com’s control, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Actual results may be materially different from those expressed or implied. Forward looking statements are provided as a general guide only and should not be relied on as an indication, representation or guarantee of future performance. Undue reliance should not be placed on any forward looking statement. Kogan.com does not undertake to update or review any forward looking statements.

Past performance: Past performance should not be relied upon as (and is not) an indication or guarantee of Kogan.com’s future performance or condition.

Financial data: All financial amounts contained in this Presentation are expressed in Australian currency, unless otherwise stated. Any discrepancies between totals and sums of components in tables and figures contained in this Presentation are due to rounding.

Non-IFRS measures: Throughout this Presentation, Kogan.com has included certain non-IFRS financial information, including EBITDA, Adjusted EBITDA, Adjusted NPAT, Adjusted EPS and Gross Sales. Kogan.com believes that these non-IFRS financial and operating measures provide useful information to recipients for measuring the underlying operating performance of Kogan.com’s business. Non-IFRS measures have not been subject to audit or review.

YOUR BOARD

kogan.com



Greg Ridder

Independent Non-Executive Chairman



Janine Allis

Independent Non-Executive Director



David Shafer

CFO, COO and Executive Director



Harry Debney

Independent Non-Executive Director



James Spenceley

Independent Non-Executive Director



Ruslan Kogan

Founder, CEO and Executive Director

HOW TO LODGE YOUR VOTE

ONLINE ATTENDEES - VOTING PROCESS

When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

Question 2

Select a choice.

Yes



No



Unsure



HOW TO SUBMIT WRITTEN QUESTIONS

When the Question function is available, the Q&A icon will appear at the top of the app



To submit a question, click in the 'Ask a question' box, type your question and press the send arrow



Your question will be sent immediately for review



123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



Moderator

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

HOW TO SUBMIT AUDIO QUESTIONS

When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue



123-456-789

HOME

MESSAGING

VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

CHAIRMAN'S ADDRESS

kogan.com



Greg Ridder, Independent Non-Executive Chairman

FY21 KOGAN GROUP RESULTS

kogan.com

\$1.179bn

Gross Sales¹

▲ 52.7% on FY20

\$203.7m

Gross Profit

▲ 61.0% on FY20²

\$61.8m

Adjusted EBITDA³

▲ 24.5% on FY20

\$42.9m

Adjusted NPAT

▲ 43.2% on FY20

3,971,000

Kogan Group Active Customers⁴

▲ 46.9% Kogan.com Active Customer Growth on FY20

517%

Total Shareholder Return⁵

▲ from IPO to Oct-21

1. Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. Gross Profit relating to 1H FY21 has been restated to include inventory related expenses originally recorded as 'Other Costs' in the Profit & Loss Statement released on 26 February 2021. This remapping was undertaken during the full year FY21 audit and was reflected in the FY21 Financial Statements. The restatement had no impact to Revenue, EBITDA, Adjusted EBITDA or Net Profit After Tax for 1H FY21. The Gross Profit comparison is on a like for like basis.
3. Adjusted EBITDA and Adjusted NPAT are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 1 of this Presentation for a detailed reconciliation of adjusting items.
4. Combined Active Customers of Kogan.com and Mighty Ape at 30 June 2021.
5. Source: IRESS market data. Note: This assumes (in KGNs case) that all Dividends are reinvested.

CEO'S PRESENTATION

kogan.com

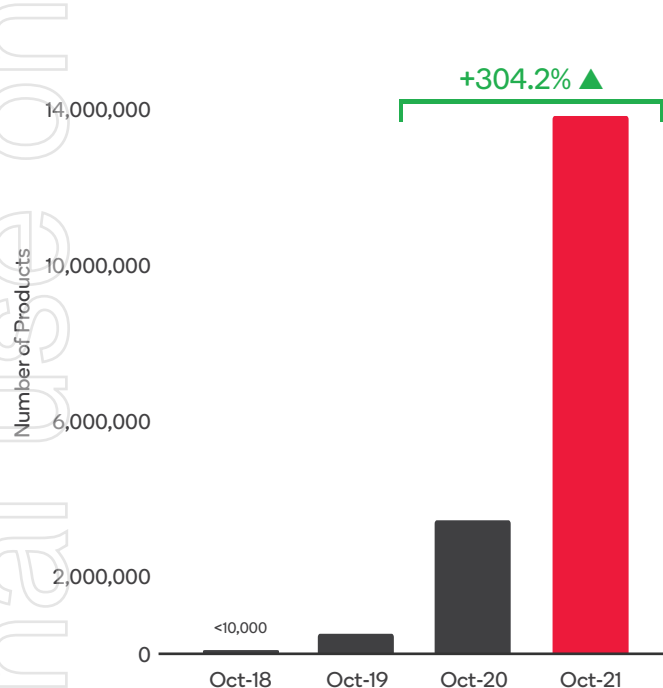


Ruslan Kogan, Founder, CEO and Executive Director

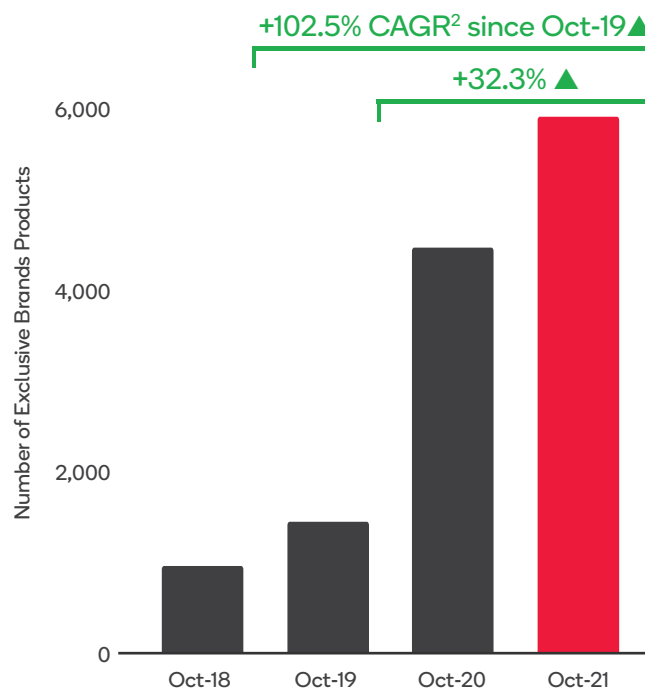
CREATING MORE CHOICE FOR OUR CUSTOMERS

We are expanding our range to delight customers with more than 13.8 million products.

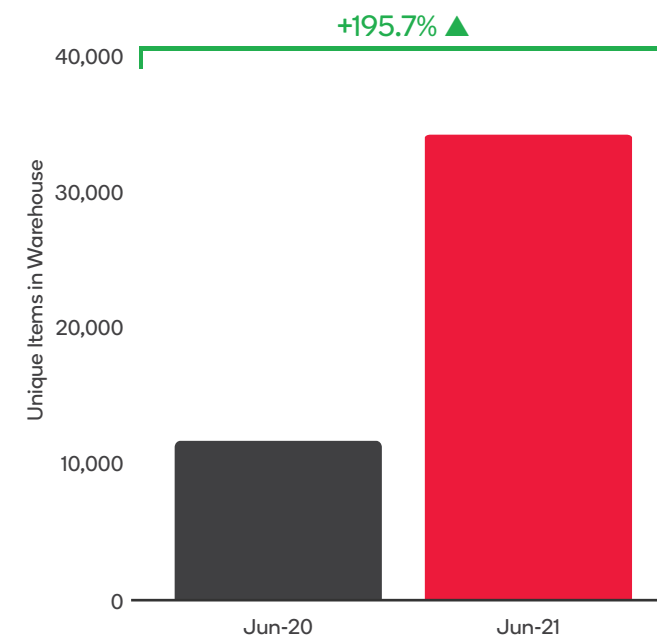
TOTAL PRODUCTS ON KOGAN.COM PLATFORM¹



UNIQUE EXCLUSIVE BRANDS PRODUCTS¹



UNIQUE PRODUCTS IN-WAREHOUSE¹



- We are growing our platform to enable us to offer more products to consumers, enhancing consumer choice.
- We now have more than 13.8 million products available. This includes over 5,900 unique Exclusive Brands products across 18 departments, tens-of-thousands of products available through Third-Party Brands and the millions of products available through the Kogan Marketplace.
- The number of unique items available in-warehouse has increased by 195.7% since FY20, supporting millions of items dispatched over the course of the FY21 year.

1. Charts reflect Kogan.com excluding Mighty Ape.

2. The Compound Annual Growth Rate (CAGR) is an informative metric to consider the underlying growth of the Business, given the volatility over the COVID impacted period.

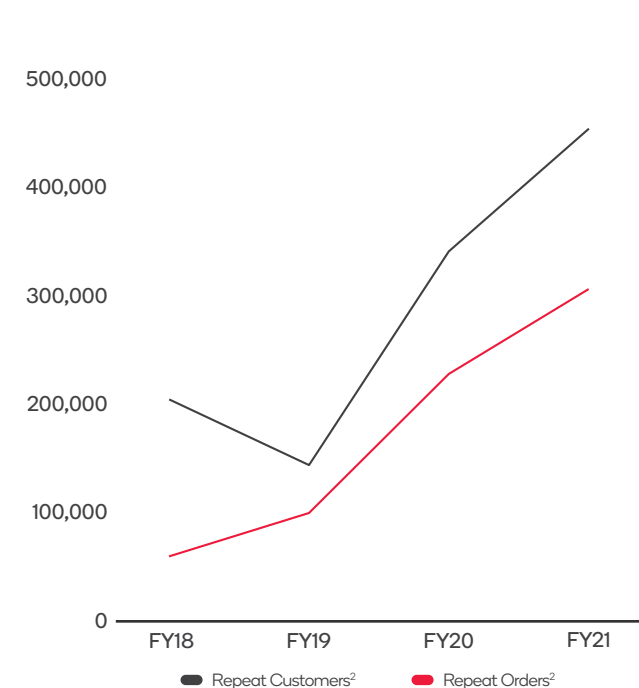
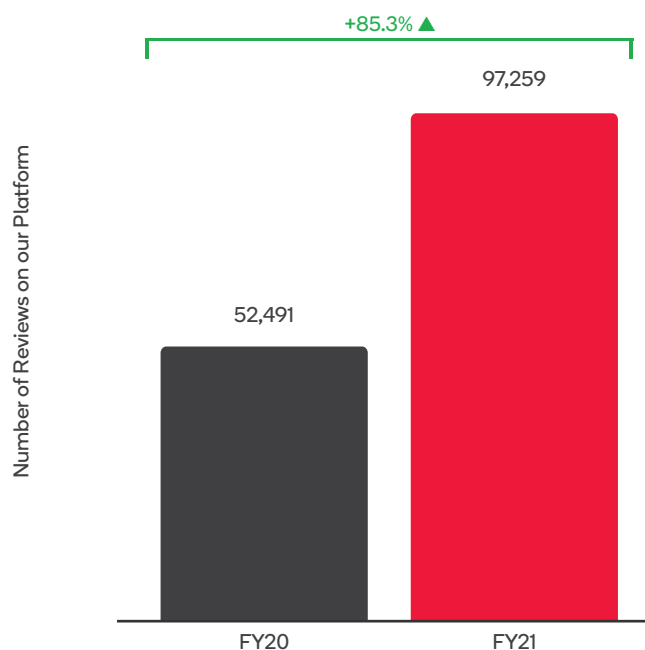
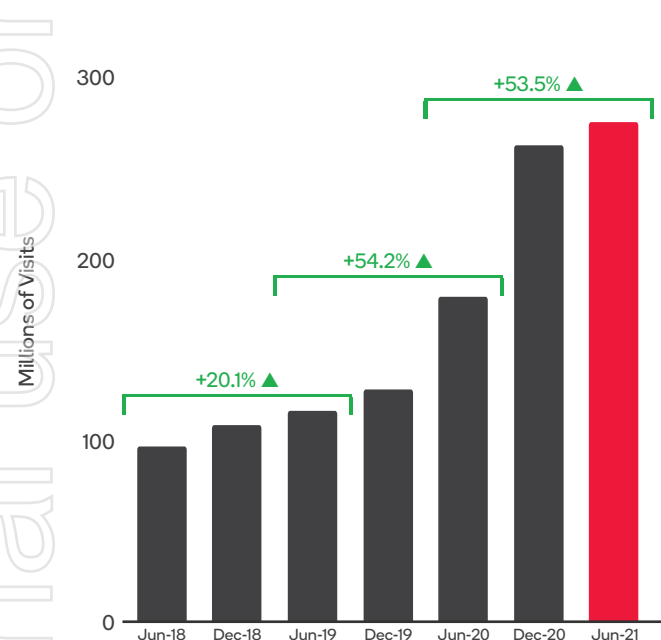
IMPROVING CUSTOMER VALUE

We are continuing to improve the value available to customers through better products, services and pricing. This leads to higher traffic, more engagement with our platform and more repeat business from customers.

TRAFFIC TO OUR PLATFORM HAS INCREASED MORE THAN 50% OVER TWO CONSECUTIVE YEARS YOY¹

SIGNIFICANT INCREASE IN THE NUMBER OF PRODUCT REVIEWS BY CUSTOMERS¹

REPEAT BUSINESS - CREATING BRAND LOYALTY¹



- We have heavily invested in our platform, growing our range and improving customer value. The investment in our offering is expected to have long term-benefits as more visitors access the platform, and ultimately become returning customers.
- As customers engage more frequently with our platform, they provide product reviews that grow our ecosystem and make shopping with us a more seamless experience.
- The trust customers have developed with our brand, breadth of range and access to loyalty benefits has driven rapid growth in Repeat Orders² year-on-year.

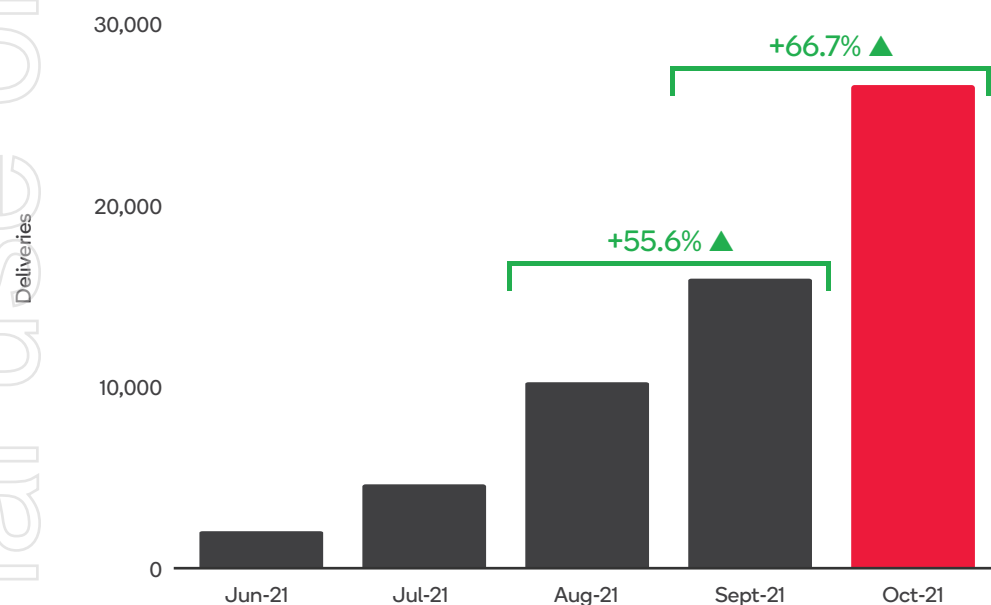
1. Charts reflect Kogan.com excluding Mighty Ape.

2. Repeat Customers refer to customers who have purchased more than once with Kogan.com. Repeat Orders refer to orders placed during the period by Active Customers who had previously transacted with Kogan.com at the time of their order.

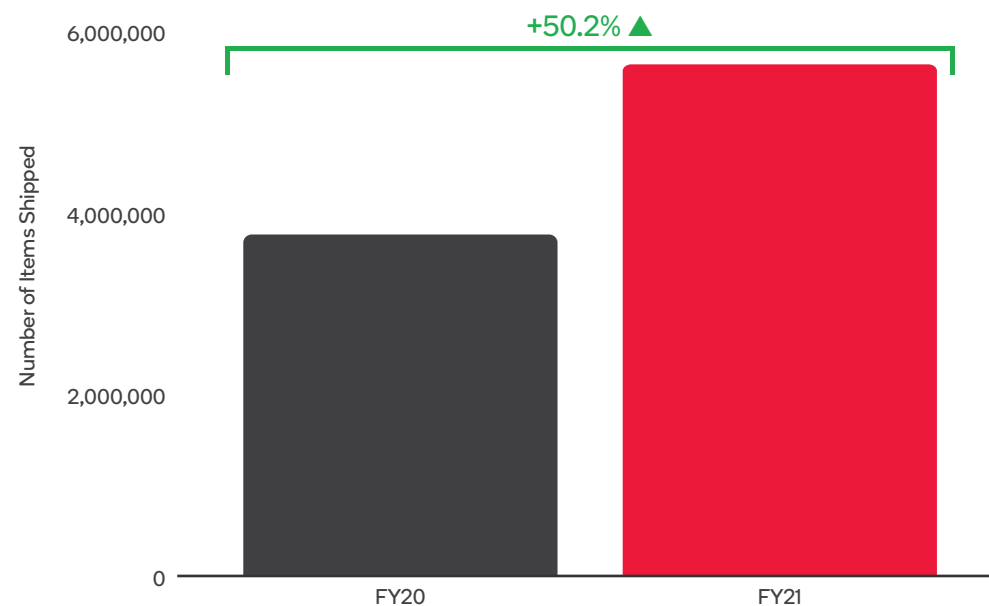
IMPROVING DELIVERY TO CUSTOMERS

Introducing our own last-mile delivery service, fully operated by Kogan.com.

RECENTLY INTRODUCED KOGAN DELIVERY SERVICES IS SIGNIFICANTLY INCREASING MOM SINCE LAUNCH IN JUN-21¹



THE NUMBER OF INVENTORY BASED ITEMS DISPATCHED HAS INCREASED 50.2% YOY¹



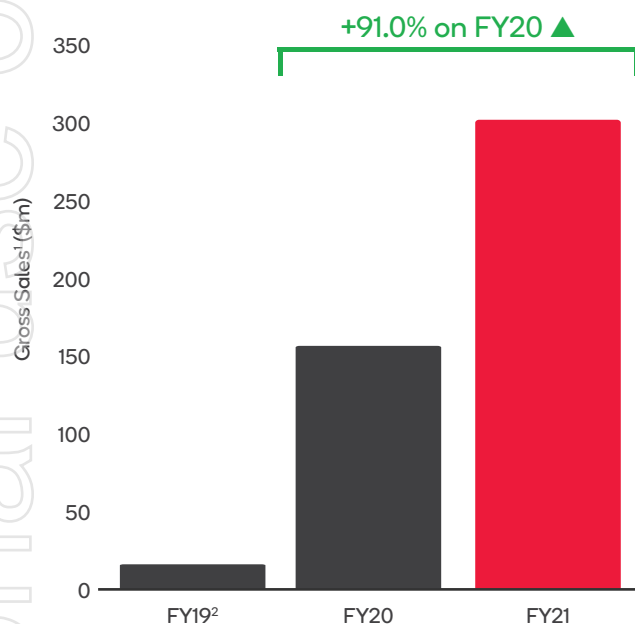
- Kogan now offers its own last-mile delivery solution for certain items and locations, enabling delivery within one business day of dispatch.
- Since its launch in Jun-21 and up to Oct-21, Kogan Delivery Services has delivered nearly 60,000 orders to customers.
- Kogan Delivery Services allows customers to live track their delivery vehicle once the order has left the warehouse to when it is delivered to their door.
- Our warehousing network now reflects 23 different sites, reducing the distance between inventory in warehouses and customer locations. This network has supported growth of over 50% in inventory based dispatches YoY.

1. Charts reflect Kogan.com excluding Mighty Ape.

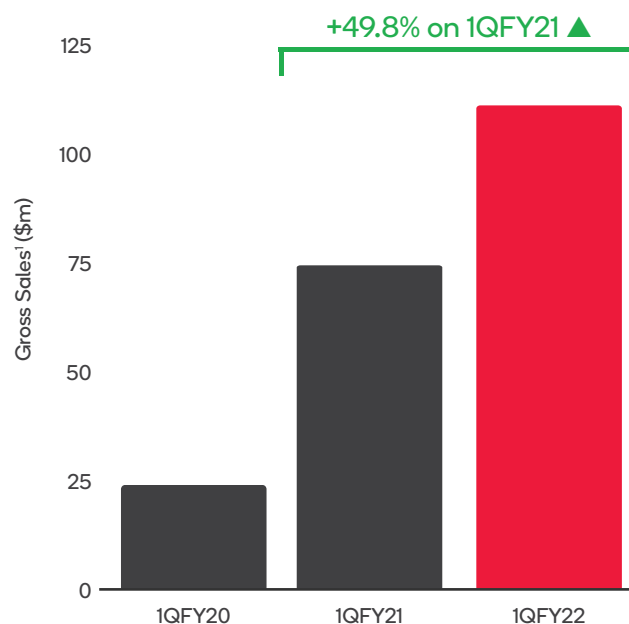
KOGAN MARKETPLACE

Gross Sales¹ in FY21 grew by 91.0% on FY20 and 1QFY22 has grown 49.8% quarter-on-quarter, continuing the extraordinary growth of the platform.

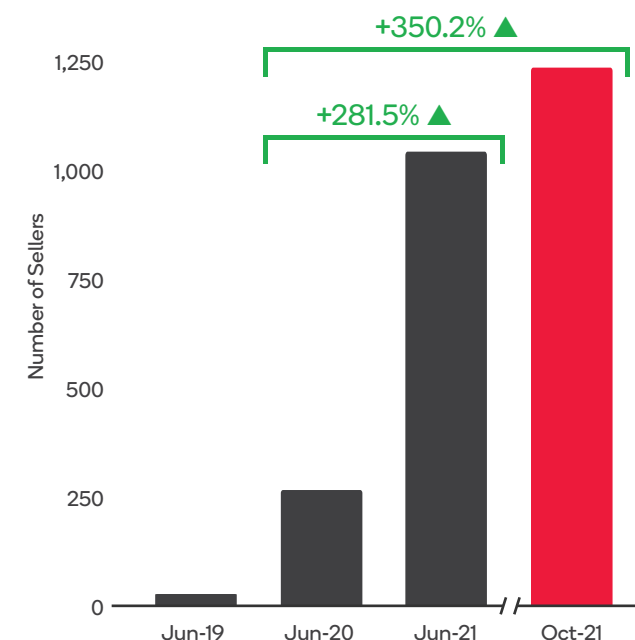
KOGAN MARKETPLACE GROSS SALES¹ ACHIEVED SIGNIFICANT GROWTH YOY



KOGAN MARKETPLACE GROSS SALES¹ ACHIEVED SIGNIFICANT GROWTH QOQ



THE NUMBER OF KOGAN MARKETPLACE SELLERS HAVE SIGNIFICANTLY GROWN



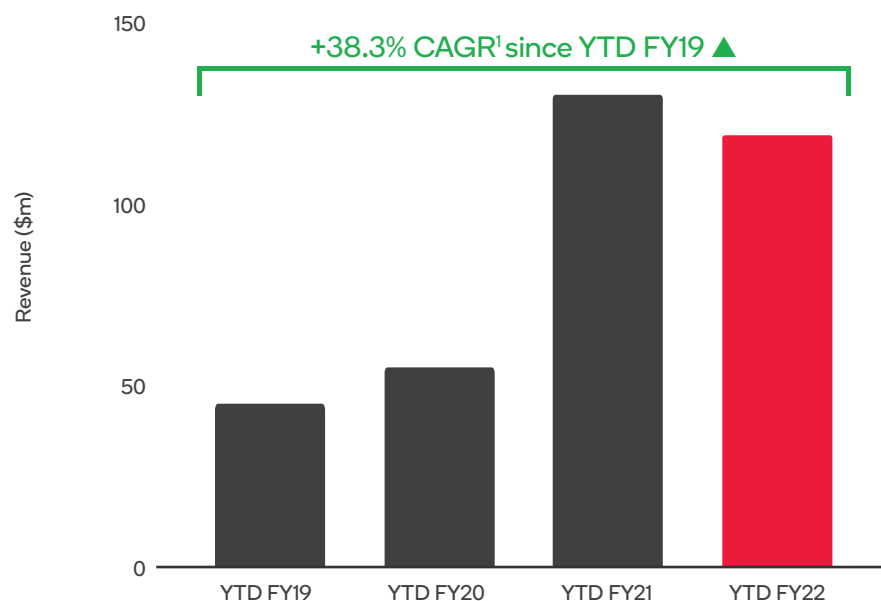
- The continued growth of Kogan Marketplace demonstrates the scalability of the platform and the strong customer and seller engagement achieved to date, while also indicating the size of the opportunity as the Kogan Marketplace expands its offering and makes it easier for sellers to list products on Kogan.com.
- The number of Kogan Marketplace sellers at Oct-21 has increased by +350.2% since Jun-20. The pipeline for new sellers remains strong and continues to grow. Kogan Marketplace also successfully launched in New Zealand in Jun-21.

1. Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. Kogan Marketplace launched in 3QFY19, the period (FY19) does not reflect a full year of trading.

EXCLUSIVE BRANDS

Exclusive Brands achieved YTD (Jul to Oct) Revenue growth of a CAGR¹ of 38.3% since YTD FY19, continuing to meet strong customer demand across a wide-array of products.

YTD (JUL TO OCT) GROWTH IN KOGAN EXCLUSIVE BRANDS REVENUE ACCELERATED CAGR¹ OVER THE LAST THREE YEARS



Exclusive Brands benefits from:

- Full control of the end-to-end supply chain
- Strong competitive advantage
- Building trusted brands renowned for value
- Compelling consumer offering
- Ever expanding range of in-demand products
- 15+ years' experience

kogan

KOMODO

bubbli

CERTA

OVELA

UGG
OUTBACK
CLOTHING CO.

COOKMASTER

Trafalgar

FORTIS

VOSTOK

SHANGRI-LA

BELLA
VITA

KROMO

ERGO LUX

orbis

estelle

Pestill

Pawever
Pets

1. The Compound Annual Growth Rate (CAGR) is an informative metric to consider the underlying growth of the Business, given the volatility over the COVID impacted period.

Kogan First subscribers are progressing toward the Company's medium-term goal of 1,000,000 Kogan First Members.



Free Shipping



Exclusive Member
Specials



Earn Kogan
Rewards

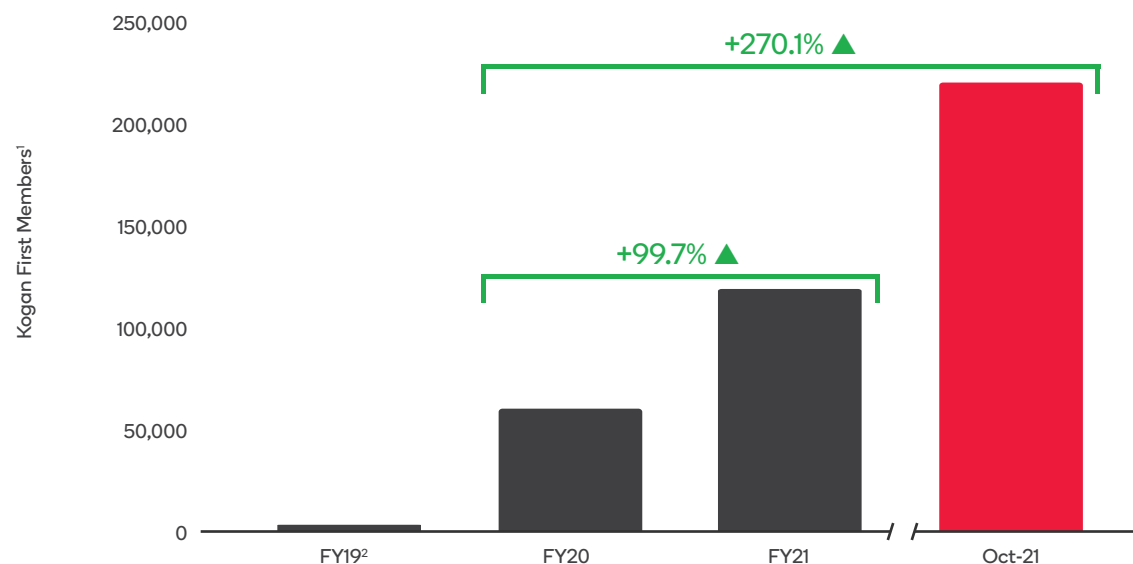


Everyday
Discounts



Priority Customer
Service

KOGAN FIRST MEMBERS¹



- The Company's medium-term goal is to reach 1,000,000 Kogan First Members¹, and the Company is investing in marketing and member benefits to grow toward this goal.
- Kogan First loyalty program grew to over 120,000 members as at 30 June 2021, with Kogan First Members¹ demonstrating stronger loyalty and repeat purchase behaviour than non-members. At the end of Oct-21, Kogan First Members have grown to over 220,000.
- In FY21 Kogan First subscription revenue grew to \$8.9 million (FY20: \$2.4 million). Kogan First Members¹ received benefits totalling \$12.7 million at an average of \$105 each in FY21.
- The Company continued its investment in Kogan First Members¹, with membership benefits for the twelve months to October 2021 accelerating to \$16.9 million. In addition to these benefits, Kogan First Members¹ also received vouchers, early access and priority customer service.

1. Kogan First Members excludes Kogan First customers who are in a trial period, and includes only non-trial members

2. Kogan First launched in 4QFY19, the period (FY19) does not reflect a full year of trading.

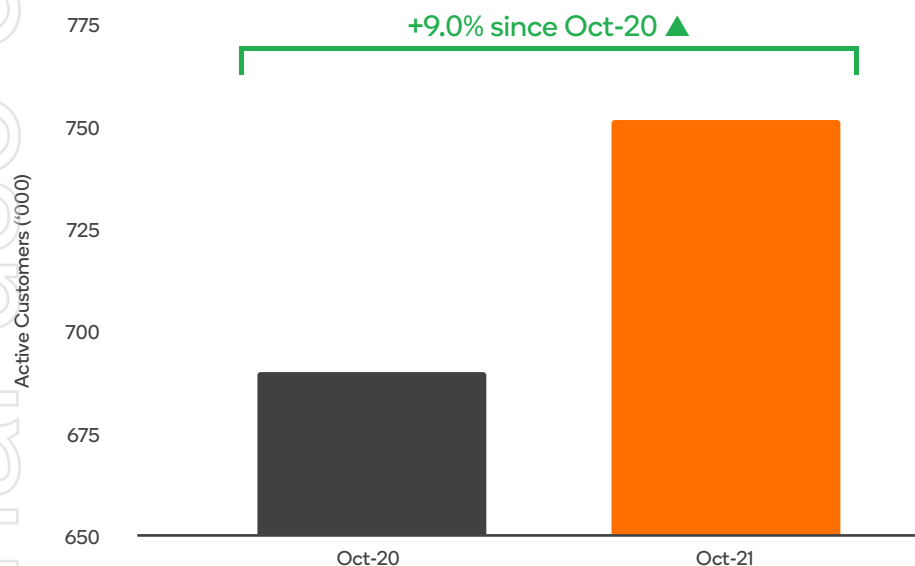
KOGAN VERTICALS OPERATIONAL UPDATE

What we have planned for FY22

Kogan Mobile Australia	<ul style="list-style-type: none">• 5G• New additional plan - Low priced monthly plans• eSim
Kogan Mobile New Zealand	<ul style="list-style-type: none">• Stronger focus on best value
Kogan Internet	<ul style="list-style-type: none">• New additional fixed wireless plans• Low priced 100mb/s plans
Kogan Energy	<ul style="list-style-type: none">• Introduce NSW Gas• Kogan First value offers to Kogan Energy customers
Kogan Insurance	<ul style="list-style-type: none">• Transition current partner relationship in early 2022 to new partner• Travel insurance and Landlord insurance ceased during the early months of COVID
Kogan Pet	<ul style="list-style-type: none">• Continued strong focus on cross sales and Kogan First
Kogan Life	<ul style="list-style-type: none">• Continued strong focus on cross sales and Kogan First
Kogan Credit Cards	<ul style="list-style-type: none">• Credit Card partner being acquired - help make transition successful• Stronger focus on best in market offers for Kogan Credit Card holders, including balance transfer offers
Kogan Superannuation	<ul style="list-style-type: none">• Review opportunities to grow with partner
Kogan Home Loans	<ul style="list-style-type: none">• Reassess Kogan Home Loans as a vertical to likely remove in late 2021 or early 2022
Kogan Car	<ul style="list-style-type: none">• Review opportunities to grow with partner
Kogan Travel	<ul style="list-style-type: none">• Review current sourcing model which involves direct acquisition by Kogan staff of travel deals from hotels and providers, to potentially launch a single broad supply relationship covering a variety of travel deals

Anticipated launch of Jungle Express, Mighty Ape last-mile delivery service owned and operated by Mighty Ape.

ACTIVE CUSTOMERS OF 752,000 AS AT 31 OCT 21



MIGHTY APE LAST MILE DELIVERY SERVICE



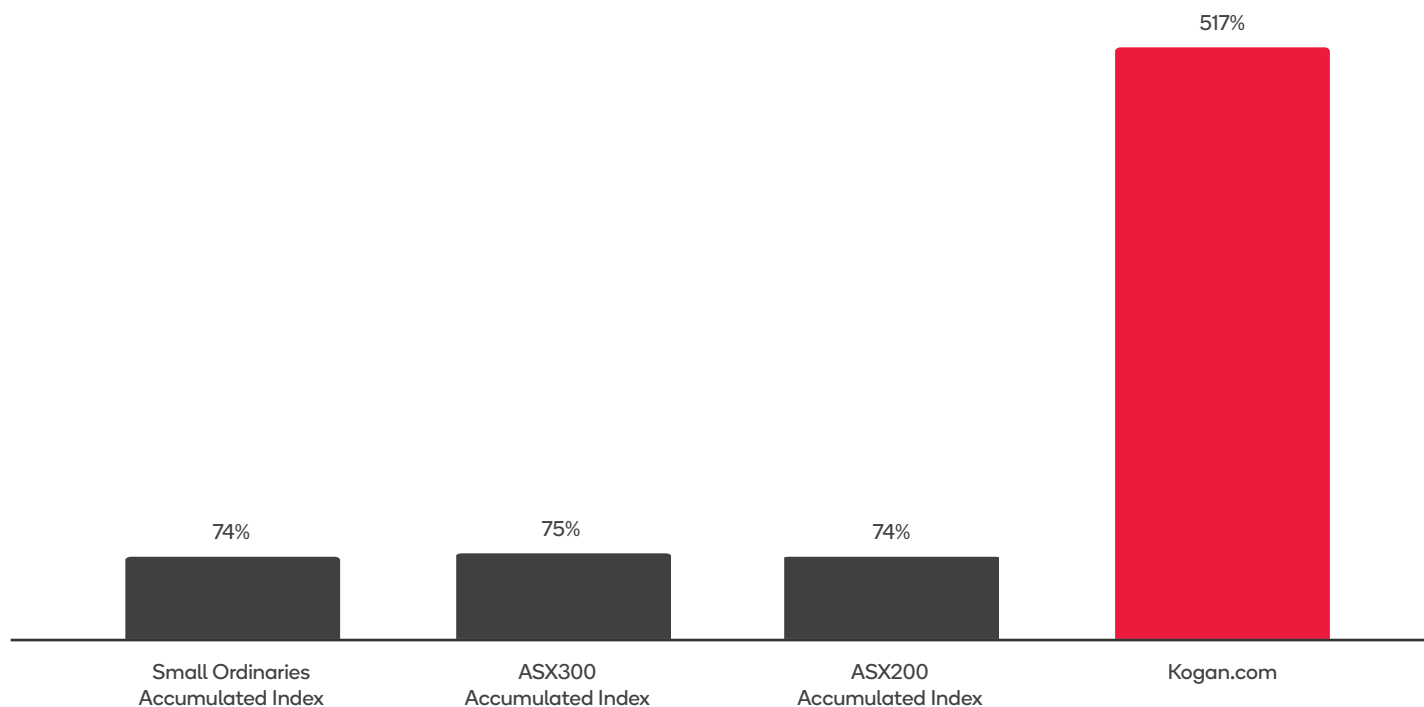
- 752,000 unique Active Customers, an increase of more than 9% since Oct-20.
- Jungle Express is expected to launch shortly and will allow customers to track their order once it has left the warehouse to when it is delivered to their door - increasing the speed of delivery and quality of delivery experience in New Zealand.
- Expansion of warehousing operations.
- Mighty Ape and Kogan.com synergies and integration progressing well.
- Kogan branded items now available on the Mighty Ape, improving the customer offering.

SHAREHOLDER VALUE

Kogan.com has outperformed the market providing Shareholder returns of 517% from the IPO in July 2016 to October 2021.

TOTAL SHAREHOLDER RETURN 6/7/2016 IPO TO 29/10/2021

Kogan.com has significantly outperformed the Small Ordinaries, S&P/ASX 300 and S&P/ASX 200 Accumulated Indexes since its IPO



1. Source: IRESS market data
2. Note: This assumes (in KGNs case) that all Dividends are reinvested

KOGAN GROUP TRADING - NOVEMBER UPDATE

YOY UNAUDITED GROSS SALES¹, GROSS PROFIT³ AND ADJUSTED EBITDA² YTD (JUL - OCT)

Kogan Group (inc Mighty Ape)	FY20 YTD	FY21 YTD	FY22 YTD
Gross Sales ^{1,3,6}	180.2	363.1	432.7
Gross Profit ^{3,4}	28.8	70.0	69.2
Adjusted EBITDA ^{2,3}	8.7	32.0	12.4
Kogan.com (exc Mighty Ape)	FY20 YTD	FY21 YTD	FY22 YTD
Gross Sales ^{1,3,6}	180.2	363.1	380.7
Gross Profit ^{3,4}	28.8	70.0	58.0
Adjusted EBITDA ^{2,3}	8.7	32.0	9.5

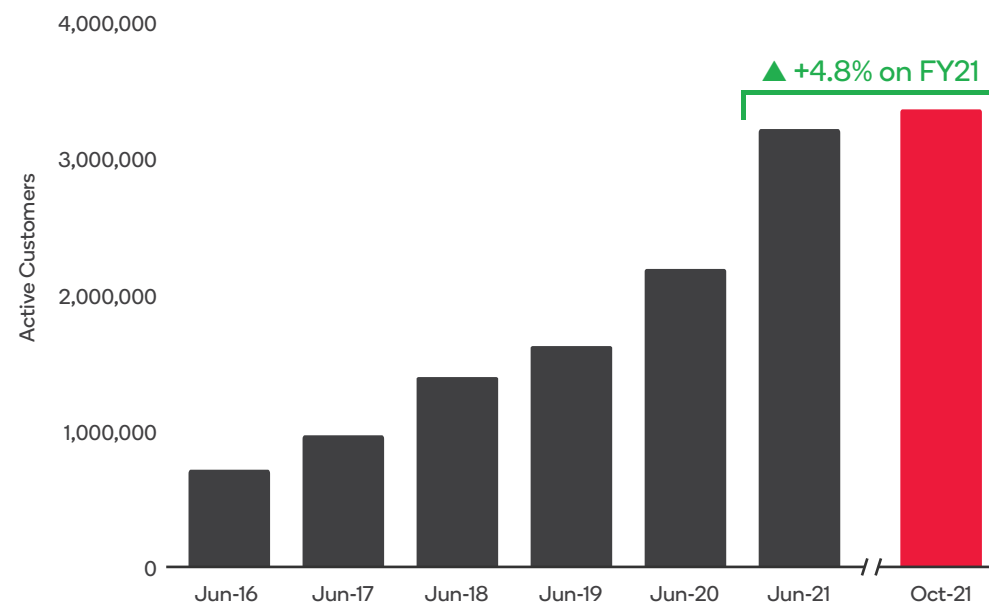
Gross Sales^{1,3}

- In the first four months of the financial year, we have seen strong performance from Kogan Marketplace and Kogan First.
- We are now entering the peak sales period with sales events including Kogan Frenzy, Black Friday, Christmas and Boxing Day sales.

Gross Profit³

- Gross Profit for the Group declined YoY as a result of cycling exceptional growth in the prior year. The Business did however achieve a CAGR⁵ of 55.1% on FY20 YTD (Jul-Oct 2019).
- Gross Profit for Kogan.com declined YoY by 17.1% while cycling exceptional growth in the prior year, but achieved a CAGR⁵ of 41.9% on FY20 YTD (Jul-Oct 2019), driven by strong performance from the Product Divisions and Kogan Marketplace.

KOGAN.COM ACTIVE CUSTOMERS OF 3,362,000 AS AT 31 OCT 21



Adjusted EBITDA^{2,3}

- Operating costs have been a key focus for the business in the first four months of FY22, namely warehousing and marketing costs. The business has right-sized inventory levels since FY21 which has brought warehousing costs down. The business has also continued to strategically invest in marketing to expand the Kogan First member base and is confident this will have long term benefits for the company.

1. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile, and other New Verticals are not reflected in Revenue.

2. Adjusted EBITDA is a measure of the underlying performance of the Business, it removes non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items.

3. Gross Sales, Gross Profit and Adjusted EBITDA are based on unaudited management accounts.

4. Gross Profit relating to Jul - Oct 2020 has been restated to include inventory related expenses originally recorded as 'Other Costs' in the 1H FY21 Profit & Loss Statement released on 26 February 2021. This remapping was undertaken during the full year FY21 audit and was reflected in the FY21 Financial Statements. The restatement had no impact to Revenue, EBITDA, Adjusted EBITDA or Net Profit After Tax for 1H FY21. The Gross Profit comparison is on a like for like basis.

5. The Compound Annual Growth Rate (CAGR) is an informative metric to consider the underlying growth of the Business, given the volatility over the COVID impacted period.

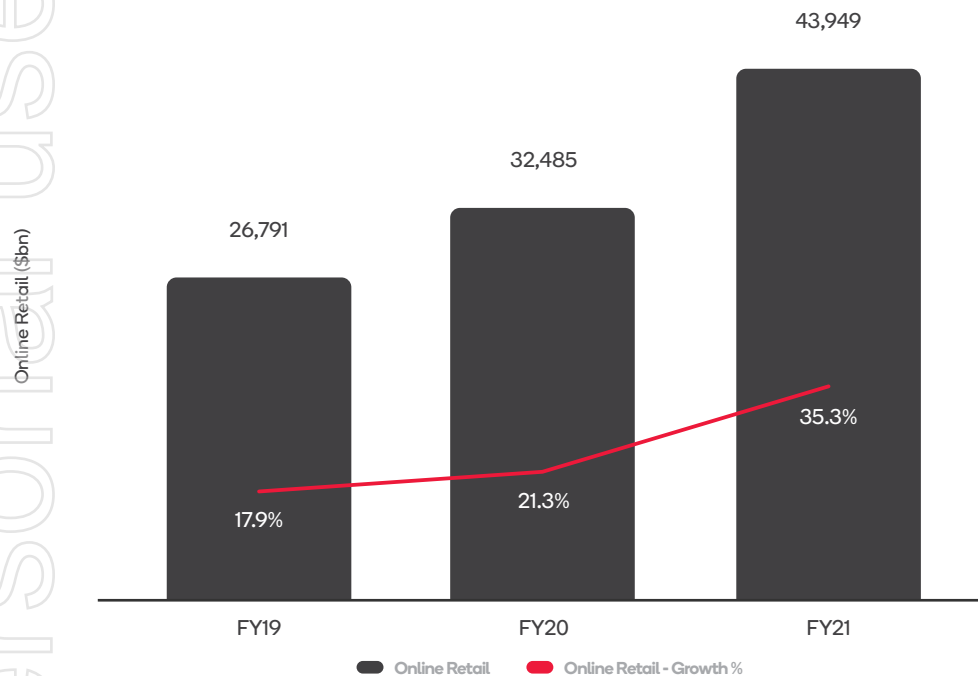
6. FY20 and FY21 YTD Gross Sales have been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

INCREASING MARKET SHARE IN A RAPIDLY GROWING MARKET

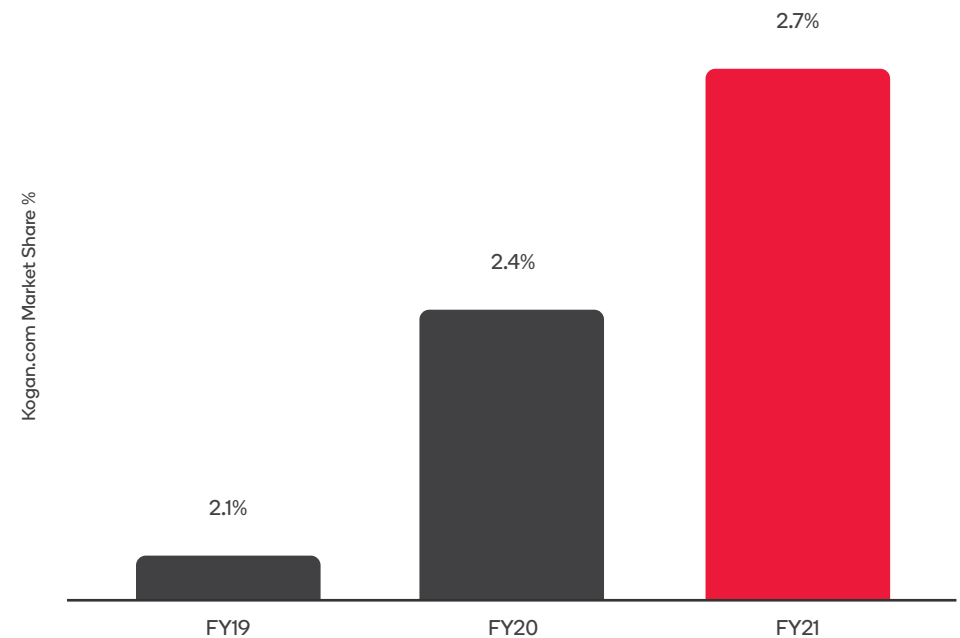
Online retail is in its infancy in Australia. Kogan Group's market share has grown over many years, while the market itself continues to rapidly increase in size.

NAB estimates that in the 12 months to June 2021, Australians spent \$48.6 billion on online retail, a level that is around 13.3% of the total retail trade estimate¹.

THE AUSTRALIAN ONLINE RETAIL MARKET² SIZE IS GROWING



AND KOGAN IS TAKING MARKET SHARE IN THAT GROWING MARKET

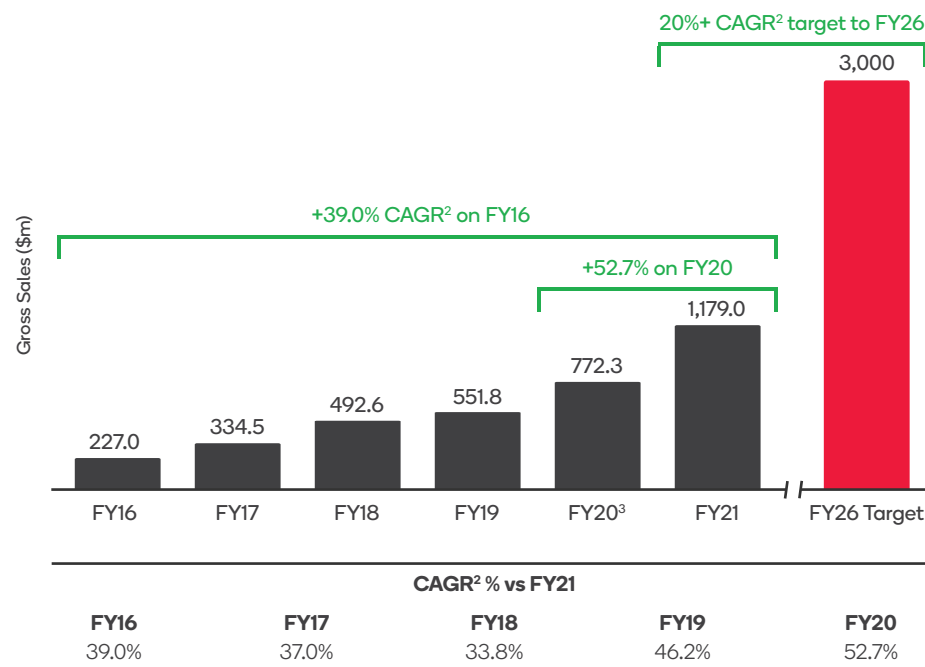


1. Source: <https://business.nab.com.au/nab-online-retail-sales-index-june-2021-47896/>

2. Source: IBISWorld X0004 Online Shopping in Australia Industry Report.pdf (<https://www.ibisworld.com/au/industry/online-shopping/1837/>)

KOGAN GROUP FIVE YEAR GOAL

IN THE PAST 5 YEARS WE GREW GROSS SALES¹ BY A CAGR² OF 39% FROM \$227M TO \$1.179 BILLION
IN THE NEXT 5 YEARS WE ARE TARGETING \$3 BILLION IN GROSS SALES¹



OVER THE NEXT FIVE YEARS, WE AIM TO ACHIEVE:

- ☒ **20%+ CAGR² in Gross Sales¹ to achieve \$3B in Gross Sales¹**
- ☒ **1,000,000 Kogan First subscribers (not including Mighty Ape Primate subscribers)**

1. Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. The Compound Annual Growth Rate (CAGR) is an informative metric to consider the underlying growth of the Business, given the volatility over the COVID impacted period.
3. FY20 Gross Sales have been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

personal use only

kogan.com

ANNEXURE 1

RECONCILIATION TO KOGAN GROUP ADJUSTED EBITDA AND ADJUSTED NPAT

	Unadjusted	Unrealised FX gain/(loss)	Equity-based compensation	Donations	COVID-19 related stock provision	COVID-19 related logistics costs	Mighty Ape purchase - tranches 3&4 and acquisition costs	Adjusted
Revenue	780.7							780.7
Cost of sales	(577.0)				2.2			(574.8)
Gross Profit	203.7							205.9
Gross margin	26.1%							26.4%
Variable costs	(44.9)					7.7		(37.2)
Marketing costs	(58.7)							(58.7)
People costs	(59.6)		15.6				12.0	(32.0)
Other costs	(19.4)			2.5			0.8	(16.2)
Total operating costs	(182.7)							(144.1)
Unrealised FX gain/(loss)	1.4	(1.4)						0.0
EBITDA	22.5							61.8
EBITDA margin	2.9%							7.9%
Depreciation & amortisation	(10.9)							(10.9)
EBIT	11.5							50.9
Interest	(0.3)							(0.3)
Profit before tax	11.3							50.6
Income tax expense	(7.7)							(7.7)
NPAT	3.5							42.9
EPS	0.03							0.41

Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. In respect of FY21 the below items have been adjusted:

- **Unrealised FX gain/(loss):** unrealised FX gain at financial year end.
- **Equity-based compensation:** significant equity-based compensation expenses driven largely by the recent awards of options after the Company's AGM in November 2020.
- **Donations:** material donations of PPE by the Company to Australian charities.
- **COVID-19 related stock provision:** write-down of PPE held by Kogan.com following the reduction in COVID-19 cases in Australia.
- **COVID-19 related logistics costs:** relates to material logistics demurrage charges driven by one-off warehousing and supply chain interruptions from late 2020 to April 2021. These charges have almost never previously incurred, and have been resolved prior to the financial year end.
- **Mighty Ape purchase - Tranches 3 & 4:** refers to the provision for the likely payment of Mighty Ape Tranche 3 & 4 purchase price instalments as part of the Sale Agreement, which are contingent on the Mighty Ape Founder & CEO remaining with the Business until the delivery of the financial year 2023 results. In line with accounting standards, Tranches 3 & 4 payments will be considered as compensation for post-combination services, and as such, treated as employee remuneration for accounting purposes. The Group will proportionately account for these expenses up until the respective payment dates.
 - For Australian income tax purposes, amounts paid for the acquisition of Mighty Ape shares are considered as capital in nature and are therefore non-deductible, rather increasing the tax cost base of the shares. No deferred tax asset is recognised due to Kogan.com being able to control the timing of the reversal of the temporary difference and it being probable that the temporary difference will not reverse in the foreseeable future.

NPAT and EPS: were materially impacted by the items below

- Company's excess inventory position in the second half of the financial year, significantly increasing storage costs and subsequently marketing costs through promotional activity to rebalance inventory levels relevant to the size of the Business.
- Logistics detention charges of \$7.7 million incurred as a result of COVID related warehousing and supply chain interruptions from late 2020 to April 2021 (almost never previously incurred, and resolved prior to financial year end).
- People Costs of \$12.0 million to provision for the likely payment of Mighty Ape Tranche 3 & 4 purchase price instalments as well as \$0.8 million relating to acquisition costs. For income tax purposes, this is considered capital in nature, and therefore no tax deduction is available.