

Appendix 4D

APPENDIX 4D – KOGAN.COM LTD

ABN 96 612 447 293

RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF-YEAR ENDED 31 DECEMBER 2023

(Previous corresponding period: Half-year ended 31 December 2022)

	Half-year ended 31 December 2023 \$'000	Half-year ended 31 December 2022 \$'000	Change increase/ (decrease) \$'000	Change increase/ (decrease) %
Revenues from ordinary activities	248,218	275,558	(27,340)	(9.9%)
Profit/(loss) before tax	12,363	(31,938)	44,301	138.7%
Profit/(loss) after tax attributable to members	8,680	(23,824)	32,504	136.4%

ABBREVIATED EXPLANATION OF RESULTS

Revenue from ordinary activities for the six-months ended 31 December 2023 totalled \$248.2 million. The decline on the prior corresponding period, of 9.9%, can be attributed to the strategic transition to Platform-based Sales as well as the reduction in surplus inventory to realign the business with current trading conditions. Other parts of the Kogan Group did achieve Revenue growth however. Kogan Verticals grew 25.6% period-on-period, Kogan FIRST grew 109.7% period-on-period and Advertising Income grew 75.7% period-on-period following the launch of the new Advertising Platform in August 2023.

Profitability of the Group did improve during the half, as Kogan.com Platform-based Sales¹ contribution grew to 63.0% of total Kogan.com Gross Sales and profitability of the Kogan.com Product Division recovered following the completion of inventory right-sizing at the end of FY23.

The Business delivered on a number of cost-saving initiatives, reducing total Operating Costs across the Group by 18.4% period-on-period. These initiatives included the consolidation of our logistics networks following the right-sizing of inventory mentioned above, renegotiation of various services contracts and efficiency gains across our IT and hosting capabilities.

The Group recorded a statutory profit after tax of \$8.7 million in the six-months ended 31 December 2023, which included:

- Non-cash Equity-based Compensation expense of \$2.1 million (1HFY23: \$14.2 million); and
- Unrealised losses of \$0.1 million (1HFY23: \$0.1 million) in relation to open forward foreign exchange contracts held as at 31 December 2023.

These items are not considered by the Group to be representative of the underlying performance of the Business, and as such, consider the Adjusted Profit After Tax² of \$10.2 million a useful metric of underlying performance.

Refer to the accompanying market release and the 1HFY24 Results Presentation dated 26 February 2024 for further commentary.

1. Refers to sales generated by Kogan Marketplace, Kogan FIRST, Kogan Verticals and Advertising & Other Income. It excludes Exclusive Brands, Third-Party Brands and Mighty Ape.
2. Kogan.com believes that non-IFRS measures referred to in this document may provide useful information to recipients for measuring the underlying operating performance of the Business. Non-IFRS measures are not subject to audit.

Appendix 4D continued

The Group ended the half with a strong Balance Sheet, underpinned by \$83.3 million in cash and no external debt (31 December 2022: \$74.0 million net cash, after loans & borrowings). Strong cash flows during the half allowed for the investment of \$17.2 million in the share buy-back program and completion of the final Mighty Ape acquisition tranche payment of \$10.9 million. Inventories totalled \$68.3 million as at 31 December 2023, comprising \$58.2 million in-warehouse and \$10.1 million in-transit. The inventory balance at 31 December 2023 represented a period-on-period reduction of 30.6% and demonstrates the continuing shift to a more capital-light business model.

	31 December 2023	31 December 2022
Net tangible assets per share		
Net tangible assets backing per Ordinary Share	\$0.74	\$0.69

DIVIDENDS

	AMOUNT PER ORDINARY SHARE (CENTS)	FRANKED AMOUNT PER SHARE AT 30% OF TAX (CENTS)
Ordinary shares:		
2023 Interim Dividend	–	–
2023 Final Dividend	–	–
2024 Interim Dividend	7.5	7.5

CURRENT PERIOD

The 2024 Interim Dividend was declared subsequent to the balance date. The record date for determining the entitlement of receipt of the Interim Dividend is 15 April 2024 and the Company expects to pay the Interim Dividend on 31 May 2024. The Interim Dividend has not been accrued for as at 31 December 2023.

DIVIDEND REINVESTMENT PLAN

A dividend reinvestment plan was introduced prior to the declaration of the 2024 Interim Dividend.

FOREIGN ENTITIES

The results of Kogan HK Limited, a Hong Kong registered entity, Kogan US Trading Inc, a US incorporated entity³ and Mighty Ape Limited, a New Zealand registered entity, have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

OTHER INFORMATION REQUIRED BY LISTING RULE 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the 31 December 2023 Financial Report.

Signed on behalf of Kogan.com Ltd, on 26 February 2024.



Greg Ridder
Non-Executive Chairman

3. Kogan US Trading Inc was discontinued in May 2023.

Half-Year Report 2023/24

For personal use only



Highlights Half-Year 2023/24

466,000

Kogan FIRST Subscribers⁴
as at 31 December 2023

42.2%

pcp growth in
Gross Profit, driving strong
operating leverage

63.0%

Platform-based Sales
contribution, reflecting
a capital-light business

2

New Revenue Streams

Kogan.com Advertising
Platform and Mighty Mobile
launched in the period



4. Kogan FIRST Subscribers excludes Kogan FIRST customers who are in a trial period, and includes only non-trial subscribers.

CONTENTS

01	Directors' Report	25	Directors' Declaration
05	Auditor's Independence Declaration	26	Independent Auditor's Report
06	Interim Financial Statements	28	Corporate Directory

Directors' Report

The Directors of Kogan.com Ltd (Kogan.com) and its controlled entities ("the Group") present their report together with the consolidated financial report of the Group for the half-year ended 31 December 2023 and the review report thereon.

DIRECTORS

The following persons were Directors of the Group at any time during the half-year and up to the date of signing this report.

Greg Ridder – Independent, Non-Executive Chairman

Ruslan Kogan – Founder, Chief Executive Officer and Executive Director

David Shafer – Chief Financial Officer, Chief Operating Officer and Executive Director

Harry Debney – Independent, Non-Executive Director

Janine Allis – Independent, Non-Executive Director

James Spenceley – Independent, Non-Executive Director

PRINCIPAL ACTIVITIES

Kogan.com is a portfolio of retail and service businesses that includes Kogan Retail, Kogan Marketplace, Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Energy, Dick Smith, Matt Blatt, Mighty Ape and Brosa.

Kogan.com earns the majority of its Revenue and profit through the sale of goods and services to Australian and New Zealand consumers. Its offering comprises products released under Kogan.com's Exclusive Brands, such as Kogan, Ovela, Fortis, Certa and Komodo ("Exclusive Brands Products"), and products sourced from imported and domestic Third-Party Brands such as Apple, Canon, Swann and Samsung ("Third-Party Brands Products").

In addition to product offerings, Kogan.com earns Revenue from seller fees from Kogan Marketplace, commission-based Revenue from the Verticals including Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Energy and Mighty Mobile ("Verticals"), and advertising fees from Advertising Platform launched in August 2023. Kogan.com trades through a number of channels including the Kogan.com website and Apps, the Dick Smith website, the Matt Blatt website, the Mighty Ape group websites, the Brosa website and a number of other channels.

The results of Kogan HK Limited, a Hong Kong registered entity, and Mighty Ape Limited, a New Zealand registered entity, have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

No significant change in the nature of activities occurred during the half-year.

REVIEW OF OPERATIONS

TRADING PERFORMANCE

For the six-month period ended 31 December 2023, the Kogan Group recorded Gross Sales of \$446.6 million, representing a 5.6% decrease on the prior corresponding period. The decline was primarily driven by a decline in Gross Sales within the Kogan.com Product Division and Kogan Marketplace, with both divisions being impacted by rising cost-of-living pressures. Mighty Ape also experienced subdued sales activity as a result. Furthermore, the reduction in the Kogan.com Product Division reflected the cycling of substantial promotional activity in the prior corresponding half aimed at right-sizing inventory levels, which were aligned at the commencement of this half.

Directors' Report continued

Despite the decline in Gross Sales, this half marked a return to strong profitability, with Gross Profit improving 42.2% period-on-period. The improvement in profitability was driven by the continued transformation of the Kogan.com (excluding Mighty Ape) business model to a majority Platform-based Sales⁵ business. For the half-year ended 31 December 2023, Platform-based Sales⁵ contribution grew to 63.0%. This assisted growth of the Group's Gross Margin to 36.1%, up 13.2pp.

The Group recorded an Adjusted EBITDA⁶ of \$21.5 million and Adjusted EBIT of \$14.0 million in 1HFY24, an increase of 590.6% and 210.1%, respectively, versus the prior corresponding period. The result indicates a return to strong operating leverage for the Group.

The Group recorded a statutory profit after tax of \$8.7 million (1HFY23: loss of \$23.8 million). The result in the current half includes Unrealised Losses of \$0.1 million on forward foreign exchange contracts held at 31 December 2023 (1HFY23: \$0.1 million) and Equity-based Compensation of \$2.1 million (1HFY23: \$14.2 million). These two items are considered adjusting items as they are non-cash in nature.

The key drivers of performance in the half-year to 31 December 2023 were:

- **Kogan FIRST:** The Kogan.com loyalty program grew to over 466,000 Subscribers⁴ as at 31 December 2023, growth of 15.3% year-on-year. Through the program, subscription revenue of \$22.7 million was recognised in the half, an increase of 109.7% period-on-period.
- **Kogan.com Verticals:** Gross Profit generated by the Kogan.com Verticals increased 25.6% period-on-period, driven by Kogan Mobile Australia, Kogan Mobile New Zealand, Kogan Insurance and Kogan Internet.
- **Kogan.com Advertising Platform:** During the half, the new Advertising Platform was launched on the Kogan.com platform. Having launched in August 2023, the platform is quickly scaling, delivering over \$1.3 million in Advertising Income in the half.
- **Mighty Ape:** The New Zealand subsidiary contributed \$87.1 million of Gross Sales in the half, an increase of 0.1% on the prior corresponding half. Gross Profit generated by Mighty Ape was \$22.5 million, an increase of 4.3% period-on-period, as Gross Margin improved 1.3pp following the continued increase in private label product sales and improved efficiency in last-mile delivery operations. However Adjusted EBITDA did reduce 15.3% to \$5.7 million, as operational costs increased following the opening of the new Christchurch warehouse and continued investment in internal systems.
- **Inventories:** The Kogan Group inventories totalled \$68.3 million as at 31 December 2023, versus \$98.3 million as at 31 December 2022. The reduction in inventories is a result of aligning to current trading conditions and reflective of the continued progression to a more capital-light business model as the Kogan Marketplace offering grows.
- **Cash:** The Kogan Group held a cash balance of \$83.3 million as at 31 December 2023 with no external debt. For the half ended 31 December 2023, the Group invested \$17.2 million into the share buy-back program and \$10.9 million to complete the final Mighty Ape acquisition tranche payment.
- **Non-cash operating costs:** The period included the following items:
 - \$2.1 million of equity-based compensation; and
 - \$0.1 million of unrealised losses for forward foreign exchange contracts held at 31 December 2023.

The effective tax rate in the 2024 half-year was 30% (1HFY23: 25%). The effective tax rate in the 2023 half-year was impacted by the difference in accounting versus tax treatment of the Mighty Ape Tranche 4 provisioning. 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 it being probable that the temporary difference will not reverse in the foreseeable future.

5. Refers to sales generated by Kogan Marketplace, Kogan FIRST, Kogan Verticals and Advertising & Other Income. It excludes Exclusive Brands, Third-Party Brands and Mighty Ape.

6. Kogan.com believes that non-IFRS measures referred to in this document may provide useful information to recipients for measuring the underlying operating performance of the Business. Non-IFRS measures are not subject to audit.

OUTLOOK

At Kogan.com, we are unwavering in our pursuit to not only enhance and grow our current business operations but also to broaden our range of business ventures. During the 2HFY24, we expect Platform-based Sales contribution to continue growing and driving Gross Margin improvement, continued profitability improvement within the Kogan.com Product Division, accelerated growth of the newly launched Advertising Platform and Mighty Mobile, continued growth of the Verticals and further enhancements to Kogan FIRST.

January 2024 unaudited management accounts showed Group Adjusted EBITDA of \$4.9 million.

SUBSEQUENT EVENTS

The Board has declared an Interim Dividend of 7.5 cents per Ordinary Share (fully franked) on 26 February 2024. The Interim Dividend has not been recognised as a liability in the consolidated financial statements at 31 December 2023.

Other than the above, there are no further matters or circumstances which have arisen since 31 December 2023 which have, or may have had, a significant impact on the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

INTERIM DIVIDEND

Having returned profitability to the Business and maintained a strong Balance Sheet, the Directors have declared an Interim Dividend of 7.5 cents per Ordinary Share, fully franked. The record date of the Interim Dividend is 15 April 2024 and will be paid on 31 May 2024. The Interim Dividend was not determined until after the balance sheet date and accordingly no provision has been recognised as at 31 December 2023.

ROUNDING

Kogan.com is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars except where otherwise indicated.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2023 can be found on page 05 of the financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.



Greg Ridder
Non-Executive Chairman

Melbourne, 26 February 2024

Directors' Report continued**NON IFRS MEASURES**

Throughout this report, Kogan.com has included certain non-IFRS financial information, including EBITDA, Adjusted EBITDA and Gross Sales. Kogan.com believes that these non-IFRS 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.

The table below provides details of the Non-IFRS measures used in this report.

EBITDA	Earnings before interest, tax, depreciation and amortisation.
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortisation and excludes unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items.
Adjusted EBIT	Earnings before interest and tax and excludes unrealised FX gain/(loss), equity-based compensation and one-off non recurring items.
Adjusted NPAT	Net profit after tax and before unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items.
Gross Sales	The gross transaction value, on a cash basis, of products and services sold, of Kogan Retail, Mighty Ape Retail, Kogan Marketplace, Kogan Verticals and Mighty Mobile.

A detailed reconciliation of these Non-IFRS measures can be found in Appendix 2 of the 1HFY24 Results Presentation released on 26/02/2024, available on the Kogan.com Corporate Website.

Auditor's Independence Declaration

For personal use only



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Kogan.com Ltd.

I declare that, to the best of my knowledge and belief, in relation to the review of Kogan.com Ltd for the half-year ended 31 December 2023, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

26 February 2024

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Interim Financial Statements

07	CONDENSED CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	14	SECTION 2: OPERATING ASSETS AND LIABILITIES
		14	2.1 INTANGIBLE ASSETS
08	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14	SECTION 3: CAPITAL STRUCTURE AND FINANCING
09	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14	3.1 LOANS AND BORROWINGS
10	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	14	3.2 CAPITAL AND FINANCIAL RISK MANAGEMENT
11	NOTES TO THE CONDENSED FINANCIAL STATEMENTS	16	3.3.1 ISSUED CAPITAL AND RESERVES
		17	3.3.2 DIVIDENDS
11	BASIS OF PREPARATION	17	3.4 EARNINGS PER SHARE
11	A. SEGMENT INFORMATION	18	SECTION 4: GROUP STRUCTURE
12	B. USES OF JUDGEMENT AND ESTIMATES	18	4.1 RELATED PARTIES
13	SECTION 1: BUSINESS PERFORMANCE	18	SECTION 5: TEAM MEMBER REWARD AND RECOGNITION
13	1.1 REVENUE	18	5.1 INCENTIVE PLANS
13	1.2 EXPENSES	24	SECTION 6: OTHER
13	1.3 TAX BALANCES	24	6.1 SUBSEQUENT EVENTS
		24	6.2 CONTINGENT LIABILITIES

Condensed Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income

For the Half-Year Ended 31 December 2023

CONSOLIDATED GROUP			
		31 December 2023	31 December 2022
	Note	\$'000	\$'000
Revenue	1.1	248,218	275,558
Cost of sales	1.2	(158,682)	(212,610)
Gross profit		89,536	62,948
Selling and distribution expenses		(31,430)	(27,413)
Warehouse expenses		(4,649)	(8,444)
Administrative expenses ⁷		(40,939)	(56,936)
Other expenses		(827)	(684)
Results from operating activities		11,691	(30,529)
Finance income		983	339
Finance costs		(202)	(1,659)
Unrealised foreign exchange (loss)		(109)	(89)
Net finance gain/(loss)		672	(1,409)
Profit/(Loss) before income tax		12,363	(31,938)
Tax (expense)/benefit	1.3	(3,683)	8,114
Profit/(Loss) after income tax		8,680	(23,824)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange gain on translation of foreign operations		290	874
Other comprehensive income for the half-year		290	874
Total comprehensive profit/(loss) for the half-year		8,970	(22,950)
Basic earnings per share	3.4	0.08	(0.22)
Diluted earnings per share	3.4	0.08	(0.22)

The accompanying notes form part of these condensed consolidated financial statements.

7. Administrative expenses include one-off Mighty Ape Tranche 4 related expenses in the six months to 31 December 2022.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	CONSOLIDATED GROUP		
		31 December 2023	30 June 2023
	Note	\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		83,313	65,438
Trade and other receivables		6,850	5,432
Inventories		68,287	68,158
Other financial assets		–	146
Prepayments and other current assets		3,265	2,928
Current tax assets		–	755
TOTAL CURRENT ASSETS		161,715	142,857
NON-CURRENT ASSETS			
Plant and equipment		24,696	17,214
Intangible assets	2.1	85,950	88,153
Deferred tax assets		25,934	25,834
TOTAL NON-CURRENT ASSETS		136,580	131,201
TOTAL ASSETS		298,295	274,058
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		84,781	61,429
Acquisition payables		–	10,957
Lease liabilities		5,819	7,532
Current tax liabilities		1,883	–
Employee benefits		1,912	1,743
Provisions		3,131	2,862
Deferred income		22,994	13,155
Other financial liabilities		4	–
TOTAL CURRENT LIABILITIES		120,524	97,678
NON-CURRENT LIABILITIES			
Lease liabilities		16,236	8,200
Employee benefits		512	462
TOTAL NON-CURRENT LIABILITIES		16,748	8,662
TOTAL LIABILITIES		137,272	106,340
NET ASSETS		161,023	167,718
EQUITY			
Share capital	3.3.1a	274,727	291,014
Merger reserve	3.3.1c	(131,816)	(131,816)
Other reserves		72,343	71,431
Accumulated losses		(54,231)	(62,911)
TOTAL EQUITY		161,023	167,718

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes In Equity

For the Half-Year Ended 31 December 2023

CONSOLIDATED GROUP

	Note	Share Capital \$'000	Retained earnings \$'000	Merger reserve \$'000	Trans- lation reserve \$'000	Perfor- mance rights reserve \$'000	Total Equity \$'000
Balance at 1 July 2022		301,082	(37,059)	(131,816)	(828)	41,257	172,636
Comprehensive income							
Loss for the half-year		–	(23,824)	–	–	–	(23,824)
Other comprehensive income		–	–	–	874	–	874
Total comprehensive (loss)/income for the half-year		–	(23,824)	–	874	–	(22,950)
Transactions with owners, in their capacity as owners, and other transfers							
Issue of Ordinary Shares under performance plans, net of issue costs	3.3.1b	465	–	–	–	(465)	–
Tax deduction for difference between accounting expense and funds paid to issue incentive plans		2	–	–	–	–	2
Equity-settled share-based payments	5.1	–	–	–	–	14,157	14,157
Total transactions with owners and other transfers		467	–	–	–	13,692	14,159
Balance at 31 December 2022		301,549	(60,883)	(131,816)	46	54,949	163,845
Balance at 1 July 2023		291,014	(62,911)	(131,816)	(377)	71,808	167,718
Comprehensive income							
Profit for the half-year		–	8,680	–	–	–	8,680
Other comprehensive income		–	–	–	290	–	290
Total comprehensive (loss)/income for the half-year		–	8,680	–	290	–	8,970
Transactions with owners, in their capacity as owners, and other transfers							
Issue of Ordinary Shares under performance plans, net of issue costs	3.3.1b	1,435	–	–	–	(1,435)	–
On-market share buy-back	3.3.1b	(17,722)	–	–	–	–	(17,722)
Equity-settled share-based payments	5.1	–	–	–	–	2,057	2,057
Total transactions with owners and other transfers		(16,287)	–	–	–	622	(15,665)
Balance at 31 December 2023		274,727	(54,231)	(131,816)	(87)	72,430	161,023

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	Note	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		257,298
Payments to suppliers and employees		(204,629)
Interest received		983
Finance costs paid		(524)
Income tax paid		(1,132)
Net cash provided by operating activities		51,996
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(1,488)
Purchase of intangible assets	2.1	(1,556)
Disposal of intangible assets		–
Disposal of Financial Assets		–
Business Acquisition net of acquired cash ⁸		(10,943)
Net cash (used in) investing activities		(13,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans & borrowings		–
Draw down on debt facility		–
Repayment of lease liabilities		(3,055)
Payments for shares bought back		(17,222)
Net cash (used in) financing activities		(20,277)
Net increase in cash held		17,732
Cash and cash equivalents at beginning of half-year		65,438
Effects of exchange rate changes on cash		143
Cash and cash equivalents at end of half-year		83,313

The accompanying notes form part of these condensed consolidated financial statements.

8. First half 2024 relates to the Mighty Ape Tranche 4 payment, while first half 2023 relates to both the Mighty Ape Tranche 3 payment and acquisition of Brosa.

Notes to the Condensed Financial Statements

For the Half-Year Ended 31 December 2023

BASIS OF PREPARATION

The financial report of Kogan.com Ltd and its controlled entities (the Group; Kogan.com) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 26 February 2024.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards and the nature of its operations and principal activities are described in the Directors' Report on page 01.

These interim General Purpose Financial Statements have been prepared in accordance with the *Corporations Act 2001*, and with AASB 134 *Interim Financial Reporting*.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements of Kogan.com Ltd and its subsidiaries for the year ended 30 June 2023.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2023.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Kogan.com is a company of the kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191 and in accordance with that instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars except where otherwise indicated.

A. SEGMENT INFORMATION

(i) Basis for segmentation

The Group has the following two operating divisions, Kogan.com and Mighty Ape. These operating divisions offer different products and services and are managed separately because they require different product sourcing and marketing strategies.

The Board considers the Business primarily from an operating divisions perspective, and receives monthly reports that allow them to make strategic decisions about resource allocation to each. On this basis management has identified the operating divisions as the Group's two reporting segments. The Board monitors the performance of these two segments separately. The Group does not operate under any other operating division.

REPORTABLE SEGMENTS	OPERATIONS
Kogan.com	Online retailer selling exclusive and third-party brand household and consumer electronics products, as well as providing services for telecommunication, internet, insurance, home finances and utilities.
Mighty Ape	Online specialist retailer of gaming and entertainment products.

Notes to the Condensed Financial Statements continued

(ii) Segment information provided to the Board

Information related to each reportable segment is set out below. Segment Adjusted EBITDA is used to measure performance as management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same sectors.

REPORTABLE SEGMENT	KOGAN PARENT		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
31 December 2023					\$000's
Segment revenue	144,842	17,822	6,923	78,631	248,218
Adjusted EBITDA	14,048	1,728	360	5,379	21,515
Interest income	839	–	–	144	983
Interest expense	(242)	–	–	(238)	(480)
Depreciation and amortisation	(4,752)	–	–	(2,741)	(7,493)
Profit before income tax	8,432	1,038	181	2,712	12,363
Total Segment assets	251,260	–	–	47,035	298,295
Capital expenditure	2,019	–	–	1,025	3,044
Total Segment liabilities	101,892	–	–	35,380	137,272

REPORTABLE SEGMENT	KOGAN PARENT		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
31 December 2022					\$000's
Segment revenue	170,811	18,305	10,381	76,061	275,558
Adjusted EBITDA	(10,078)	(1,080)	637	6,136	(4,385)
Interest income	320	–	–	19	339
Interest expense	(752)	–	–	(194)	(946)
Depreciation and amortisation	(5,781)	–	–	(2,564)	(8,345)
Profit before income tax	(32,187)	(3,449)	348	3,350	(31,938)
Total Segment assets	285,850	–	–	45,882	331,732
Capital expenditure	2,121	–	–	110	2,231
Total Segment liabilities	131,789	–	–	36,098	167,887

B. USES OF JUDGEMENT AND ESTIMATES

In preparing these interim financial statements management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimates and judgments that have the most significant effect on the amounts recognised in the interim financial statements are:

- The provisions for warranties and sales returns are based on estimates from historical warranty and sales returns data associated with similar products and services. The Group expects to incur most of the liability over this next year.
- The assessment of the carrying value of non-current assets, including intangible assets, is based on management's assessment of the nature of the capitalised costs and their expected continued contribution of economic benefit to the Group, having regard to actual and forecast performance and profitability.
- The provision for slow moving and obsolete inventory is based on estimates of net realisable value.
- The assessment for impairment of Goodwill associated with the Mighty Ape acquisition.

Key estimates and judgments have not changed from those disclosed in the Group financial report for the year ended 30 June 2023.

SECTION 1: BUSINESS PERFORMANCE

1.1 REVENUE

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	\$'000	\$'000
Revenue		
Sales revenue:		
Sale of goods ⁹	201,418	242,557
Rendering of services	22,044	20,488
Kogan FIRST membership	22,673	10,810
	246,135	273,855
Other revenue:		
Marketing subsidies	1,560	888
Other revenue	523	815
	2,083	1,703
Total revenue	248,218	275,558

1.2 EXPENSES

	31 December 2023	31 December 2022
	\$'000	\$'000
Cost of sales	158,682	212,610
Employee benefit expense	24,252	39,086
Depreciation expense	3,691	4,472
Amortisation expense	3,802	3,874

1.3 TAX BALANCES

Income tax benefit is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax profit of the interim reporting period.

The Group's consolidated effective tax rate for the six months ended 31 December 2023 was 30% (for the six months ended 31 December 2022: 25%). The effective tax rate in the 2022 half-year was impacted by the difference in accounting versus tax treatment of the Mighty Ape Tranche 3 and 4 provisioning. 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 it being probable that the temporary difference will not reverse in the foreseeable future.

Effective tax is impacted by the differences between when an amount of revenue or expense is recognised for accounting purposes and when income and deductions are recognised under the tax laws.

9. Includes associated delivery fee income.

Notes to the Condensed Financial Statements continued

SECTION 2: OPERATING ASSETS AND LIABILITIES

2.1 INTANGIBLE ASSETS

The Group acquired a total amount of \$1,556,000 of intangible assets during the six months ended 31 December 2023 (\$2,045,000 was acquired during the six months ended 31 December 2022). Intangible assets acquired during the six months ended 31 December 2022 includes \$400,000 of intangible assets as part of the Brosa acquisition. Refer to the ASX announcement 'Kogan.com acquires Brosa' released on 22/12/2022.

SECTION 3: CAPITAL STRUCTURE AND FINANCING

3.1 LOANS AND BORROWINGS

The Group has multiple debt facilities, referring to loans and borrowings in the balance sheet. The tables below set out the various structures of the debt facilities between Kogan.com and Mighty Ape as at balance dates.

	KOGAN		MIGHTY APE	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Debt Facility	\$'000 AUD	\$'000 AUD	\$'000 NZD	\$'000 NZD
Multi-option facility	35,000	35,000	Overdraft facility	1,500
Additional debt facility	–	–	Trade finance facility	–
Total Debt Facility	35,000	35,000	Total Debt Facility	1,500
				7,500

No debt facility was drawn upon as at 31 December 2023 (30 June 2023: Nil).

3.2 CAPITAL AND FINANCIAL RISK MANAGEMENT

The Group held the following financial assets and liabilities at reporting date:

	CONSOLIDATED GROUP	
	31 December 2023	30 June 2023
Note	\$'000	\$'000
Financial assets		
Cash and cash equivalents	83,313	65,438
Trade and other receivables	6,850	5,432
Other financial assets	–	146
Total financial assets	90,163	71,016
Financial liabilities		
Trade and other payables	84,781	61,429
Acquisition payables	–	10,957
Lease liabilities – current	5,819	7,532
Lease liabilities – non-current	16,236	8,200
Other financial liabilities	4	–
Total financial liabilities	106,840	88,118

Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- cash and cash equivalents; and
- foreign exchange forward contracts.

The Group does not subsequently measure any liabilities at fair value.

A. FAIR VALUE HIERARCHY

AASB 9 *Financial Instruments* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

LEVEL 1	LEVEL 2	LEVEL 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Cash and cash equivalents are Level 1 measurements, whilst foreign exchange contracts are Level 2. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The table below sets out the fair value of foreign exchange contracts and the shares as at 31 December 2023. This represented the amount 'in/(out) of the money' on financial instruments as at the reporting dates.

	CONSOLIDATED GROUP	
	31 December 2023	30 June 2023
	\$000	\$000
Foreign exchange contracts	(13)	96

B. DISCLOSED FAIR VALUE MEASUREMENTS

The carrying value of financial assets and financial liabilities are not materially different to their fair values.

The Group enters into forward exchange contracts to manage the foreign exchange risk attached to inventory purchased in foreign currency. The Group has elected not to adopt hedge accounting, with any period movements in the fair value of the derivative contract taken to the income statement.

The fair value of forward exchange contracts is determined based on an external valuation report using forward exchange rates at the balance sheet date.

Notes to the Condensed Financial Statements continued

3.3.1 ISSUED CAPITAL AND RESERVES

A. ORDINARY SHARES

	CONSOLIDATED GROUP			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$	\$	No.	No.
Fully paid ordinary shares	274,727,155	291,013,771	101,423,382	104,690,203

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

B. MOVEMENTS IN ORDINARY SHARE CAPITAL

Details	Date	No. of shares	Issue price	\$
Balance	31 December 2021	106,888,209		300,703,112
Shares issues to eligible employees under an incentive plan	25 February 2022	37,831	\$11.26	425,934
Shares issues to eligible employees under an incentive plan	25 February 2022	678	\$6.04	4,096
Shares issues to eligible employees under an incentive plan	6 April 2022	885	\$5.65	5,000
Tax deduction for difference between accounting expense and funds paid to issue incentive plans	30 June 2022	–	–	(56,503)
Balance	30 June 2022	106,927,603		301,081,639
Shares issues to eligible employees under an incentive plan	23 August 2022	116,495	\$3.99	464,945
Tax deduction for difference between accounting expense and funds paid to issue incentive plans	31 December 2022	–	–	2,757
Balance	31 December 2022	107,044,098		301,549,341
Shares issues to eligible employees under an incentive plan	27 February 2023	32,445	\$7.74	251,018
On-market share buy-back	30 June 2023	(1,563,000)	\$4.44	(6,944,159)
On-market share buy-back	30 June 2023	(823,340)	\$4.67	(3,842,429)
Balance	30 June 2023	104,690,203		291,013,771
Shares issues to eligible employees under an incentive plan	22 August 2023	174,928	\$8.11	1,418,103
On-market share buy-back	15 September 2023	(1,521,734)		(7,980,869)
On-market share buy-back	6 October 2023	(309,119)		(1,590,249)
On-market share buy-back	10 November 2023	(580,239)		(2,757,631)
Shares issues to eligible employees under an incentive plan	29 November 2023	3,307	\$5.21	17,229
On-market share buy-back	29 December 2023	(1,033,964)		(5,393,199)
Balance	31 December 2023	101,423,382		274,727,155

C. MERGER RESERVE

The acquisition of Kogan Operations Holdings Pty Ltd by Kogan.com Ltd has been treated as a common control transaction at book value for accounting purposes, and no fair value adjustments have been made. Consequently, the difference between the fair value of issued capital and the book value of net assets acquired is recorded within a merger reserve of \$131,816,250 (30 June 2022: \$131,816,250).

D. SHARE-BASED PAYMENTS RESERVE

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration. The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the Ordinary Shares at the date at which they are granted. The fair value is determined using a discounted cash flow valuation model, taking into account the terms and conditions upon which the equity instruments were granted, as discussed in Note 5.1.

3.3.2 DIVIDENDS

No dividends were paid during the six months to 31 December 2023 (1HFY23: \$nil).

3.4 EARNINGS PER SHARE**a. Net profit or loss for the reporting period used as the numerator**

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	\$'000	\$'000
Net profit/(loss) for the reporting period	8,680	(23,824)

b. Weighted average number of ordinary shares of the entity used as the denominator

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	No.	No.
Weighted average number of ordinary shares of the entity	103,607,971	107,009,909
Diluted weighted average number of ordinary shares of the entity	111,799,818	107,126,404

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	\$	\$
Basic earnings per Share	0.08	(0.22)
Diluted earnings per Share	0.08	(0.22)

Notes to the Condensed Financial Statements continued

SECTION 4: GROUP STRUCTURE

4.1 RELATED PARTIES

a. The Group's main related parties are as follows:

(i) ENTITIES EXERCISING CONTROL OVER THE GROUP:

The ultimate parent entity that exercised control over the Group at 31 December 2023 was Kogan.com Ltd, which is incorporated in Australia.

(ii) KEY MANAGEMENT PERSONNEL:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the entity, are considered Key Management Personnel. There is no change to the Key Management Personnel identified in the Group's Annual Report for the year ended 30 June 2023.

(iii) OTHER RELATED PARTIES:

Other related parties include entities controlled by the ultimate parent entity and entities over which Key Management Personnel have joint control.

b. Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Kogan Australia Pty Ltd entered into a Logistic Services Agreement with eStore Logistics Pty Ltd ("eStore"), in a prior financial period, in relation to the provision of warehousing, distribution and logistics services by eStore to Kogan Australia. Ruslan Kogan is a minority Shareholder and Director of eStore. The agreement was entered into on arm's length terms.

	CONSOLIDATED GROUP	
	31 December 2023	31 December 2022
	\$	\$
Services provided by eStore warehousing for the half ending	1,156,499	2,101,837
Amounts payable to eStore as at 31 December	207,749	332,664

The reduction in services year-on-year largely reflects the right-sizing of inventory levels. Amount payable to eStore at 31 December 2023 was \$207,749 (30 June 2023: \$253,873).

SECTION 5: TEAM MEMBER REWARD AND RECOGNITION

5.1 INCENTIVE PLANS

Kogan.com Ltd has adopted an Equity Incentive Plan (EIP) to assist in the motivation and retention of management and selected team members.

The Group has established incentive arrangements subsequent to listing on the ASX to assist in the attraction, motivation and retention of the executive team and other selected team members. To align the interests of its team members and the goals of the Group, the Directors have decided the remuneration packages of the executive team and other selected team members will consist of the following components:

- fixed remuneration (inclusive of superannuation);
- short-term cash-based incentives; and
- equity based long-term incentives.

The Group has established the EIP, which is designed to align the interests of eligible team members more closely with the interests of Shareholders in the ASX listed entity post 7 July 2016. Under the EIP, eligible team members may be offered Restricted Shares, Options or Rights which may be subject to vesting conditions. The Group may offer additional long-term incentive schemes to senior management and other team members over time.

Short-term incentives – Cash based

The following table outlines the significant aspects of the short-term incentive (STI):

Purpose of the STI plan	<p>Provide a link between remuneration and both short-term Company and individual performance.</p> <p>Create sustainable shareholder value.</p> <p>Reward individuals for their contribution to the success of the Group.</p> <p>Actively encourage team members to take more ownership over the EBITDA.</p>
Eligibility	Offers of cash incentives may be made to any team members of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of cash incentive under the STI.
Calculation & Target	<p>The actual EBITDA of Kogan.com shall exceed the management forecast for the full financial year (after payment of the STI).</p> <p>25% of the outperformance will be allocated to a 'bonus pool'.</p> <p>The 'bonus pool' will then be shared in cash bonuses among a number of team members in fixed proportions.</p>
Maximum opportunity	The maximum payable is 25% of the outperformance and 35% of the team member's annual salary.
Performance conditions	<p>Outperformance of the actual EBITDA.</p> <p>Continuation of employment.</p> <p>Performance conditions for STIs granted to Ruslan Kogan and David Shafer (Executive Management) following the 2023 AGM were outlined in the ASX announcement on 18 October 2023. Please refer to that announcement for specific details.</p>
Why were the performance conditions chosen	To achieve successful and sustainable financial business outcomes as well as any annual objectives that drive short-term and long-term business success and sustainability.
Performance period	1 July 2023 to 30 June 2024.
Timing of assessment	August 2024, following the completion of the 30 June 2024 account.
Form of payment	Paid in cash.
Board discretion	Targets are reviewed annually and the Board has discretion to adapt appropriately to take into account exceptional items.

Notes to the Condensed Financial Statements continued

Long-term incentives – Equity Incentive Plan

The following table outlines the significant aspects of the current Equity Incentive Plan (EIP):

Consideration	Nil.
Eligibility	Offers of Incentive Securities may be made to an employee of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Incentive Securities under the EIP.
Amounts payable & Entitlement	No amount is payable upon the exercise of a Performance Right that has vested, with each Performance Right entitling the holder to one fully paid Ordinary Share on exercise.
Service condition on vesting	Individual must be employed by the Group at time of vesting and not be in their notice period.
Non-service conditions on vesting	In specific cases, outperformance of prior year's Adjusted EBITDA by an agreed percentage (%) is applicable. Non-service conditions on vesting of Performance Rights granted to Ruslan Kogan and David Shafer (Executive Management) were outlined in the ASX announcement on 18 October 2023. Please refer to this announcement for specific details.
Restriction on dealing	Shares allocated upon exercise of Performance Rights will rank equally with all existing Ordinary shares from the date of issue (subject only the requirements of Kogan.com's Securities Trading Policy). Upon vesting, there will be no disposal restrictions placed on the Shares issued to participants (subject only to the requirements of Kogan.com's Securities Trading Policy).
Lapse of Rights	A Right will lapse upon the earliest to occur of: <ul style="list-style-type: none"> • expiry date; • failure to meet vesting conditions; • employment termination; • the participant electing to surrender the Right; and • where, in the opinion of the Board, a participant deals with a Right in contravention of any dealing restrictions under the EIP.

The following table details the total movement in performance rights issued by the Group during the period:

Six months to 31 December	LONG-TERM INCENTIVE PLANS			
	PERFORMANCE RIGHTS		OPTIONS	
	No. 2023	No. 2022	No. 2023	No. 2022
Outstanding at beginning of period	1,199,661	963,331	6,674,308	6,491,632
Granted during the period	835,639	266,840	17,994	332,676
Exercised during the period	(178,235)	(116,495)	–	–
Forfeited during the period	(72,515)	(6,989)	(21,670)	(150,000)
Outstanding at the end of the period	1,784,550	1,106,687	6,670,632	6,674,308
Due to vest/exercisable at the end of the period	78,297	43,567	6,061,632	–

The following inputs were used in the measurement of the fair values of performance rights issued, at grant date:

LONG-TERM INCENTIVE PLANS				
Grant Date	17 August 2020	25 January 2021	16 April 2021	16 April 2021
Number	340	40,226	1,254	3,133
Fair Value at grant date	\$6,973	\$723,666	\$16,691	\$41,700
Share price at grant date	\$20.51	\$17.99	\$13.31	\$13.31
Strike price	–	–	–	–
Rights life	3 to 4 years	3.5 years	2.5 years	3 years
Vesting dates	31 Dec 2023 31 Dec 2024	30 Jun 2024	31 Dec 2023	30 Jun 2024
Dividend yield	1.4%	0.9%	1.2%	1.2%

LONG-TERM INCENTIVE PLANS				
Grant Date	30 June 2021	30 June 2021	25 August 2021	25 August 2021
Number	451	97,201	1,548	4,013
Fair Value at grant date	\$5,223	\$1,125,588	\$16,718	\$43,340
Share price at grant date	\$11.58	\$11.58	\$10.80	\$10.80
Strike price	–	–	–	–
Rights life	2.5 years	3 years	2.5 years	3 to 4 years
Vesting dates	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024 30 Jun 2025
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS				
Grant Date	7 October 2021	7 October 2021	31 December 2021	6 April 2022
Number	280,000	1,000	8,011	6,369
Fair Value at grant date	\$2,766,400	\$9,740	\$70,657	\$35,603
Share price at grant date	\$9.74	\$9.74	\$8.82	\$5.59
Strike price	\$9.88	–	–	–
Rights life	3 years	3 years	2 years	2 years
Vesting dates	25 Feb 2024	30 Jun 2024	31 Dec 2023	31 Dec 2023
Dividend yield	–	–	–	–

Notes to the Condensed Financial Statements continued

LONG-TERM INCENTIVE PLANS

Grant Date	6 April 2022	30 June 2022	30 June 2022	30 June 2022
Number	352,518	7,937	107,417	60,000
Fair Value at grant date	\$1,970,576	\$22,065	\$298,619	\$226,800
Share price at grant date	\$5.59	\$2.78	\$2.78	\$2.78
Strike price	–	–	–	\$3.78
Rights life	2 to 3 years	1.5 years	2 to 4 years	2 to 5 years
Vesting dates	30 Jun 2024	31 Dec 2023	30 Jun 2024	27 Feb 2024
	30 Jun 2025		30 Jun 2025	27 Feb 2025
			30 Jun 2026	27 Feb 2026
				27 Feb 2027
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS

Grant Date	23 August 2022	3 October 2022	3 October 2022	3 October 2022
Number	13,514	12,229	135,149	178,773
Fair Value at grant date	\$47,975	\$35,831	\$395,987	\$222,394
Share price at grant date	\$3.55	\$2.93	\$2.93	\$2.93
Strike price	–	–	–	\$3.68
Rights life	2 to 3 years	1 to 2 years	1.5 years to 2.5 years	2 years
Vesting dates	30 Jun 2024	31 Dec 2023	30 Jun 2024	1 Sep 2024
	30 Jun 2025	31 Dec 2024	30 Jun 2025	
			30 Jun 2026	
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS

Grant Date	4 October 2022	12 January 2023	12 January 2023	13 January 2023
Number	72,233	44,676	5,468	1,359
Fair Value at grant date	\$99,970	\$179,598	\$21,981	\$5,477
Share price at grant date	\$3.06	\$4.02	\$4.02	\$4.03
Strike price	\$3.68	–	–	\$3.68
Rights life	2 years	1 to 2 years	1.5 years	1 to 2 years
Vesting dates	31 Dec 2024	31 Dec 2023	30 Jun 2024	30 Jun 2024
		31 Dec 2024		
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS				
Grant Date	31 January 2023	14 April 2023	14 April 2023	22 August 2023
Number	11,870	56,669	42,439	15,000
Fair Value at grant date	\$53,415	\$204,575	\$153,205	\$76,050
Share price at grant date	\$4.50	\$3.61	\$3.61	\$5.07
Strike price	–	–	–	–
Rights life	1 to 3 years	1 to 4 years	2 to 3 years	2 to 3 years
Vesting dates	30 Jun 2024	31 Dec 2023	30 Jun 2024	30 Jun 2025
	30 Jun 2025	31 Dec 2024	30 Jun 2025	30 Jun 2026
		31 Dec 2025	30 Jun 2026	
		31 Dec 2026		
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS				
Grant Date	26 September 2023	26 September 2023	26 September 2023	29 November 2023
Number	82,919	81,458	16,635	3,307
Fair Value at grant date	\$422,887	\$415,436	\$30,000	\$17,229
Share price at grant date	\$5.10	\$5.10	\$5.10	\$5.21
Strike price	–	–	\$1.73	–
Rights life	2 to 3 years	Up to 3.5 years	2 years	1 year
Vesting dates	30 Jun 2024	31 Dec 2023	30 Jun 2025	30 Jun 2024
	30 Jun 2025	31 Dec 2024		
	30 Jun 2026	31 Dec 2025		
		31 Dec 2026		
Dividend yield	–	–	–	–

LONG-TERM INCENTIVE PLANS		
Grant Date	21 December 2023	21 December 2023
Number	65,242	583,192
Fair Value at grant date	\$332,734	\$2,974,279
Share price at grant date	\$5.10	\$5.10
Strike price	–	–
Rights life	1 year	1.5 to 2.5 years
Vesting dates	31 Dec 2024	30 Jun 2025
		30 Jun 2026
Dividend yield	–	–

During the period the Group recognised a share-based payment expense of \$2.1 million (1HFY23: \$14.2 million).

Notes to the Condensed Financial Statements continued

SECTION 6: OTHER

6.1 SUBSEQUENT EVENTS

The Board has declared an Interim Dividend of 7.5 cents per Ordinary Share (fully franked) on 26 February 2024. The Interim Dividend has not been recognised as a liability in the consolidated financial statements at 31 December 2023.

Other than the above, there are no further matters or circumstances which have arisen since 31 December 2023 which have, or may have had, a significant impact on the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

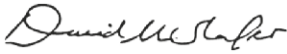
6.2 CONTINGENT LIABILITIES

As at 31 December 2023, the Group had bank guarantees amounting to AUD \$1.2 million (30 June 2023: \$1.2 million) and NZD \$8.6 million (30 June 2023: NZD \$8.6 million) with Westpac Banking Corporation in relation to its ordinary course of business.

Directors' Declaration

- 1 In the opinion of the Directors of Kogan.com Ltd ('the Company'):
- (a) the consolidated interim financial statements and notes that are set out on pages 06 to 24 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance and its cash flows, for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional requirements; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



David Shafer
Executive Director

Melbourne, 26 February 2024

Independent Auditor's Report

To the Members of Kogan.com Ltd and Controlled Entities



Independent Auditor's Review Report

To the shareholders of Kogan.com Ltd.

Report on the Condensed Half-year Financial Report

Conclusion

We have reviewed the accompanying **Condensed Half-year Financial Report** of Kogan.com Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Half-year Financial Report of Kogan.com Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023
- Condensed consolidated income statement and consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Half-year ended on that date
- Notes 1.1 to 6.2 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Kogan.com Ltd (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



Responsibilities of the Directors for the Condensed Half-year Financial Report

The Directors of the Group are responsible for:

- the preparation of the Condensed Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Half-year Financial Report

Our responsibility is to express a conclusion on the Condensed Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

26 February 2024

Corporate Directory

COMPANY SECRETARY

Mark Licciardo, Acclime Australia

PRINCIPAL REGISTERED OFFICE

KOGAN.COM LTD

C/-Acclime Australia
7/330 Collins Street
Melbourne VIC 3000

+61 3 8689 9997

PRINCIPAL PLACE OF BUSINESS

KOGAN.COM LTD

139 Gladstone Street
South Melbourne VIC 3205

+61 3 6285 8572

LOCATION OF SHARE REGISTRY

AUTOMIC GROUP

Suite 5, Level 12
530 Collins Street
Melbourne VIC 3000

1300 288 664

STOCK EXCHANGE LISTING

Kogan.com Ltd (KGN) shares are listed on the ASX.

AUDITORS

KPMG

Tower Two, Collins Square
727 Collins Street
Docklands VIC 3008

For personal use only

This page has been left blank intentionally.

For personal use only

kogan
.com