

## Appendix 4E – Kogan.com Ltd

ABN 96 612 447 293

### Year ended 30 June 2024

(Previous corresponding period: Year ended 30 June 2023)

	30 June 2024 \$000's	30 June 2023 \$000's	Change \$000's	Change %
Revenues from ordinary activities	459,703	489,494	(29,791)	(6.1)
Profit/(Loss) before tax	21,220	(38,057)	59,277	n/a
Profit/(Loss) after tax <sup>a</sup>	83	(25,852)	25,935	n/a

a. The income tax expense in FY24 includes an adjustment to the deferred tax asset balance. The adjustment recorded has no impact on tax payable (i.e. no cash impact) in FY24 or in future years. For further details, refer to Note 5 of the Kogan.com Ltd Preliminary Financial Report for the year ended 30 June 2024.

### Abbreviated explanation of results

The Group's return to strong profitability was the key highlight in FY24. Despite revenues from ordinary activities declining, Gross Profit of \$168.4 million represented an increase of 23.3%. The growth in Gross Profit was driven by increased contribution from Platform-based Sales, which represents income from Kogan FIRST, Mighty Ape PRIMATE, Marketplace, Verticals and Advertising, which deliver recurring and higher margin earnings. The Group's Gross Margin grew 8.7pp to 36.6% in FY24. These factors, combined with additional cost efficiencies, continued focus on inventory management and non-recurrence of certain one-off items, primarily drove Profit Before Tax to \$21.2 million, which was a \$59.3 million turnaround from the prior year's Loss Before Tax of \$38.1 million.

Kogan FIRST Subscribers grew to over 502,000 as at 30 June 2024, representing over 25% growth YoY, delivering \$43.7 million in subscription revenue. Mighty Ape PRIMATE also grew over 35% to over 23,000 Subscribers by 30 June 2024. The Verticals had a standout year, achieving record revenue of \$20.0 million, reflecting 20.5% YoY growth. Additionally, the Advertising Platform, launched in August 2023, rapidly scaled and generated \$2.9 million in revenue this year. The revenues generated from these platform-based streams also equates to their Gross Profit.

The Group was also encouraged by the performance of the Products Division. While the division's revenues declined 15.6% YoY, a return to growth of 3.8% YoY was achieved in the fourth quarter. Further, through careful inventory management and enhanced product mix, the division's Gross Profit grew 39.6% to \$39.3 million.

Operating costs reduced year-on-year as the business delivered on a number of cost-saving initiatives. These included 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 business completed the year with \$41.2 million of cash, with no debt. Strong operating leverage and cash flows allowed the investment of \$23.8 million into the ongoing share buy-back program, completion of the final Mighty Ape acquisition tranche payment of \$10.9 million, payment for Interim dividend (net of dividend reinvestment plan) of \$6.5 million and cash-settlement of Executive Options of \$13.4 million<sup>1</sup>.

1. The total value of cash-settlement was \$17.6 million. The outstanding \$4.2 million relates to PAYG withholding payable to the ATO, which was settled in August 2024.

The Group recorded a statutory profit after tax of \$0.08 million, following a significant loss in the prior year.

The statutory profit after tax includes the below material non-cash items:

- Deferred tax asset release of \$14.7 million, with a corresponding impact to income tax expense, as a result of the difference between the value expensed for the 2020 AGM Executive Options (\$66.5m - based on fair value at time of grant), and the actual cash payment that occurred upon exercise (\$17.6m);
- Non-cash equity-based compensation expense of \$3.9 million (FY23: \$31.3 million);
- Unrealised losses of \$0.1 million (FY23: unrealised gain \$0.1 million) in relation to open forward foreign exchange contracts held as at 30 June 2024; and
- Non-cash depreciation and amortisation of intangible assets (Brand, software and right-of-use assets) that were acquired as part of the Mighty Ape acquisition in December 2020 of \$3.4 million (FY23: \$3.4 million).

These items are not considered by the Group to be representative of the underlying performance of the Business. As such, Adjusted Profit After Tax<sup>2,3</sup> of \$21.0 million (FY23: -\$4.3 million<sup>7</sup>), may be a useful metric to assess underlying business performance.

Refer to the accompanying market release and the Kogan.com FY24 Results Presentation dated 26 August 2024 for further commentary.

### Preliminary financial statements<sup>4</sup>

Please refer to pages 6 through 24 of this report wherein the following are provided (“financial report”):

- Consolidated income statement and consolidated statement of other comprehensive income for the year ended 30 June 2024
- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of changes in equity for the year ended 30 June 2024
- Consolidated statement of cash flows for the year ended 30 June 2024
- Notes to the consolidated financial statements

### Control gained of entities in the period

Kogan.com Ltd did not establish any new subsidiaries during FY24 (FY23: nil).

### Net tangible assets per share

	30 June 2024	30 June 2023
Net tangible assets backing per Ordinary Shares	\$0.39	\$0.76

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.

3. Refer to the Results Presentation dated 26 August 2024 for a detailed reconciliation to the Adjusted Profit After Tax result. Adjusted NPAT excludes non-cash items including unrealised gains/(losses) and equity-based compensation.

4. All reports are based on preliminary unaudited results.

## Dividends

	Cents per Share	Franked amount per share at 30% of Tax (cents)
Ordinary Shares:		
2023 Interim dividend	-	-
2023 final dividend	-	-
2024 interim dividend (paid 31 May 2024)	7.50	7.50
2024 final dividend declared	7.50	7.50

### FY24 Final Dividend update

The Board has announced a fully franked Final Dividend of 7.5 cents per Ordinary Share, to be distributed to holders of fully paid Ordinary Shares on 29 November 2024.

### Dividend Reinvestment Plan (DRP)

A DRP was available for the FY24 interim Dividend and the DRP will also apply for the FY24 Final Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

### Commentary on the results for the period

Further commentary and analysis of the results has been provided in the FY24 Results Presentation dated 26 August 2024.

### Principal activities

Kogan.com is a portfolio of retail and service businesses that includes Kogan Retail, Kogan Marketplace, Verticals, 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 premium membership service Kogan FIRST and Mighty Ape PRIMATE, Platform-based Sales, which include seller fees from Kogan Marketplace, commission-based Revenue from Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Energy, Kogan Travel and Mighty Mobile ("Verticals") and advertising fees from Advertising Platform.

There were no significant changes in the nature of the activities of the Group during the year.

## Highlights of the full year result

- The north star of the business, Kogan FIRST, grew to over 502,000 Subscribers as at 30 June 2024. This represented over 25% growth year-on-year. Following renewed focus, the Mighty Ape PRIMATE loyalty program reached over 23,000 Subscribers as at 30 June 2024, representing over 35% growth year-on-year. Both programs are fostering a loyal customer base with exclusive offers, rewards and deals.
- Group Active Customers of 2,609,000 at 30 June 2024, consists of 1,909,000 for Kogan.com and 700,000 for Mighty Ape.
- Platform-based Sales<sup>5</sup> contributed 62% of Kogan.com (excluding Mighty Ape) Gross Sales in FY24 (FY23: 57%). These sales generate higher margin earnings.
- Operating leverage of the business was restored to historical levels, having been impacted by COVID between FY21 to FY23. Key highlights include Gross Margin growing to 36.6% (FY23: 27.9%), Adjusted EBITDA margin growing to 8.7% (FY23: 1.4%) and Adjusted EBIT margin growing to 6.2% (FY23: -1.3%).
- Kogan Verticals (excluding Mighty Mobile) achieved a record year, with Revenue of \$19.9m in FY24 (FY23: \$16.6m). During the year one new Vertical was launched, Mighty Mobile, which is performing well and is in line with expectations.
- The Kogan Advertising Platform launched during the first-half of FY24. It has scaled quickly and our Marketplace Sellers are recognising the benefit it provides to their business. In the short time since launch, it generated \$2.9 million of Revenue, and is continuing to scale.
- Mighty Ape recorded Revenue of \$146.5million<sup>6</sup>. Gross Profit generated by Mighty Ape was \$39.8 million<sup>6</sup>, an increase of 2.0% year on year. However Adjusted EBITDA did reduce 18.3% to \$7.4 million<sup>6</sup> (FY23: \$9.0 million), as operational costs increased following the opening of the new Christchurch warehouse and continued investment in internal systems.
- Variable costs reduced by over 12% year-on-year, as the realignment of inventory in the business allowed for a combination of consolidation and reduction in costs within our logistics network.
- The business pivoted its marketing efforts to support growth in our most loyal customers via our two loyalty programs, Kogan FIRST and Mighty Ape PRIMATE. While we reduced marketing spend year-on-year, we also delivered growth in Kogan FIRST Subscribers of over 25% YoY and growth in Mighty Ape PRIMATE of over 35% YoY.
- As of 30 June 2024, the Kogan Group held a cash balance of \$41.2 million with no external debt. Throughout the year, the Group invested \$23.8 million into its ongoing Share Buy-Back program, \$10.9 million to complete the final tranche payment for the Mighty Ape acquisition, \$13.4 million<sup>1</sup> to cash-settle the 2020 AGM Executive Options, and \$6.5 million for the FY24 Interim Dividend (net of the Dividend Reinvestment Plan).
- The Kogan Group inventories totalled \$73.4 million as at 30 June 2024, versus \$68.2 million as at 30 June 2023. This increase reflects the right inventory level to meet anticipated demand and support business growth.
- The Group achieved a significant turnaround, with Adjusted EBITDA rising to \$40.0 million (FY23: \$6.8 million) and Adjusted EBIT improving to \$28.3 million (FY23: -\$6.4 million<sup>7</sup>).

## Foreign entities

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.

## Status of the audit

This report should be read in conjunction with the preliminary financial report. The financial statements in the preliminary financial report are in the process of being audited.

5. Refers to sales generated by Kogan Marketplace, Kogan FIRST, Kogan Verticals and Advertising & Other Income. It excludes sales by Products and Mighty Ape.

6. Values stated in AUD using 1 July 2023 to 30 June 2024 average rate of 0.9253 NZ/AU.

7. This figure has been revised to reflect the non-cash depreciation & amortisation of Mighty Ape brands, software and right-of-use assets that were acquired as part of the Mighty Ape acquisition.

### Events after 30 June 2024

The Directors have declared a final Dividend of 7.5 cents per Ordinary Share, fully franked, on 26 August 2024. The final Dividend was not determined until after the Balance Sheet date and accordingly no provision has been recognised at 30 June 2024.

The Dividend Reinvestment Plan will apply to FY24 Final Dividend.

### Annual General Meeting

Kogan.com Ltd advises that its Annual General Meeting will be held on Friday, 22 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after dispatch.

In accordance with the ASX Listing Rules and the company's constitution, valid nominations for the position of Director are required to be lodged at the registered office of the company by 5:00pm (AEST) 7 October 2024.

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

Greg Ridder  
Chairman



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kogan.com

ABN 96 612 447 293

**Preliminary financial report for  
the year end 30 June 2024.**

## Consolidated income statement and consolidated statement of other comprehensive income

For the year ended 30 June 2024.

	Note	2024 \$000's	2023 \$000's
Revenue	3	459,703	489,494
Cost of sales	4	(291,266)	(352,931)
<b>Gross profit</b>		<b>168,437</b>	<b>136,563</b>
Selling and distribution expenses		(57,528)	(54,215)
Warehouse expenses		(7,376)	(13,549)
Administrative expenses		(81,140)	(103,073)
Other expenses		(2,135)	(2,072)
<b>Results from operating activities</b>		<b>20,258</b>	<b>(36,346)</b>
Finance income		1,614	853
Finance costs		(545)	(2,660)
Unrealised (loss)/gain		(107)	96
<b>Net finance income/(cost)</b>		<b>962</b>	<b>(1,711)</b>
<b>Profit/(Loss) before income tax</b>		<b>21,220</b>	<b>(38,057)</b>
Tax (expense)/benefit	5	(21,137)	12,205
<b>Profit/(Loss) after income tax</b>		<b>83</b>	<b>(25,852)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange (loss)/gain on translation of foreign operations		(181)	451
<b>Other comprehensive (loss)/income for the year</b>		<b>(181)</b>	<b>451</b>
<b>Total comprehensive (loss) for the year</b>		<b>(98)</b>	<b>(25,401)</b>
Basic earnings/(losses) per Ordinary Share		0.00	(0.24)
Diluted earnings/(losses) per Ordinary Share		0.00	(0.23)

The accompanying notes form part of these financial statements

## Consolidated statement of financial position

For the year ended 30 June 2024.

ASSETS	Note	2024 \$000's	2023 \$000's
<b>Current assets</b>			
Cash and cash equivalents	13	41,183	65,438
Trade and other receivables	7	6,770	5,432
Inventories	6	73,391	68,158
Other financial assets		152	146
Prepayments and other assets	8	3,467	2,928
Current tax assets		217	755
<b>Total current assets</b>		<b>125,180</b>	<b>142,857</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	24,693	17,214
Intangible assets	10	84,243	88,153
Deferred tax assets		9,314	25,834
<b>Total non-current assets</b>		<b>118,250</b>	<b>131,201</b>
<b>Total assets</b>		<b>243,430</b>	<b>274,058</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	72,886	61,429
Acquisition payables	9	-	10,957
Lease liabilities		7,553	7,532
Current tax liabilities		1,353	-
Employee benefits		1,958	1,743
Provisions		3,012	2,862
Deferred income		17,167	13,155
<b>Total current liabilities</b>		<b>103,929</b>	<b>97,678</b>
<b>Non-current liabilities</b>			
Lease liabilities		15,482	8,200
Employee benefits		416	462
<b>Total non-current liabilities</b>		<b>15,898</b>	<b>8,662</b>
<b>Total liabilities</b>		<b>119,827</b>	<b>106,340</b>
<b>Net assets</b>		<b>123,603</b>	<b>167,718</b>
<b>Equity</b>			
Issued capital	14	270,012	291,014
Merger reserve	14	(131,816)	(131,816)
Other reserves		55,776	71,431
Accumulated losses		(70,369)	(62,911)
<b>Total equity</b>		<b>123,603</b>	<b>167,718</b>

The accompanying notes form part of these financial statements



## Consolidated statement of changes in equity

For the year ended 30 June 2024.

CONSOLIDATED GROUP	Note	Share Capital \$000	Accumulated losses \$000	Merger reserve \$000	Translation reserve \$000	Share-based payments reserve \$000	Total Equity \$000
<b>Balance at 1 July 2022</b>		<b>301,082</b>	<b>(37,059)</b>	<b>(131,816)</b>	<b>(828)</b>	<b>41,257</b>	<b>172,636</b>
Comprehensive income							
Net loss after tax		-	(25,852)	-	-	-	(25,852)
Other comprehensive income		-	-	-	451	-	451
<b>Total net loss and other comprehensive income/(expense) for the year</b>		<b>-</b>	<b>(25,852)</b>	<b>-</b>	<b>451</b>	<b>-</b>	<b>(25,401)</b>
<b>Transactions with owners, in their capacity as owners</b>							
Issue of Ordinary Shares under performance plans		716	-	-	-	(716)	-
Tax deduction for difference between accounting expense and funds paid to issue incentive plans		3	-	-	-	-	3
Equity-settled share-based payments		-	-	-	-	31,267	31,267
Share buy-back	14	(10,787)	-	-	-	-	(10,787)
<b>Total transactions with owners and other transfers</b>		<b>(10,068)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,551</b>	<b>20,483</b>
<b>Balance at 30 June 2023</b>		<b>291,014</b>	<b>(62,911)</b>	<b>(131,816)</b>	<b>(377)</b>	<b>71,808</b>	<b>167,718</b>
<b>Balance at 1 July 2023</b>		<b>291,014</b>	<b>(62,911)</b>	<b>(131,816)</b>	<b>(377)</b>	<b>71,808</b>	<b>167,718</b>
<b>Comprehensive income</b>							
Net profit after tax		-	83	-	-	-	83
Other comprehensive income		-	-	-	(181)	-	(181)
<b>Total net profit and other comprehensive income/(expense) for the year</b>		<b>-</b>	<b>83</b>	<b>-</b>	<b>(181)</b>	<b>-</b>	<b>(98)</b>
<b>Transactions with owners, in their capacity as owners</b>							
Issue of Ordinary Shares under performance plans		1,809	-	-	-	(1,809)	-
Equity-settled share-based payments		-	-	-	-	3,939	3,939
Share buy-back <sup>8</sup>		(23,849)	-	-	-	-	(23,849)
Repurchase of equity <sup>9</sup>	14	-	-	-	-	(17,604)	(17,604)
Dividend reinvestment plan	14	1,038	(1,038)	-	-	-	-
Dividends paid	15	-	(6,504)	-	-	-	(6,504)
<b>Total transactions with owners and other transfers</b>		<b>(21,002)</b>	<b>(7,542)</b>	<b>-</b>	<b>-</b>	<b>(15,474)</b>	<b>(44,018)</b>
<b>Balance at 30 June 2024</b>		<b>270,012</b>	<b>(70,369)</b>	<b>(131,816)</b>	<b>(558)</b>	<b>56,334</b>	<b>123,603</b>

The accompanying notes form part of these financial statements

8. Out of \$23.85 million of share buy-back, \$23.8 million was paid during FY24, leaving \$0.05 million payables as at 30.06.2024

9. Refer to the ASX announcement dated 4 April 2024 for details regarding the Exercise of Options for Cash Settlements

## Consolidated statement of cash flow

For the year ended 30 June 2024.

	Note	2024 \$000's	2023 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		519,229	509,930
Payments to suppliers and employees <sup>10</sup>		(488,724)	(432,295)
Interest received		1,614	853
Finance costs paid		(1,210)	(2,040)
Income tax paid		(2,723)	(5,591)
<b>Net cash provided by operating activities</b>	<b>17</b>	<b>28,186</b>	<b>70,857</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,563)	(404)
Purchase of intangible assets		(3,452)	(3,756)
Disposal of financial assets		-	351
Business acquisition net of acquired cash <sup>11</sup>		(10,943)	(14,243)
<b>Net cash (used in) investing activities</b>		<b>(15,958)</b>	<b>(18,052)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid net of Dividend Reinvestment Plan		(6,504)	-
Drawn down on debt facility		10,000	1,033
Repayment of loans & borrowings		(10,000)	(36,033)
Payments for shares bought back		(23,799)	(10,787)
Repayment of lease liabilities		(6,089)	(8,004)
<b>Net cash (used in) by financing activities</b>		<b>(36,392)</b>	<b>(53,791)</b>
Net (decrease) in cash held		(24,164)	(986)
Cash and cash equivalents at beginning of financial year		65,438	66,230
Effects of exchange rate changes on cash		(91)	194
<b>Cash and cash equivalents at end of financial year</b>	<b>13</b>	<b>41,183</b>	<b>65,438</b>

The accompanying notes form part of these financial statements

10. Payments to suppliers and employees includes a \$13.4 million payment for cash-settlement of the 2020 AGM Executive Options. The total settlement value was \$17.6 million, with the outstanding value relating to PAYG withholding payable to the ATO, which was settled in August 2024 (FY25). Refer to the ASX announcement dated 4 April 2024 for details regarding the Exercise of Options for Cash Settlements.

11. FY24 related to the Mighty Ape acquisition Tranche 4 payment. FY23 related to the Mighty Ape acquisition Tranche 3 payment and the Brosa acquisition.

## Notes to the consolidated financial statements

For the year ended 30 June 2024.

### NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### Basis of Preparation

These preliminary consolidated financial statements relate to Kogan.com Ltd and its controlled entities ("the Group"; "Kogan.com") for the year ended 30 June 2024 and have been prepared based on the requirements of rule 4.3A of the ASX listing rules (Appendix 4E).

The accounting policies used in these preliminary consolidated financial statements are consistent with 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 Report) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial Report are rounded to the nearest thousand dollars, except where otherwise indicated.

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group'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 judgements that have the most material effect on the amounts recognised in the financial statements are:

- The valuation of Goodwill based on value in use calculations.
- 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 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 the next financial year.
- The provision for slow moving and obsolete inventory is based on estimates of net realisable value.

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

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 2: SEGMENT INFORMATION

#### (i) Basis of 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

Kogan.com

#### Operations

Online retailer selling in-house and third-party brand products, providing premium memberships, generating Platform-based revenue including seller fees for marketplace sellers, commission-based telecommunication, internet, insurance, utilities, and travel as well as advertising fees on Advertising platform.

Mighty Ape

Online specialist retailer of gaming and entertainment products, also providing premium subscriptions and commission-based telecommunication services to customers.

#### (ii) Segment information provided to the Board

Information for each reportable segment, divided by primary geographical market, is provided below. Segment adjusted EBITDA is used to measure performance, as management believes it is the most relevant metric for evaluating the results of the respective segments compared to other entities in the same sectors.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

REPORTABLE SEGMENT	KOGAN.COM		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
<b>30 June 2024</b>					
<b>Segment revenue</b>	<b>277,816</b>	<b>35,354</b>	<b>11,197</b>	<b>135,336</b>	<b>459,703</b>
Adjusted EBITDA	28,961	3,686	462	6,925	40,034
EBITDA	25,334	3,224	464	6,965	35,987
Depreciation and amortisation	(9,403)	-	-	(5,651)	(15,054)
EBIT	15,931	3,224	464	1,314	20,933
Interest expense	(680)	-	-	(647)	(1,327)
Interest income	1,302	-	-	312	1,614
<b>Profit before income tax</b>	<b>16,553</b>	<b>3,224</b>	<b>464</b>	<b>979</b>	<b>21,220</b>
<b>Other segment information</b>					
Segment assets	200,681	2,727	351	39,671	243,430
Non-current segment assets <sup>12</sup>	96,538	-	-	12,398	108,936
Segment liabilities	94,466	1,872	-	23,489	119,827

REPORTABLE SEGMENT	KOGAN.COM		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
<b>30 June 2023</b>					
<b>Segment revenue</b>	<b>300,816</b>	<b>33,882</b>	<b>14,845</b>	<b>139,951</b>	<b>489,494</b>
Adjusted EBITDA	(2,003)	(226)	603	8,439	6,813
EBITDA	(26,470)	(2,982)	577	8,080	(20,795)
Depreciation & amortisation	(11,412)	-	-	(5,172)	(16,584)
EBIT	(37,882)	(2,982)	577	2,908	(37,379)
Interest expense	(1,133)	-	-	(398)	(1,531)
Interest income	751	-	-	102	853
<b>Profit before income tax</b>	<b>(38,264)</b>	<b>(2,982)</b>	<b>577</b>	<b>2,612</b>	<b>(38,057)</b>
<b>Other segment information</b>					
Segment assets	204,178	23,836	1,536	44,508	274,058
Non-current segment assets <sup>12</sup>	92,869	-	-	12,498	105,367
Segment liabilities	78,638	2,726	-	24,976	106,340

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 3: REVENUE

<b>Revenue</b>	<b>2024</b> <b>\$000's</b>	<b>2023</b> <b>\$000's</b>
Sales revenue:		
Sale of goods <sup>13</sup>	370,193	419,992
Rendering of services	41,941	40,474
Kogan FIRST Subscriptions	43,667	26,283
	<b>455,801</b>	<b>486,749</b>
Advertising & Other revenue:		
Advertising	3,474	1,627
Other	428	1,118
	<b>3,902</b>	<b>2,745</b>
<b>Total revenue</b>	<b>459,703</b>	<b>489,494</b>

### NOTE 4: EXPENSES

<b>Expenses</b>	<b>2024</b> <b>\$000's</b>	<b>2023</b> <b>\$000's</b>
Cost of sales	291,266	352,931
Employee benefit expense	49,138	67,051
Depreciation and amortisation expense	15,054	16,584

13. Includes associated delivery fee income.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 5: TAXATION

	2024 \$000's	2023 \$000's
The components of tax expense comprise:		
Current tax	4,620	3,702
Deferred tax	16,520	(17,761)
(Over)/Under provision in respect of prior year	(3)	1,854
<b>Income tax expense/(benefit) attributable to the Group</b>	<b>21,137</b>	<b>(12,205)</b>

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to income tax as follows:

Profit/(Loss) before tax from continuing operations	21,220	(38,057)
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30% (2023: 30%):	6,366	(11,417)
• Effect of expenses that are not deductible in determining taxable profit <sup>14</sup>	14,843	119
• Effect of revaluations that are not deductible in determining taxable profit	-	(569)
• Effect of other deductibles in determining taxable profit	(142)	95
• Effect of other non-allowable items (Mighty Ape Tranche 3 & 4)	(4)	(1,166)
• Effect of capital loss on disposal of Wonderfi Shares	-	623
• Effect of prior year losses recognised in current tax	-	(1,842)
• Effect of variations in tax rates of foreign controlled entities	(99)	(134)
• (Over)/Under provision in respect of prior year	(3)	1,854
• Other	176	232
<b>Income tax expense/(benefit) attributable to the Group</b>	<b>21,137</b>	<b>(12,205)</b>
<b>The applicable weighted average effective tax rates are as follows:</b>	<b>100%</b>	<b>32%</b>

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.

The Group's consolidated effective tax rate for the 12 months ended 30 June 2024 was 100% (for the 12 months ended 30 June 2023: 32%). The FY24 income tax expense includes the release of a Deferred Tax Asset (DTA) that has no impact on the tax payable in FY24 or in future years. The release was as a result of the difference between the value expensed for the 2020 AGM Executive Options (\$66.5m - based on fair value at time of grant), and the actual cash payment that occurred upon exercise (\$17.6m). Removing this non-cash adjustment, the Group's effective tax rate in FY24 was 30%.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related assets or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 6: INVENTORIES

	CONSOLIDATED GROUP	
	2024 \$000's	2023 \$000's
<b>CURRENT</b>		
Inventory in transit	5,487	7,553
Inventory on hand	67,904	60,605
<b>Total inventories</b>	<b>73,391</b>	<b>68,158</b>

### NOTE 7: TRADE & OTHER RECEIVABLES

	2024	2023
	\$000's	\$000's
<b>CURRENT</b>		
Trade receivables	3,468	4,422
Other receivables	3,302	1,010
<b>Total trade and other receivables</b>	<b>6,770</b>	<b>5,432</b>

### NOTE 8: PREPAYMENTS AND OTHER ASSETS

	2024	2023
	\$000's	\$000's
<b>CURRENT</b>		
Prepayments	3,220	2,681
Rental bond	247	247
<b>Total prepayments and other current assets</b>	<b>3,467</b>	<b>2,928</b>

### NOTE 9: TRADE AND OTHER PAYABLES

	2024	2023
	\$000's	\$000's
<b>CURRENT</b>		
Trade payables	47,174	40,924
Other payables	25,712	20,505
<b>Total Trade and other payables</b>	<b>72,886</b>	<b>61,429</b>
<b>CURRENT</b>		
Mighty Ape Tranche 4	-	10,957
<b>Total Acquisition payables</b>	<b>-</b>	<b>10,957</b>

#### Mighty Ape – acquisition-related remuneration

In FY23, Mighty Ape acquisition related remuneration refers to the provision for the payment of Mighty Ape Tranche 4 purchase price installments as part of the Sale Agreement, which was contingent on the Mighty Ape Founder & previous CFO, Simon Barton, remaining with the Business until 31 March 2023.

In line with accounting standards, Tranches 4 payment was considered as compensation for post-combination services, and as such, treated as employee remuneration for accounting purposes. The Group proportionately accounted for this expense up until the respective payment date in October 2023.



## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 10: INTANGIBLE ASSETS

	CONSOLIDATED GROUP	
	2024 \$000's	2023 \$000's
<b>Patents and Trademarks:</b>		
Cost	45,695	45,595
Accumulated amortisation	(12,801)	(9,580)
Net carrying amount	32,894	36,015
<b>Website development costs:</b>		
Cost	20,287	16,935
Accumulated amortisation	(15,480)	(11,861)
Net carrying amount	4,807	5,074
<b>Software costs:</b>		
Cost	1,288	1,288
Accumulated amortisation	(1,287)	(1,236)
Net carrying amount	1	52
<b>Intellectual property:</b>		
Cost	23,770	23,770
Accumulated amortisation	(23,540)	(23,069)
Net carrying amount	230	701
<b>Goodwill:</b>		
Cost	46,311	46,311
Accumulated amortisation	-	-
Net carrying amount	46,311	46,311
<b>Total intangibles</b>	<b>84,243</b>	<b>88,153</b>

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 10: INTANGIBLE ASSETS (continued)

Goodwill arising on the acquisition of Mighty Ape in New Zealand of \$46.3 million, has been allocated to the Mighty Ape Cash Generating Unit ("CGU") based on its expected earnings contribution to the Group arising from the acquisition.

The recoverable amount of the Mighty Ape CGU has been determined based on a value in use calculation using cash flow projections over a 5-year period based on financial budgets approved by the Group's Board for FY25 together with projected growth for future years. The projected cash flows have been updated to reflect current economic forecasts and business growth opportunities.

The Group performed its annual impairment test applying the following key assumptions:

<i>In percent</i>	FY24	FY23
Discount rate (post-tax)*	13.9	14.8
Terminal growth rate	2.0	2.0
Revenue growth rate - 5 year CAGR <sup>15</sup>	9.9	14.0
EBITDA growth rate - 5 year CAGR <sup>15</sup>	29.2	28.7

\* The equivalent pre-tax discount rates are 17.2% for FY24 and 19.3% for FY23.

The increase in the EBITDA growth rate is a result of the expected impact of the Mighty Ape PRIMATE loyalty program and launch of new Verticals in New Zealand in FY25, in addition to a number of other initiatives. EBITDA growth is expected to outpace Revenue as these are largely Platform-based sales with high margin earnings.

The calculation of value in use for the Mighty Ape CGU is most sensitive to the following assumptions:

- Discount rates – based on Mighty Ape's weighted average costs of capital (WACC). The discount rate is a post-tax measure estimated based on the average rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cashflow, weighted in the proportion to the market value of the debt and equity capital provided.
- Revenue and EBITDA 5-year CAGR – reflects Mighty Ape's forecasted operating and financial performance based on past experience, a number of initiatives, improvements from efficiencies and market factors such as forecast growth in the New Zealand online retail industry.

### Sensitivity analysis

The estimated recoverable amount of the Mighty Ape CGU exceeded its carrying amount by \$22.7 million (2023: \$19.5 million). A reasonable possible change to the financial performance, including key assumptions, could lead to an impairment.

The following outlines the amount by which the key assumptions would need to change for the estimated recoverable amount to equal the carrying amount.

- The discount rate would be required to increase by 2.5pp before goodwill would need to be impaired, with all other key assumptions remaining constant.
- The 5-year Revenue CAGR would need to decrease by 2.5pp, before goodwill would need to be impaired. In this sensitivity analysis the same reduction is applied to COGS and variable operating costs, with a flow on impact to EBITDA 5-year CAGR. Other key assumptions remain constant.
- The 5-year EBITDA CAGR would need to decrease by 4.7pp before goodwill would need to be impaired. Other key assumptions remain constant.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED GROUP	
	2024 \$000's	2023 \$000's
<b>Equipment &amp; vehicles:</b>		
Cost	6,639	5,089
Accumulated depreciation	(3,641)	(3,006)
Net carrying amount	2,998	2,083
<b>Leasehold improvements:</b>		
Cost	39	40
Accumulated amortisation	(39)	(39)
Net carrying amount	-	1
<b>Right-of-use assets</b>		
Cost	54,305	40,778
Accumulated amortisation	(32,610)	(25,648)
Net carrying amount	21,695	15,130
<b>Total property, plant and equipment</b>	<b>24,693</b>	<b>17,214</b>

### NOTE 12: LOANS AND BORROWINGS

#### Debt facility

The group has multiple debt facilities, referring to loans and borrowings in the balance sheet. The Mighty Ape trade finance facility was closed in December 2023. No debt facility was drawn down upon as at 30 June 2024 (30 June 2023: Nil).

The tables below set out the various structures of the debt facilities between Kogan.com and Mighty Ape as at balance dates.

	KOGAN.COM		MIGHTY APE	
	2024 \$000's AUD	2024 \$000's AUD	2024 \$000's NZD	2023 \$000's NZD
<b>Debt Facility</b>				
Multi-option facility	35,000	35,000	Overdraft facility	1,500
<b>Total Debt Facility</b>	<b>35,000</b>	<b>35,000</b>	Trade finance facility	-
			<b>Total Debt Facility</b>	<b>1,500</b>
				<b>7,500</b>

### NOTE 13: CASH AND CASH EQUIVALENTS

	2024 \$000's	2023 \$000's
Cash at bank and on hand	41,183	65,438
<b>Total cash at bank and on hand</b>	<b>41,183</b>	<b>65,438</b>

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 14: EQUITY

#### Ordinary Shares

	2024 \$	2023 \$	2024 No.	2023 No.
Fully paid Ordinary Shares	270,011,699	291,013,771	100,616,298	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.

#### Movement in ordinary shares

Details	Date	No. of shares	Average Issue price	\$
<b>Balance</b>	<b>30 June 2022</b>	<b>106,927,603</b>		<b>301,081,639</b>
Shares issued to eligible employees under an incentive plan	23 August 2022	116,495	\$3.99	464,945
Tax deduction for differences between accounting expense and funds paid to issue incentive plans	31 December 2022	-	-	2,757
Shares issued 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)
<b>Balance</b>	<b>30 June 2023</b>	<b>104,690,203</b>		<b>291,013,771</b>
Shares issued 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)	\$5.24	(7,980,869)
On-market share buy-back	6 October 2023	(309,119)	\$5.14	(1,590,249)
On-market share buy-back	10 November 2023	(580,239)	\$4.75	(2,757,631)
Shares issued 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)	\$5.22	(5,393,199)
On-market share buy-back	12 January 2024	(447,076)	\$4.95	(2,211,185)
Shares issued to eligible employees under an incentive plan	26 February 2024	78,297	\$4.77	373,497
On-market share buy-back	15 March 2024	(367,010)	\$8.22	(3,015,605)
Dividend reinvestment plan	31 May 2024	135,077	\$7.68	1,037,797
On-market share buy-back	28 June 2024	(206,372)	\$4.36	(899,960)
<b>Balance</b>	<b>30 June 2024</b>	<b>100,616,298</b>		<b>270,011,699</b>

**Notes to the consolidated financial statements (continued)**

For the year ended 30 June 2024.

**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 was recorded within a merger reserve of \$131,816,250.

**Share-based payments reserve**

The reserve of \$56.3 million (FY23: \$71.8 million) has been used to recognise the value of equity-based compensation provided to employees as part of their remuneration. The Group measured the cost of equity-based compensation with employees by reference to the fair value of the Ordinary Shares at the date at which they were granted. The fair value has been determined using a discounted cash flow valuation model, taking into account the terms and conditions upon which the equity instruments were granted.

It was announced on 4 April 2024 that Ruslan Kogan and David Shafer had collectively exercised 6,000,000 Options granted to them during the 2020 AGM.

The Deed associated with these Options allowed for either equity-settlement or cash-settlement, based on the Board's discretion. At the time of granting the Options, they were valued in-the-money and the intention was to equity-settle them upon vesting. The Options were fully vested by 30 June 2023, with the value of share-based payments reserve amounting to \$66.5 million.

On 4 April 2024, the Board exercised their discretion to cash-settle the Options primarily to avoid dilution of other Shareholders' interest. This discretion was exercised following a review of the Company's Balance Sheet and current initiatives (no immediate mergers & acquisitions activity and available cash reserves following the commencement of a Buy Back).

At the time of exercise, the 20-day VWAP was \$8.224 per Option, and the strike price associated with the Options was \$5.29. This resulted in a cash payment of \$17,604,000, being  $[\$8.224 - \$5.29] \times 6,000,000$  Options, against the share-based payments reserve. The remaining value of the Options in the Share-based Payments reserve, of \$48.9 million, will remain indefinitely.

**Share buy-back**

The Group commenced an on-market share buy-back program in May 2023, and it remains ongoing. The Group purchased \$23.8 million of shares during the year (FY23: \$10.8 million), resulting in a reduction of Issued Capital.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 15: DIVIDENDS

During FY24, the Board declared and paid an Interim Dividend at 7.5 cents per Ordinary Shares. The Dividend Reinvestment Plan (DRP) applied to the Interim Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

Details of the Interim Dividend along with the DRP applicable is below.

	CONSOLIDATED GROUP	
	2024 \$000's	2023 \$000's
Dividends paid during the year	7,542	-
Dividend Reinvestment Plan (DRP)	(1,038)	-
<b>Dividends paid net of DRP</b>	<b>6,504</b>	-

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 16: INTERESTS IN SUBSIDIARIES

#### Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of Ordinary Shares or, in the case of Kogan Technologies Unit Trust, Ordinary Units, which are held directly by the Group. Kogan.com Holdings Pty Ltd is the Trustee of the Kogan Technologies Unit Trust. The Trustee and the Trust are wholly-owned entities within the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

#### OWNERSHIP INTEREST HELD BY THE GROUP

Name of Subsidiary	Principal Place of Business	2024 %	2023 %
Kogan Mobile Operations Pty Ltd (formerly Kogan Mobile Australia Pty Ltd)	Australia	100	100
Kogan Mobile Pty Ltd	Australia	100	100
Kogan Australia Pty Ltd	Australia	100	100
Kogan International Holdings Pty Ltd	Australia	100	100
Kogan HK Limited	Hong Kong	100	100
Kogan HR Pty Ltd	Australia	100	100
Kogan Travel Pty Ltd	Australia	100	100
Dick Smith IP Holdings Pty Ltd (formerly Kogan Technologies UK Pty Ltd)	Australia	100	100
Online Business Number 1 Pty Ltd	Australia	100	100
Kogan Technologies Unit Trust	Australia	100	100
Kogan.com Holdings Pty Ltd	Australia	100	100
Kogan Operations Holdings Pty Ltd	Australia	100	100
Kogan Superannuation Pty Ltd	Australia	100	100
Matt Blatt Pty Ltd	Australia	100	100
Mighty Ape Limited	New Zealand	100	100
Mighty Ape Australia Pty Ltd	Australia	100	100

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024.

### NOTE 17: CASH FLOW INFORMATION

	2024 \$000's	2023 \$000's
Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit/(Loss) after income tax	83	(25,852)
Non-cash flows in profit:		
• Depreciation & amortisation	15,054	16,584
• Provision for aged and slow-moving stock	(2,617)	(3,632)
• Issue of Performance Rights and Shares	3,939	31,267
• Income tax expense/(benefit)	21,137	(12,205)
• Unrealised loss/(gain)	107	(96)
• Realised FX (gain) on Mighty Ape Tranche 4 payment	(14)	-
• Mighty Ape Tranche 3 and 4 Accrual	-	(3,885)
• Accrued short-term incentive payment	1,548	-
• Other	(121)	101
Changes in assets and liabilities:		
• (Increase) in trade and term receivables	(1,363)	(1,063)
• (Increase) in prepayments and other assets	(645)	(139)
• (Increase)/Decrease in inventories	(2,698)	95,919
• Increase/(Decrease) in trade payables and accruals	(7,847)	(20,709)
• Increase/(Decrease) in deferred income	4,022	(647)
• Increase in provisions	324	805
• Tax paid	(2,723)	(5,591)
<b>Cash flows from operating activities</b>	<b>28,186</b>	<b>70,857</b>

### NOTE 18: CONTINGENT LIABILITIES

As at 30 June 2024, the Group had bank guarantees of A\$1.2 million (30 June 2023: A\$1.2 million) and NZ\$2.6 million (30 June 2023: NZ\$8.6 million) with Westpac Banking Corporation in relation to its ordinary course of business.

### NOTE 19: SUBSEQUENT EVENTS

The Directors have declared a final Dividend of 7.5 cents per Ordinary Share, fully franked. The final Dividend was not determined until after the Balance Sheet date and accordingly no provision has been recognised at 30 June 2024.

The Dividend Reinvestment Plan will apply to the final Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.