

kogan.com



FY17 RESULTS PRESENTATION

18 AUGUST 2017

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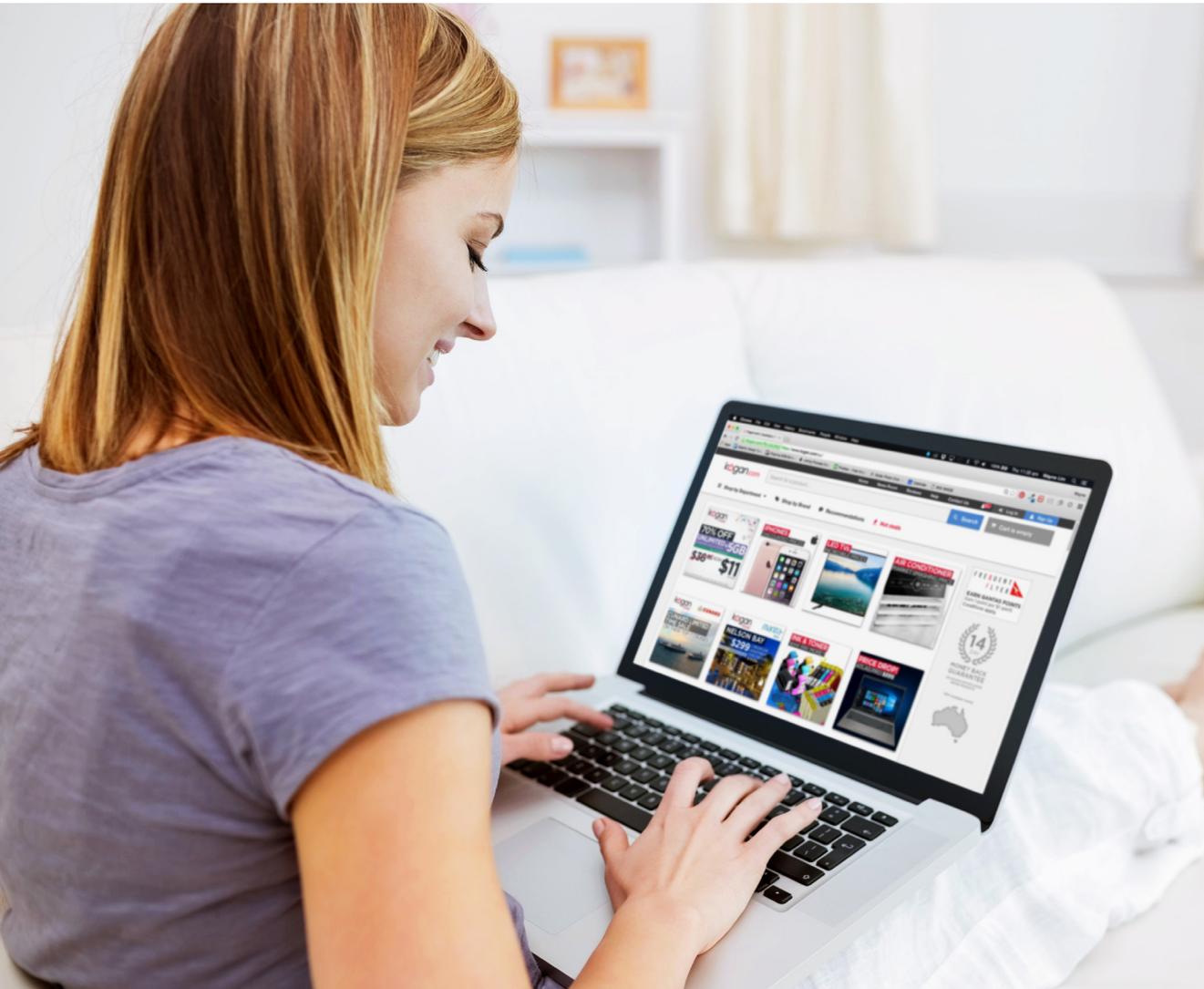
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CEO Update

Ruslan Kogan
Founder & CEO

FY17 HIGHLIGHTS

FY17 was a landmark year for Kogan.com

FINANCIAL OUTPERFORMANCE

- Beat prospectus forecast
- Three separate earnings upgrades

GROWING BRAND

- 955,000 Active Customers - 36% increase from FY16

STRONG GROWTH FROM KEY INITIATIVES

- Kogan Mobile going from strength-to-strength
- Private Label strategy success
- Consolidating Dick Smith integration

NEW VERTICALS ANNOUNCED

- Kogan NBN announced in June 2017
- Expanded Kogan Mobile partnership announced in June 2017
- Kogan Insurance announced in July 2017

AWARD WINNING OFFERINGS

- People's Choice Award at the Startrack Online Retail Industry Awards
- Canstar Value for Money Award

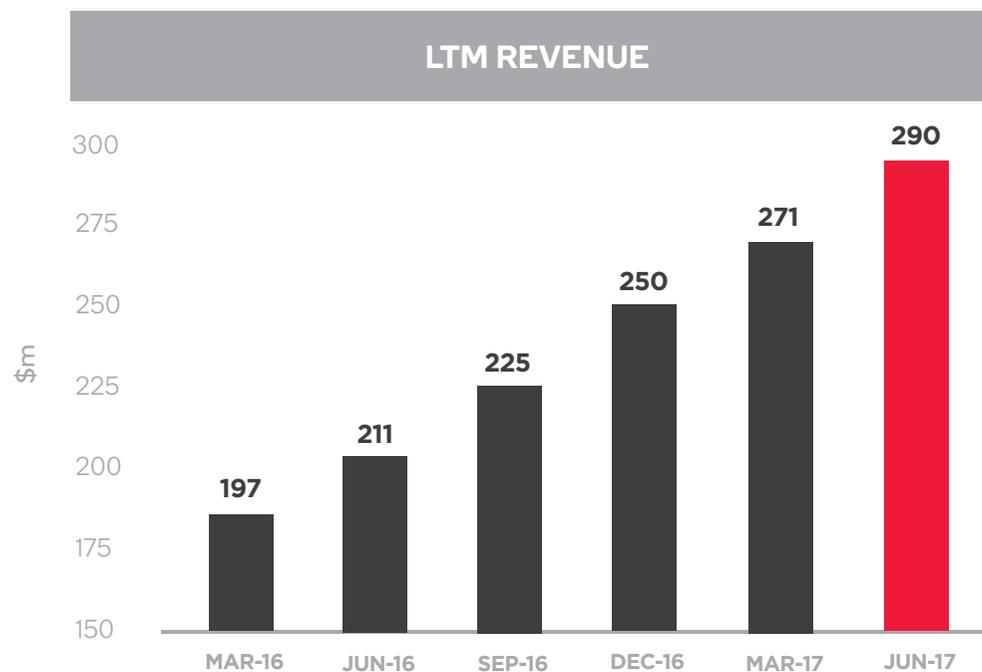
DIVIDENDS

- Final dividend announced of 3.80 cents per share brings the total fully franked dividend in FY17 to 7.70 cents per share

FY17 RESULTS

Pro Forma EBITDA of \$13.2 million exceeded Prospectus forecast by 91.3%.

	Pro Forma ¹ actual FY16	Prospectus forecast FY17	Pro Forma ¹ actual FY17	FY17 vs FY16 Variance	FY17 forecast vs FY17 actual Variance
Revenue \$m	211.2	241.2	289.5	37.1%	20.0%
Gross Margin	15.5%	15.2%	17.9%	2.4pp/15.5%	2.7pp/17.8%
Pro Forma EBITDA ¹ \$m	4.0	6.9	13.2	230.0%	91.3%

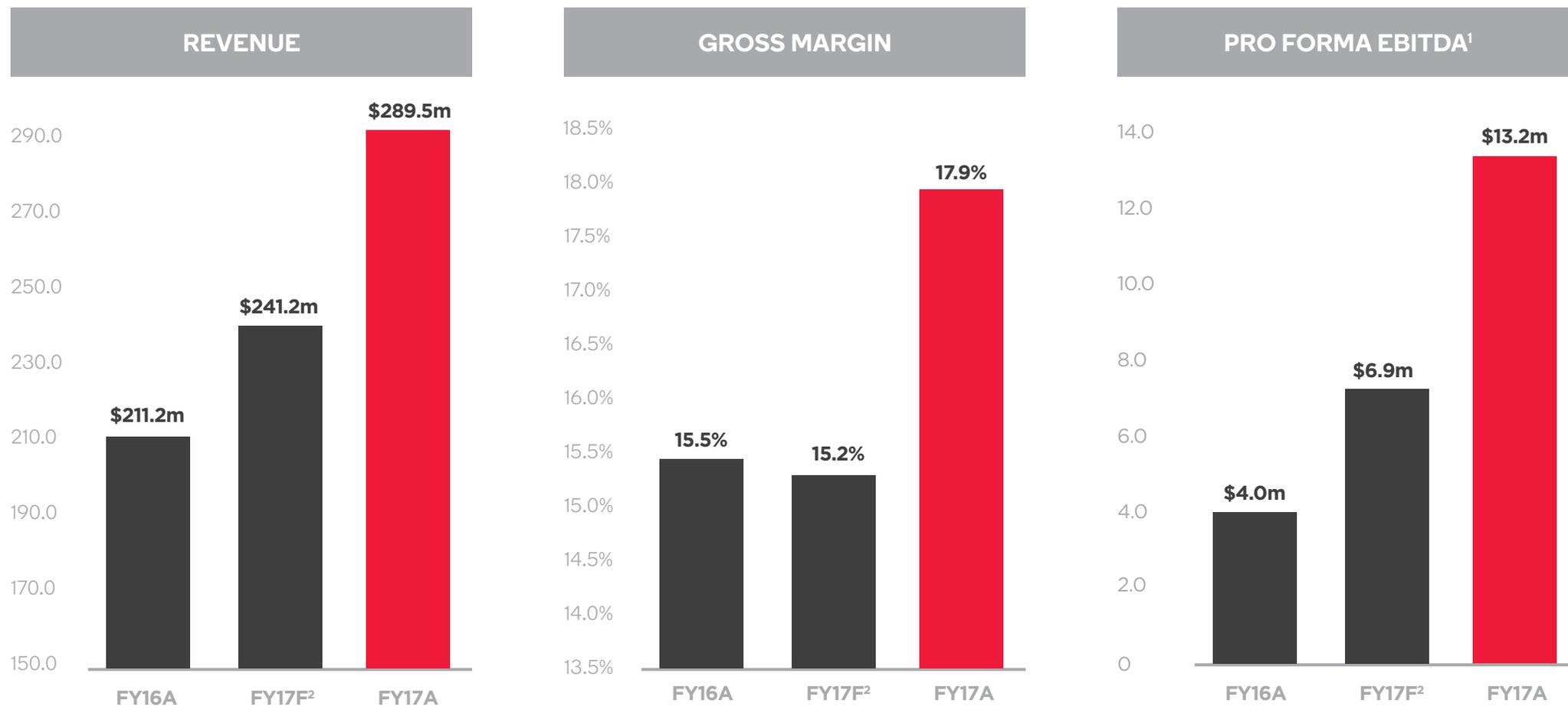


Notes:

1. The basis of the Pro Forma results is consistent with the Prospectus. A reconciliation from statutory to Pro Forma is provided in Annexure 3.

FINANCIAL HIGHLIGHTS

Kogan.com outperformed on all key financial metrics in comparison to FY16 and the FY17 Prospectus forecast.



Notes:
1. The basis of the Pro Forma results is consistent with the Prospectus. A reconciliation from statutory to Pro Forma is provided in Annexure 3.
2. FY17F reflects the Prospectus Forecast.

STRATEGY

How we deliver value to our customers:



INDUSTRY LEADING IT PLATFORM & DATA DRIVEN CULTURE

The Kogan brand is renowned for price leadership through digital efficiency. We believe ‘There is always a better way’ and our vision is to harness the power of technology and personalisation to change the way our customers shop online.

We understand our customers, what inspires them and what interests them. We leverage this understanding, driven by data, analytics and long-term investments in systems to continue to reach and inspire our customers in new and exciting ways.

We use technology innovation to stay ahead of our customers’ expectations and ahead of the curve in offering price leading goods and services in Australia.



CUSTOMER-CENTRIC APPROACH

We are customer obsessed. Understanding and servicing our customers’ needs is central to what we do. Our customers have high expectations and we aim to offer a seamless shopping experience.

Our analytics capability ensures we know what our customers want and when they want it. Our investment in automation has driven faster fulfillment of products and services and happier customers.

Our portfolio of retail and services businesses is focused on making in-demand products and services more affordable and accessible for our customers.



COMPELLING OFFERING

We aim to bring market leading prices to our customers on in-demand products and services across our portfolio of businesses. We achieve this by leveraging our 11 years’ experience in Private Label, extensive Third Party brand offering, and using the strength of the Kogan brand to partner with industry leaders for Kogan Mobile, Kogan Insurance and Kogan NBN.

We are able to pass on savings to customers by streamlining and cutting overheads in our supply chains and marketing.

WHO WE ARE

We have created a business model that allows us to be agile, bold and innovative.

kogan.com

955,000
Active Customers 

6.5 million Active Subscribers

SOME RECENT AWARDS

Kogan has received various awards and recognition in FY17.

Kogan won the People's Choice Award at the Startrack Online Retail Industry Awards (ORIAS)



“As a consumer brand, there is no better vote than the vote of our customers.”

- Ruslan Kogan



Kogan TVs won the Canstar Value for Money Award



Chief Technology Officer,
Goran Stefkovski, won Consumer
CIO of the year²

ANSIBLE



#1 Most Mobile Ready
Australian Brand¹

Notes:

1. Source: Ansible, 27 February 2017.

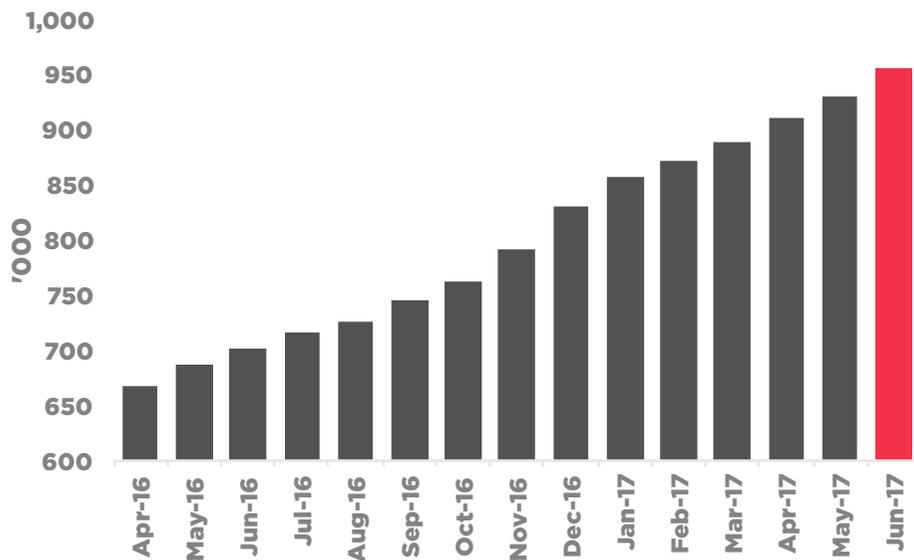
2. Source: itnews, 21 February 2017.

BUILDING THE KOGAN BRAND

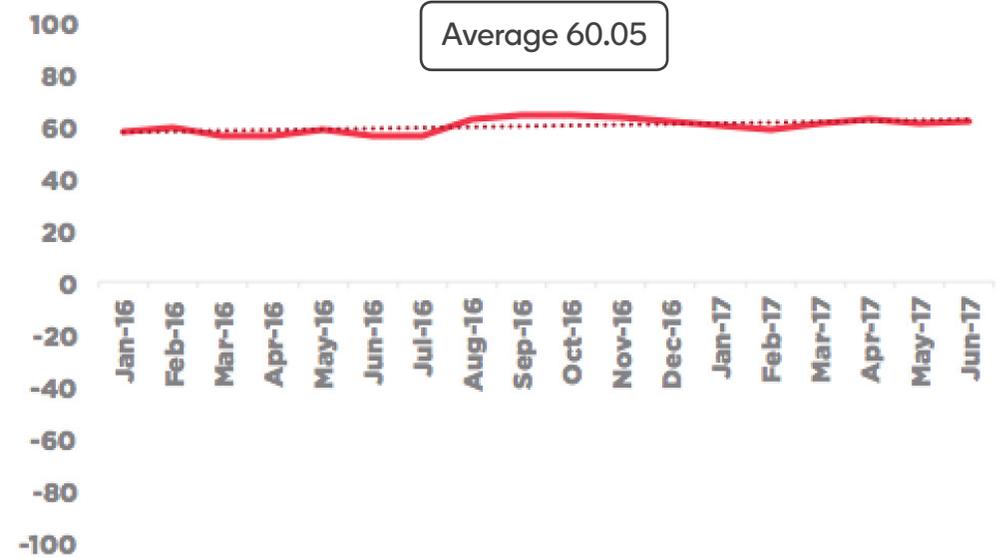
In the twelve months to June 2017, the business achieved 36.0% growth in Active Customers.

	Jun-16	Dec-16	Jun-17	Jun-16 vs Jun-17 Variance
Active Customers	702,000	830,000	955,000	36.0%

LTM ACTIVE CUSTOMERS



NET PROMOTER SCORE¹



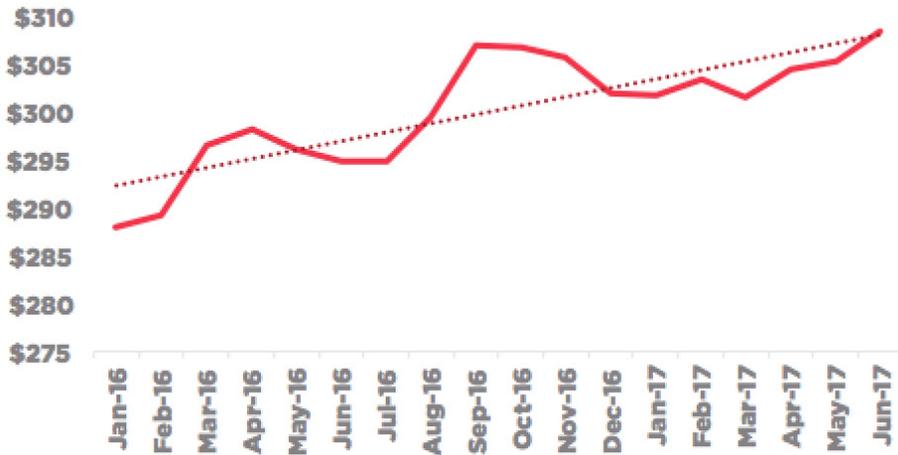
Notes:

1. Net Promoter Score (NPS) is calculated based on answers to the question, "How likely is it that you would recommend Kogan.com to a friend or colleague?" Kogan.com measures its NPS as the percentage of customers who are "promoters" rating its products and services 9 or 10 out of a possible 10, less the percentage of "detractors", rating its products and services 0 to 6 out of a possible 10. The maximum possible NPS is 100, and the minimum possible NPS is -100.

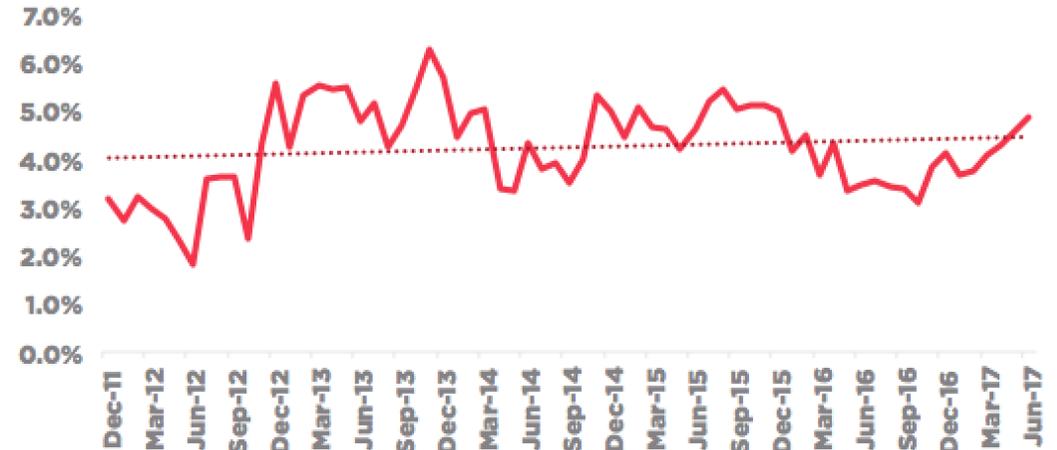
BUILDING THE KOGAN BRAND

Annual revenue per customer and gross profit per active customer are increasing.

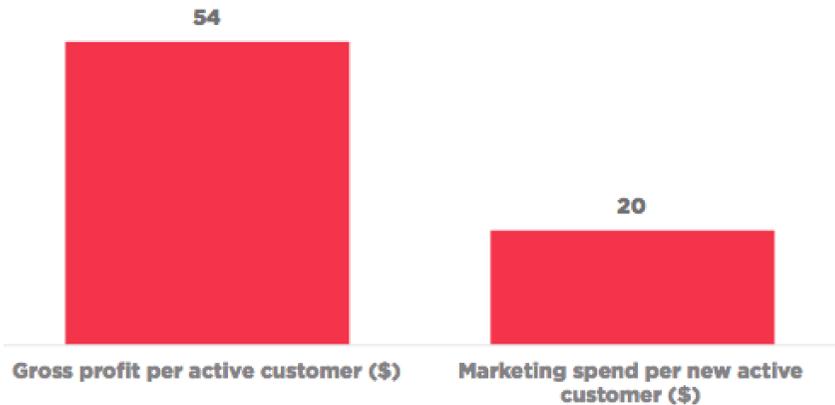
ANNUAL REVENUE PER CUSTOMER¹



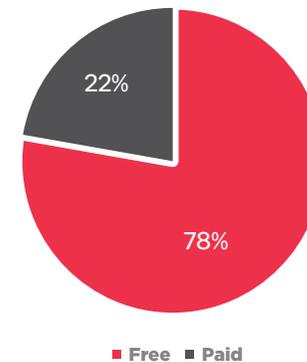
CONVERSION RATE³



ANNUAL RETURN ON INVESTMENT IN MARKETING²



TRAFFIC - FREE (BRAND DRIVERS) VS PAID MARKETING



FREE SOURCES

- Direct website traffic
- Direct App traffic
- Brand searches
- Other organic search queries
- Email based marketing
- Mobile push notifications
- Desktop push notifications

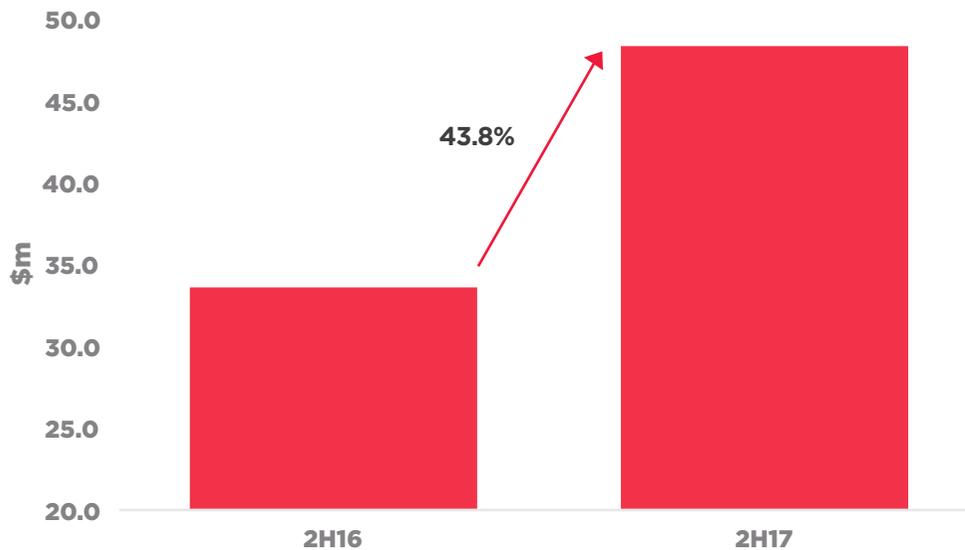
Notes:

1. Revenue per customer is revenue (ex GST) within the prior 365 days/no. of Active Customers within the prior 365 days.
2. FY17 gross profit/LTM Active Customers as at 30 June 2017; FY17 marketing costs/sum of quarterly new Active Customers in FY17.
3. Conversion rate is defined as the number of transactions divided by unique visitors from Core Website Channels.

PRIVATE LABEL STRATEGY

Private Label is a pillar of the business and remains a focus area for FY18 and beyond. In FY17 we invested IPO proceeds in replenishing inventory of best sellers. In FY18 our focus is on new products and range expansion.

STRONG YOY GROWTH IN PRIVATE LABEL REVENUE



Our Private Label business benefits from:

- Full control of the end-to-end supply chain;
- Strong competitive advantage;
- Compelling consumer offering; and
- 11 years' experience.

Inventory levels in 2H17 reflect the investment of IPO proceeds and normal operational momentum of the Private Label business.

bubbli

ovela

ESTELLE

kogan

KROMO

orbis

KOMODO

UGG
OUTBACK
CLOTHING CO.

Pawever
Pets

Scharfen

CERTA

FORTIS

Pestill

kogan.com

KOGAN MARKETPLACE

Partnering with select brands and distributors, giving them access to our 955,000 Active Customers, in addition to our marketing and online distribution capability.



Over 50,000 products from over 50 brands and distributors already listed. Our curated marketplace works with select brands and distributors who generate incremental sales with exposure on the Kogan.com platform and marketing initiatives to the Kogan Community.

We have sold over 2.5 million products to happy customers across Kogan Retail and Kogan Marketplace in the last 12 months alone.

Testimonials

"Kogan has been instrumental in us achieving growth."



"We expanded market reach and overall business with Kogan."



"We've been delighted with the results."





Financial Update

David Shafer
CFO/COO

PRO FORMA ACTUAL & FORECAST RESULTS

Higher than forecast revenue and gross margin drove an outperformance against FY17 Prospectus forecast Pro Forma EBITDA of 91.3%.

\$m	Prospectus forecast FY17	Pro Forma actual FY17	% Variance
Gross Sales	254.8	308.8	21.2%
Revenue	241.2	289.5	20.0%
Cost of Sales	(204.5)	(237.8)	
Gross Profit	36.7	51.7	40.9%
Gross Margin (%)	15.2%	17.9%	2.7pp/17.8%
Variable Costs	(9.0)	(10.5)	
Marketing	(7.2)	(10.6)	
People Costs	(9.0)	(12.2)	
Other Expenses	(4.6)	(5.2)	
Pro Forma EBITDA ¹	6.9	13.2	91.3%
EBITDA Margin (%)	2.9%	4.6%	1.7pp/59.2%
Depreciation & Amortisation	(3.3)	(3.8)	
EBIT	3.6	9.4	161.1%
Profit Before Tax	3.6	9.8	172.2%
Income Tax Expense	(1.1)	(2.6)	
NPAT	2.5	7.2	188.0%
NPATA ³	3.8	8.6	126.3%

Notes:

1. The basis of the Pro Forma results is consistent with the Prospectus. A reconciliation from statutory to Pro Forma is provided in Annexure 3.

2. The Dick Smith assets were purchased in April 2016 for \$2.6 million and are being amortised over 2 years on a straight-line basis.

3. NPATA: this non-IFRS measure was not disclosed in the Prospectus however, management believes NPATA is a meaningful metric in understanding the performance of the business.

OVERVIEW

Revenue exceeded FY17 Prospectus forecast by \$48.3 million, driven by growth in Active Customers, Kogan Mobile and channel growth with the launch of Dick Smith.

Gross profit was 40.9% above Prospectus forecast at \$51.7 million. Improved gross margin was driven by precision sourcing, improved efficiencies/automation in processes and Kogan Mobile.

Following better than expected ROI on marketing, spend was increased above Prospectus forecast as a % of revenue.

NPATA refers to NPAT plus the non-cash amortisation of the Dick Smith assets.²

PRO FORMA FY17 RESULTS COMPARED TO FY16

Pro Forma EBITDA increased by 230.0% (\$9.2 million) year on year.

\$m	Pro Forma actual FY16	Pro Forma actual FY17	% Variance
GTV	227.0	334.5	47.4%
Gross sales	221.3	308.8	39.5%
Revenue	211.2	289.5	37.1%
Cost of Sales	(178.5)	(237.8)	
Gross Profit	32.7	51.7	58.1%
Gross Margin (%)	15.5%	17.9%	2.4pp/15.5%
Variable Costs	(9.2)	(10.5)	
Marketing	(5.7)	(10.6)	
People Costs	(9.2)	(12.2)	
Other Expenses	(4.6)	(5.2)	
Pro Forma EBITDA ¹	4.0	13.2	230.0%
EBITDA Margin (%)	1.9%	4.6%	2.7pp/142.1%
Depreciation & Amortisation	(2.4)	(3.8)	
EBIT	1.6	9.4	487.5%
Profit Before Tax	1.5	9.8	553.3%
Income Tax Expense	(0.6)	(2.6)	
NPAT	0.8	7.2	800.0%
NPATA	1.1	8.6	681.8%

Notes:

1. The basis of the Pro Forma results is consistent with the Prospectus. A reconciliation from statutory to Pro Forma is provided in Annexure 3.

OVERVIEW

GTV growth of 47.4% versus Revenue growth of 37.1% is driven by Kogan Mobile transaction values, which are not recorded as Revenue. Kogan Mobile revenue reflects the commissions, rather than the gross transaction value.

Gross margin increased by 2.4pp to 17.9%.

Marketing costs in FY16 were low due to cash constraints, which were released on receipt of IPO proceeds in July 2017.

The business also invested heavily in people in FY17. Short-term and long-term incentives are in place to retain key talent in the business and align the interests of key staff with shareholders. As a result of significant outperformance, bonuses paid in FY17, including superannuation and LTIs, were \$0.9 million.

The year-on-year increase of \$9.2 million in Pro Forma EBITDA was driven by the increase in revenue and gross margin.

KEY DRIVERS OF KOGAN.COM FY17 FINANCIAL PERFORMANCE

The business is utilising IPO proceeds to deliver on growth strategies, with the benefits beginning to be realised in FY17.

RELEASE OF CASH CONSTRAINTS

▶ Following the IPO, cash constraints were released and the business was able to implement strategies for investment in: Private Label and Third Party Domestic inventory; and Marketing in order to drive growth in FY17 and beyond. During FY17, the investment in Private Label inventory was focused on replenishing existing best sellers and ranges where stock was below optimal levels. With that complete, from late 4Q17, the business expanded focus to new ranges which will drive growth in FY18 and beyond.

Better than expected ROI on marketing led us to increase marketing spend as a % of revenue versus the Prospectus forecast. Effective, targeted marketing is a key component of delivering growth and reaching more consumers.

BRAND GROWTH

▶ The business achieved solid growth in Active Customers in FY17 of 253,000 (36.0%). At the end of FY17, we had 955,000 Active Customers.

CHANNEL GROWTH

▶ The Dick Smith channel launched in May 2016, and was a strong contributor in FY17. The Kogan.com group sales funnel drives new customers to both Core Website Channels.

KOGAN MOBILE

▶ Kogan Mobile achieved significant growth, outperforming the Prospectus Gross Sales forecast for FY17 by 140.0% and growing by 620.0% compared to FY16.

Through our strong commercial partnership with Vodafone, Kogan Mobile has been able to bring a compelling offering to the market. Due to a strong marketing funnel, Kogan.com has been able to steadily grow the subscriber base. Due to the commission-based business model, Kogan Mobile incurs minimal operating costs, with marketing being the key cost. Consistent with all our marketing, this cost is targeted and variable with ROI metrics.

KEY DRIVERS OF KOGAN.COM FY17 FINANCIAL PERFORMANCE

Focus on efficiencies, automation initiatives, Private Label and Kogan Mobile resulting in improved gross margins.

GROSS MARGIN IMPROVEMENT

Improvements in efficiency, automation initiatives, continual improvements to our ERP, expansion in the product offering and Kogan Mobile are positively impacting the gross margin of the business. Kogan Mobile Revenue is 100% gross margin, and represented 7.0% of total gross profit in FY17.

PROPRIETARY ECOMMERCE PLATFORM AND ERP

Kogan.com's multi-channel proprietary world class platform allows personalisation in marketing and scalability of the consumer offering. Combined with the years of work undertaken by the team to optimise the business's proprietary ERP implementation, it is continuing to deliver efficiencies in time and cost. The business is continuing to achieve further automation across various functions, and is continually improving reporting and business insights that drive rapid decision making across the business.

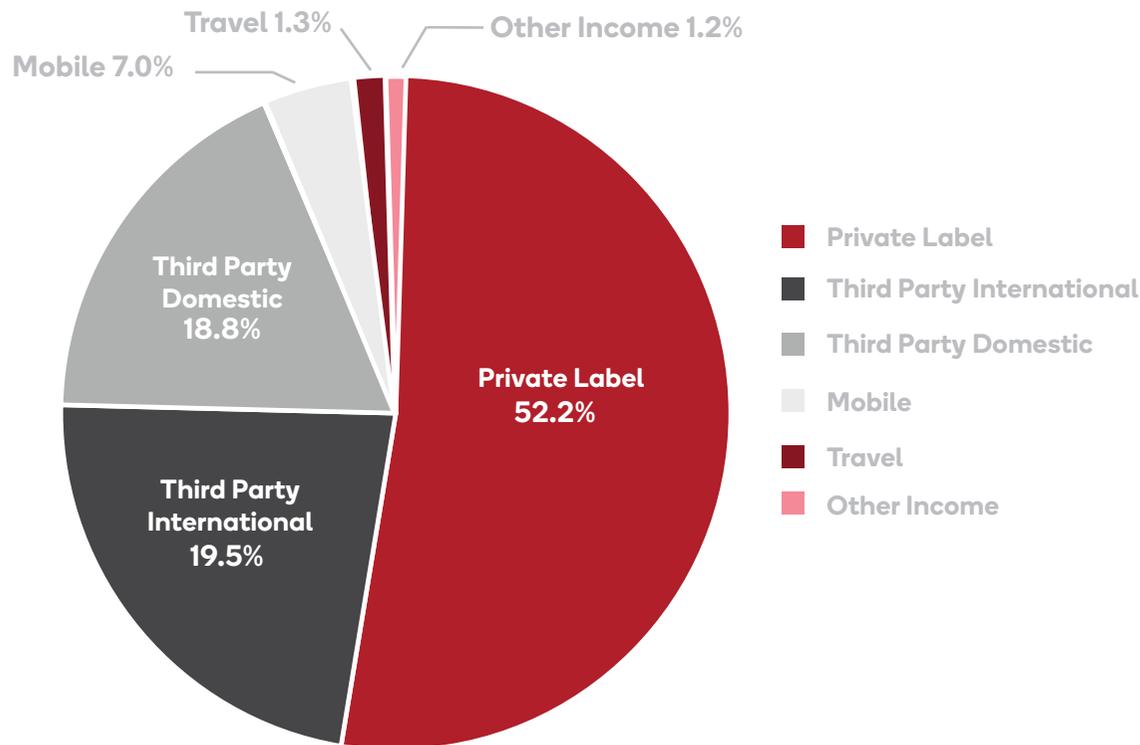
INVESTMENT IN PEOPLE

The business invested heavily in people in FY17. Short-term and long-term incentives are in place to retain key talent in the business and align the interests of key staff with shareholders. As a result of significant outperformance, bonuses paid in FY17, including superannuation and LTIs, were \$0.9 million. Excluding these bonuses, People Costs were higher than expected largely due to an increased focus on retention of key staff. The people costs presently within the business are sufficient to support ongoing strong growth in revenue across our portfolio of businesses.

FY17 GROSS PROFIT PRODUCT & BUSINESS MIX

Private Label exclusive brands represent over 50% of Gross Profit. Kogan Mobile increased from 4.2% of gross profit in 1H17 to 7.0% for the full year.

GROSS PROFIT MIX IN FY17



OVERVIEW

Private Label accounted for 52.2% of Gross Profit in FY17. The deployment of IPO proceeds into Private Label inventory in FY17 was focused on replenishing ranges, whereas we are now focused on new products and new ranges. As such, management expects Private Label to show further growth in FY18 and beyond.

NEW VERTICALS

Kogan Travel and Kogan Mobile exceeded Prospectus Forecast Gross Sales by 27.8% and 140.0%, respectively.

\$m	Actual FY16	Prospectus forecast FY17	Actual FY17	Variance to forecast	Variance YoY
Gross sales ¹					
Kogan Travel	4.8	5.4	6.9	27.8%	43.8%
Kogan Mobile	0.5	1.5	3.6	140.0%	620.0%
Total	5.3	6.9	10.5	52.2%	98.1%



NEW VERTICALS IN FY18



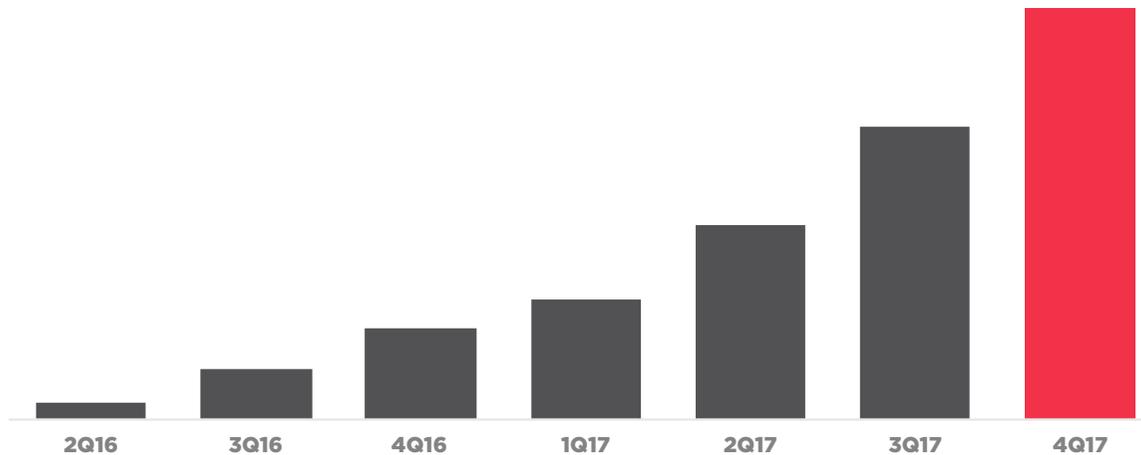
Notes:
 1. Gross Sales is a non-IFRS measure - refer to the definition in the Glossary at the end of this Presentation. In respect of commission based sales generated under Kogan Mobile and part of Kogan Travel, Gross Sales represents only the commission received by the Company, and not the GTV paid by consumers

KOGAN MOBILE

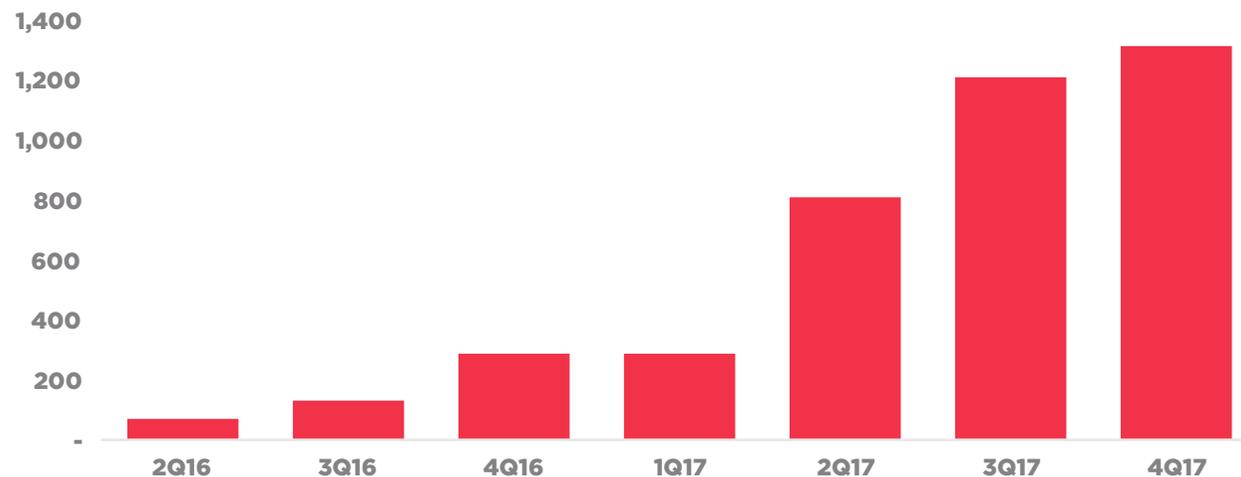
FY17 commission of \$3.6 million (FY16: \$0.5 million) and strong growth in Active Customers.



KOGAN MOBILE ACTIVE CUSTOMERS



KOGAN MOBILE QUARTERLY COMMISSION (\$000S)

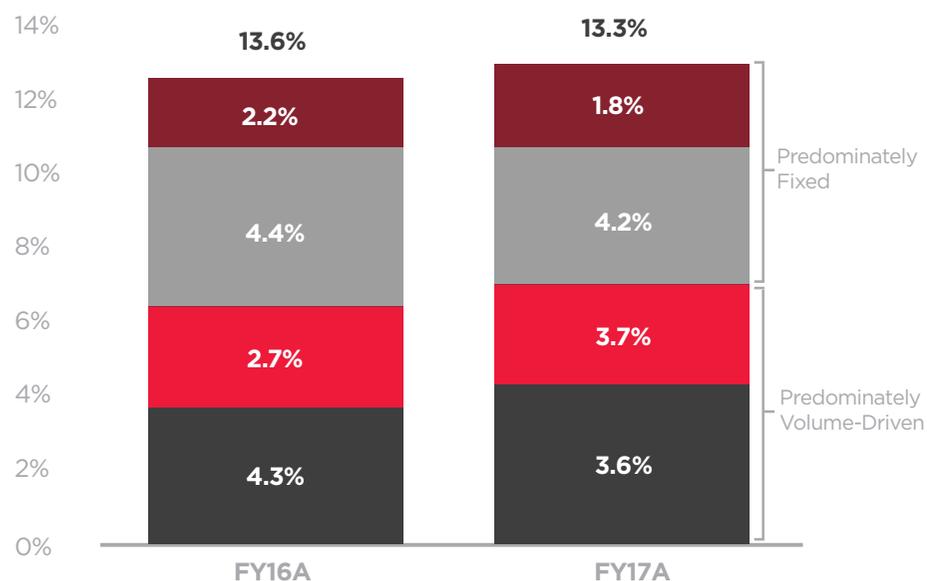


Strong commercial relationship with Vodafone translating into growth for Kogan Mobile. The unique model means that Vodafone is responsible for operations, while Kogan is responsible for branding, marketing and customer acquisition. Kogan Mobile Gross Sales are 100% gross margin. The success of Kogan Mobile demonstrates the strength of the Kogan brand in powering new verticals. Enhanced economics for Kogan Mobile to commence in October 2017.

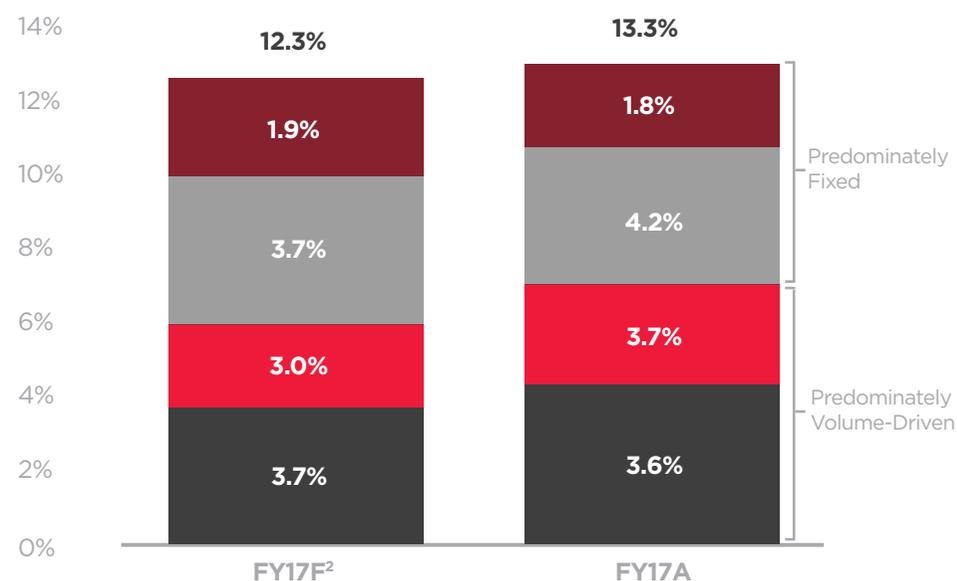
PRO FORMA OPERATING COSTS

Operating costs as a % of revenue were 1pp higher than Prospectus Forecast, primarily driven by Marketing and People costs. Investment in marketing has helped to drive the outperformance in revenue versus Prospectus Forecast of 20.0%

**PRO FORMA' OPERATING COSTS
BREAKDOWN FY16 - FY17**
(as a % of revenue)



**PRO FORMA' OPERATING COSTS
BREAKDOWN FY17F - FY17A**
(as a % of revenue)



■ Variable Costs ■ Marketing Costs ■ People Costs ■ Other Expenses

Following the release of cash constraints in FY17, the business invested in marketing to assist in driving growth and building the Kogan brand. FY16 marketing costs were at a historical low of just 2.7% of revenue due to cash constraints limiting investment at the time. Management believes targeted marketing with strict ROI metrics was a key driver in growth in FY17, and will continue to be a key driver in FY18 and beyond. In addition to marketing, the business has invested in people. Short term and long term incentive plans are in place to retain key talent in the business and align the interests of management with shareholders.

Notes:
1. The basis of the Pro Forma results is consistent with the Prospectus. A reconciliation from statutory to Pro Forma is provided in Annexure 3.
2. FY17F reflects the Prospectus Forecast.

NET ASSET SUMMARY

At 30 June 2017, cash was \$32.0 million following the IPO and repayment of debt in July 2016.

\$m	30 Jun 17
CURRENT ASSETS	
Cash & Cash Equivalents	32.0
Trade & Other Receivables	2.7
Inventories	39.7
Total Current Assets	74.4
NON-CURRENT ASSETS	
Property, Plant & Equipment	0.5
Intangible Assets	4.5
Deferred Tax Assets	0.9
Total Non-Current Assets	5.9
Total Assets	80.3
CURRENT LIABILITIES	
Trade & Other Payables	29.7
Current Tax Liability	2.2
Loans and Borrowings	-
Provisions	0.5
Deferred Income	5.2
Total Current Liabilities	37.6
NON-CURRENT LIABILITIES	
Total Liabilities	37.6
Net Assets	42.7

Strong balance sheet at 30 June 2017 with \$32.0 million in cash and an undrawn debt facility of \$10.0 million.

Inventory of \$39.7 million comprises \$30.7 million of inventory on hand and \$9.0 million of inventory in transit. The business invested in inventory following the IPO to drive future growth.

The trade and other payables balance of \$29.7 million is largely driven by the investment in inventory to support the Private Label and Third Party growth strategies.

FY17 STATUTORY OPERATING CASH FLOW

The business achieved Pro Forma operating cash conversion of 81.8% in FY17.

\$m	Statutory FY17
Statutory EBITDA	9.5
Non-cash items in EBITDA	0.7
Transaction costs of share issue in EBITDA	3.0
Pro Forma EBITDA	13.2
Change in net working capital	(2.4)
Operating cash flow before capital expenditure	10.8
Purchase of PP&E	(0.1)
Investment in intangibles	(3.5)
Cash flow before financing & taxation	7.2
<i>Pro Forma Operating cash flow conversion %¹</i>	81.8%

OVERVIEW

The business generated operating cash flow before capital expenditure of \$10.8 million in FY17, resulting in a Pro Forma operating cash flow conversion ratio of 81.8%

Net working capital increased by \$2.4 million, driven predominantly by an increase in inventories, which was partially offset by an increase in payables.

Notes:

1. Operating cash conversion is calculated as Operating cash flow before capital expenditure/Pro Forma EBITDA.



Outlook

DELIVERING GROWTH IN FY18 & BEYOND

We expect continued brand growth and to continue to outperform underlying market growth in every portfolio business.

kogan
retail

kogan
marketplace

kogan
travel

kogan
mobile

kogan
nbn

kogan
insurance

SELECTIVE & OPPORTUNISTIC M&A

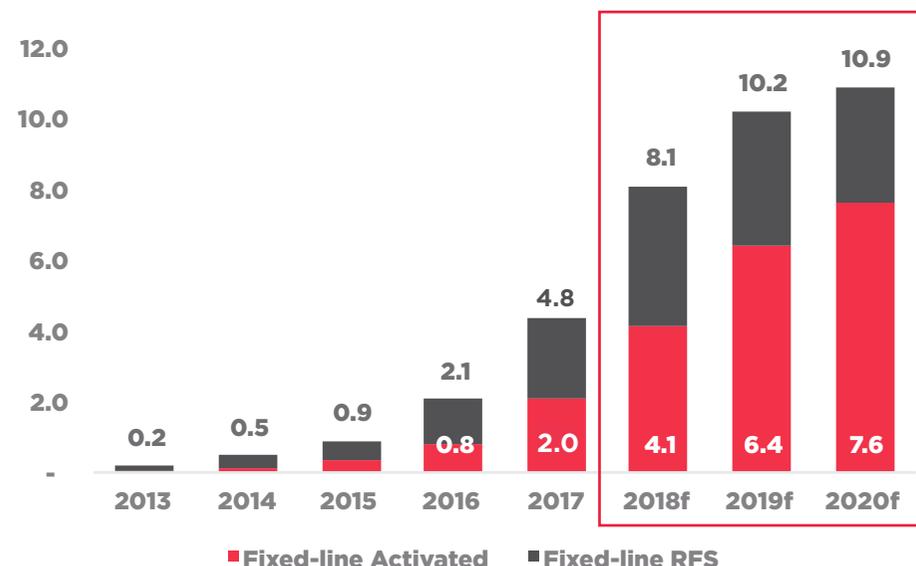


LAUNCH ADDITIONAL BUSINESS VERTICALS



- The expanded partnership with Vodafone Hutchison Australia was announced in June 2017 to provide fixed-line NBN plans and mobile broadband plans.
- Enhanced economics from the original Kogan Mobile partnership to commence in October 2017.
- The agreement is in place until 2022 with rolling two-year extensions thereafter, and high barriers to exit.
- Kogan will provide branding, marketing and customer acquisition, leveraging our reputation of price leadership through digital efficiency.
- Vodafone will provide network, operations and customer service support following their significant recent investment in mobile network and NBN infrastructure and capability.

NBN FIXED-LINE MARKET (PREMISES, MILLIONS)



PRODUCTS

Competitively priced offerings on Vodafone mobile and fixed-line NBN network.

- Fixed-line NBN plans from 2018
- Mobile broadband plans launched in June 2017
- Kogan Mobile plans launched in October 2015 and continually improve

Notes:

1. Source: NBN Corporate Plan 2017 and NBN Weekly Progress Report (8 June 2017)
2. Fixed-line includes FTTP, FTTN/B, HFC
3. RFS refers to homes and businesses passed by the active network and ready for service, including premises activated and those which can't yet access a service
4. 2017 data as at 8 June 2017. All other data to 30 June

KOGAN INSURANCE

- Kogan Insurance was launched in August 2017 in partnership with Hollard Insurance Company.
- The agreement, which is for an initial period of three years, allows Kogan Insurance to offer home, contents, landlord, car and travel insurance, with a focus on value for money.
- The underwriting of the insurance policies is provided by Hollard, with Kogan earning commission on the sale of all insurance policies.
- Similar to Kogan Mobile and Kogan NBN, Kogan will provide branding, marketing and customer acquisition.
- Hollard operates at the cutting edge of insurance services, insuring close to \$100 billion of assets with over one million policy holders, and is part of a global financial services group that operates across 20 countries.
- The Kogan brand is synonymous with value for money and the aim of Kogan Insurance is to bring Aussie consumers premium protection without the premium price tag.

2016 GROSS WRITTEN PREMIUMS - AUSTRALIA¹

\$30.8 billion

PRODUCTS



Car
Insurance



Home & Contents
Insurance



Contents
Insurance



Landlords
Insurance



Travel
Insurance

Notes:

1. Source: KPMG 'General Insurance Industry Review 2016

FY18 OUTLOOK

Positive outlook for FY18 due to trajectory in revenue, gross profit and strong growth in Kogan Mobile.



Following stronger than expected results in FY17, and the acceleration in growth in various parts of our portfolio, the Board will not be providing formal EBITDA guidance for FY18. However, the Board will provide updates on the trading performance of the business around the time of the quarterly cash flow releases (Appendix 4C).

FY18 has started well, with the July 2017 results, which are unaudited, showing year on year revenue growth of 34.9%.

WE EXPECT FY18 TO BENEFIT FROM:

- Further growth of Active Customer base
- Increased value from investment in SAP and automation
- Private Label growth
- Continued growth of Third Party Domestic
- Further growth in Kogan Mobile
- Launch of Kogan Insurance and Kogan NBN

DIVIDEND

As a result of the significant outperformance in FY17, the Board has declared a fully franked final dividend of 3.80 cents per share, with a record date of 25 August 2017 and a payment date of 4 September 2017.

	DPS (cents)	Franking (%)	Record date	Payment date
Final dividend	3.80	100.0	25 August 2017	4 September 2017

Dividend policy for FY18 and beyond

The payment of dividends by Kogan.com is at the discretion of the Board and will be a function of a number of factors, including the general business environment; the operating results and the financial condition of Kogan.com; future funding requirements; capital management initiatives; tax considerations (including the level of franking credits available); any contractual, legal or regulatory restrictions on the payment of dividends by Kogan.com; and any other factors the Directors may consider relevant.

It is the current intention of the Directors to target a payout ratio of 60-80% of Kogan.com's NPAT from FY18 onward.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend in future periods. There may be periods in respect of which dividends are not paid.



Q&A

GLOSSARY

1Hxx: the six months ended 31 December 20xx

2Hxx: the six months ended 30 June 20xx

Active Customers: unique customers who have purchased in the last twelve months from X date, rounded to the nearest thousand.

Active Subscribers: unique subscribers as at 30 June 2017, rounded to the nearest million.

Cancellations and Refunds: occur when customers cancel an order before it is despatched (cancellations) or when customers return products to Kogan.com following delivery due to a defect or change of mind (refunds)

Core Website Channels: Kogan.com, Kogan Apps (iPhone and Android) and Dick Smith Assets.

Dick Smith Assets: certain Dick Smith online assets acquired in April 2016 for \$2.6 million

EBIT: earnings before interest and tax

EBITDA Margin: EBITDA divided by revenue

EBITDA: earnings before interest, tax, depreciation and amortisation

FY17F: Financial year ended 30 June 2017 Prospectus forecast

FYxx: Financial year ended 30 June 20xx

FYxxA: Financial year ended 30 June 20xx Pro Forma actual

Gross Margin: Gross Profit divided by revenue

Gross Profit: revenue less cost of goods sold

Gross Sales: represents sales of products and services, including delivery income and before deducting Cancellations and Refunds

GTV: Gross transaction value, on a cash basis, of products and services sold, before deducting Cancellations and Refunds, but after deducting GST.

Historical and Forecast Financial Information: Statutory and Pro Forma Financial Information for FY15, FY16, FY17 and FY18

Kogan Insurance: business launched in early FY18 offering Insurance online.

Kogan Mobile: business offering pre-paid mobile phone plans available online using Vodafone's mobile network

Kogan NBN: business due to launch in 2018 offering NBN plans via Vodafone's fixed line NBN network

Kogan Retail: product sales through the Core Website Channels and other proprietary platforms, eBay, TradeMe and other platforms.

Kogan Travel: business segment offering online holiday packages and hotel and cruise bookings

LTM: last twelve months

New Verticals: Kogan Travel, Kogan Mobile, Kogan Insurance, Kogan NBN

GLOSSARY

NPATA: Net profit after tax and amortisation on the Dick Smith Assets.

Private Label: products sold under brands owned by Kogan.com

Pro Forma EBITDA/results: represents the results of the business after Pro Forma adjustments, consistent with Prospectus Pro Forma, and removing unrealised FX gains or losses.

Prospectus: the replacement Prospectus of Kogan.com Ltd dated 24 June 2016.

Third Party Branded Domestic: brands owned by third parties, for which products are sourced domestically

Third Party Branded International: brands owned by third parties, for which products are sourced internationally

Working Capital: total of trade and other receivables, inventories and prepayments which are included within other assets, less trade and other payables, deferred income, employee benefits and current provisions

ANNEXURE 1

FY17 RECONCILIATION OF GROSS SALES TO REVENUE

At 30 June 2017, presales were \$5.2 million, representing Gross Sales yet to be dispatched.

\$m	FY17
Gross sales	308.8
Change in presales ¹	(1.4)
Refunds and cancellations	(17.9)
Statutory revenue	289.5

Notes:

1. Change in presales relates to the movement in deferred income, which is recognised on product sales that are yet to be dispatched, but for which cash has been received.

ANNEXURE 2

FY17 GROSS SALES & REVENUE BY PORTFOLIO BUSINESS

96.4% of revenue was generated by the three Product Divisions.

\$m	FY16		FY17		YoY revenue growth %
	Gross Sales	Revenue	Gross Sales ¹	Revenue	
Private Label	80.3	77.1	97.5	93.1	20.8%
Third Party International	87.9	83.7	126.7	118.2	41.2%
Third Party Domestic	47.3	44.8	73.5	67.8	51.3%
Product Divisions	215.5	205.6	297.7	279.1	35.7%
Travel	4.8	4.5	6.9	6.2	37.8%
Mobile	0.5	0.5	3.6	3.6	620.0%
Total	220.8	210.5	308.2	288.9	37.2%
Other Income	0.6	0.6	0.6	0.6	0.0%
Total	221.3	211.2	308.8	289.5	37.1%

Notes:

1. A reconciliation of Gross Sales to Revenue is provided in Annexure 1.

ANNEXURE 3

STATUTORY RECONCILIATION TO PRO FORMA RESULTS

Pro Forma EBITDA of \$13.2 million represents 191.3% of the full year Prospectus Forecast Pro Forma EBITDA of \$6.9 million.

\$m	Statutory FY17	Transaction costs ¹	Unrealised FX gain or loss ²	Pro Forma actual FY17
Revenue	289.5	-	-	289.5
Cost of Sales	(237.8)	-	-	(237.8)
Gross Profit	51.7	-	-	51.7
Gross Margin %	17.9%	-	-	17.9%
Variable costs	(10.5)	-	-	(10.5)
Marketing costs	(10.6)	-	-	(10.6)
People costs	(13.4)	1.2	-	(12.2)
Other expenses	(7.0)	1.8	-	(5.2)
Total operating costs	(41.5)	3.0	-	(38.5)
Unrealised FX gain or loss	(0.7)	-	0.7	0.0
EBITDA	9.5	3.0	0.7	13.2
EBITDA margin %	3.3%	-	-	4.6%
Depreciation & amortisation	(3.8)	-	-	(3.8)
EBIT	5.7	3.0	0.7	9.4
Interest	0.5	-	-	0.5
PBT	6.1	3.0	0.7	9.8

Notes:

1. Transaction costs: adjustments to remove balances included in the Statutory figures which relate to the IPO.

2. Adjustment to remove the impact of the unrealised FX loss on forward exchange contracts at 30 June 2017.