# APPENDIX 4D

## APPENDIX 4D – KOGAN.COM LTD

ABN 96 612 447 293

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### HALF-YEAR ENDED 31 DECEMBER 2018

(Previous corresponding period: Half-year ended 31 December 2017)

| | Half-year ended 31 December 2018 $'000 | Half-year ended 31 December 2017[1] $'000 | Change increase/ (decrease) $'000 | Change increase/ (decrease) % |
|---|---|---|---|---|
| Revenues from ordinary activities | 231,798 | 209,622 | **22,176** | ***10.6*** |
| Profit before tax | 10,509 | 11,974 | **(1,465)** | ***(12.2)*** |
| Profit after tax attributable to members | 7,407 | 8,327 | **(919)** | ***(11.0)*** |

#### Abbreviated explanation of results

Revenue from ordinary activities was up $22.2 million (10.6%) from $209.6 million to $231.8 million in the six months ended 31 December 2018, compared to the prior corresponding period. The increase in revenue was driven by active customer growth and investments in inventory and marketing driving revenue growth in Exclusive Brands and Partner Brands.

Profit before tax was down $1.5 million compared to the prior corresponding period, primarily driven by investments in the Company's warehousing footprint and marketing.

Refer to the accompanying market release and Review of Operations in the Directors' Report for further commentary.

#### Net tangible assets per share

| | 31 December 2018 | 31 December 2017 |
|---|---|---|
| Net tangible assets backing per ordinary shares | $0.42 | $0.45 |

#### Dividends

| | Amount per Share (cents) | Franked Amount per share at 30% of Tax (cents) |
|---|---|---|
| **Ordinary shares:** | | |
| 2018 interim – paid 13 March 2018 | 6.9 | 6.9 |
| 2018 final – paid 7 September 2018 | 6.1 | 6.1 |
| 2019 interim dividend declared | 6.1 | 6.1 |

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

### Current period

The 2019 interim dividend was declared subsequent to balance date. The record date for determining entitlement of receipt of the interim dividend is 23 April 2019 and the company expects to pay the dividend on 8 May 2019. The dividend has not been provided for as at 31 December 2018.

### Dividend reinvestment plans

There was no dividend reinvestment plan in operation during the half-year.

### Foreign entities

The results of Kogan HK Limited, a Hong Kong 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 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 31 December 2018 Financial Report.

Signed on behalf of Kogan.com Ltd, on the 22 February 2019

**Greg Ridder**
Chairman

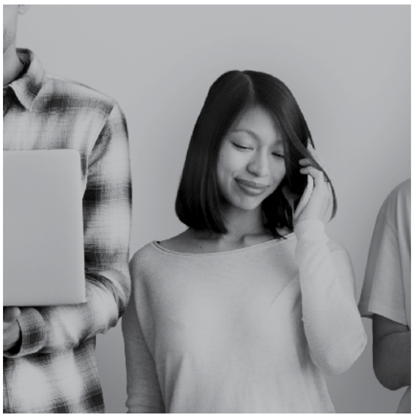
# Half-Year Report 2018/19


**$13.3m**

**EBITDA**

**10.6%**

**YoY revenue growth**



**10.8%**

**YoY increase in Gross Profit**

**Interim dividend of 6.1 cents per share (fully franked)**

## Contents

# 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 2018 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** – Chief Executive Officer and Executive Director

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

**Harry Debney** – Independent, Non-Executive Director

## PRINCIPAL ACTIVITIES

Founded in 2006, Kogan.com is a portfolio of retail and services businesses that includes Kogan Retail, Kogan Marketplace, Kogan Mobile, Kogan Internet, Kogan Money, Kogan Insurance, Kogan Money and Kogan Travel. Kogan is a leading Australian consumer brand renowned for price leadership through digital efficiency. The company is focused on making in-demand products and services more affordable and accessible.

Kogan.com earns the majority of its revenue and profit through the sale of goods and services to Australian consumers. Its offering comprises products released under Kogan.com's in-house brands, such as Kogan, Ovela, Fortis and Vostok ("Exclusive Brands"), and third party products sourced from imported ("Global Brands") and domestic ("Partner Brands") such as Apple, Canon, Samsung, DJI and Swann. In addition to product offerings, Kogan.com earns revenue and profit from Kogan Travel, Kogan Mobile, Kogan Internet, Kogan Money and Kogan Insurance, which offer travel packages, prepaid mobile phone plans, NBN plans, financial products including home loans and insurance products online, respectively.

No significant change in the nature of these activities occurred during the period.

## REVIEW OF OPERATIONS

### TRADING PERFORMANCE

Kogan.com has delivered top-line growth and growth in gross profit in the half-year ended 31 December 2018 with revenue and gross profit up $22.2 million and $4.4 million on the prior corresponding period, respectively.

Kogan.com recorded statutory profit after tax attributable to members of $7.4 million (1HFY18: $8.3 million). Before adjusting for the impact of changes to accounting standards to reflect AASB 15 effective from 1 July 2018, net profit after tax attributable to members was $7.6 million in 1HFY19 (1HFY18: $8.3 million).

The Group achieved statutory EBITDA of $13.3 million in 1HFY19 (1HFY18: $14.4 million). Excluding the impacts of the changes to accounting standards, mentioned above in relation to net profit after tax attributable to members, the Group achieved like for like EBITDA of $13.6 million in the half-year to 31 December 2018 (1HFY18: like for like EBITDA $14.4 million).

The key drivers of performance in the half-year to 31 December 2018 were:

- **Revenue growth:** the increase in revenue was predominantly driven by active customer growth and investments in inventory and marketing.
- **Investment in inventory:** the business has continued to invest in inventory to expand the product offering, responding to demand from the growing base of active customers and drive revenue growth of the Exclusive Brands and Partner Brands Product Divisions. Both achieved significant year-on-year growth.

- **Brand growth:** in the twelve months to December, the Company continued to achieve strong growth in Active Customers of 376,000 (32.2%). At 31 December 2018, the business had Active Customers of 1,542,000.

  Return on investment (ROI) on marketing continues to be closely monitored and our NPS[1] remains strong at an average of 59.9. The business improved marketing efficiency and ROI over the half, and is comfortable with the current ROI on marketing. Close monitoring of and flexibility in key operating costs allows us to maintain our price leadership position and respond to changes in the competitive environment.

- **Product divisions:** Exclusive Brands continues to achieve significant year-on-year revenue growth with an increase of 26.1% on 1HFY18. This growth was achieved through ongoing investment in Exclusive Brands inventory to broaden our range, including into whitegoods, and meet consumer demand from the growing base of Active Customers.

  1HFY19 also saw the business continue to reap the rewards of investment in our Partner Brands Product Division which achieved year-on-year growth of 96.5%. The team is consistently on-boarding new and market-leading brands to bring our customers the most in-demand products, further demonstrating the strength of our proposition as a partner for leading brands and distributors. In addition, various brands that were previously part of the Global Brands Product Division transferred to the Partner Brands Product Division during the period.

  Global Brands, our internationally sourced third party brand product division, has experienced a year-on-year decrease in revenue following the change to GST laws and the apparent avoidance of GST by foreign websites. Also, various brands have moved from Global Brands to our Partner Brands Product Division, which impacts the comparative growth. Finally, subdued demand for new release Apple products tempered growth in revenue.

- **New Verticals:** Kogan Mobile continued to achieve strong growth in Active Customers over the period. We provided compelling promotional introductory offers, which impacted ARPU over the period. As promotional offers apply for a limited period, ARPU is expected to progressively increase as customers roll off their promotional plans and onto everyday plans.

  Kogan Internet and Kogan Insurance continue to grow in Active Customers, and the company works with respective partners to implement strategies to accelerate growth.

- **Operating costs:** during 1HFY19, the Company continued to invest in marketing and in expanding its warehousing footprint, which involved some up-front costs. These investments are expected to provide efficiencies in 2HFY19 and beyond, in addition to enhancing the customer experience in certain geographic areas. Operating costs in 2QFY19 represented 12.9% of revenue, compared to 13.7% for the first half of FY19 (1HFY18: 12.7%) demonstrating that some of the costs are not ongoing, and also the successful implementation of various efficiency measures.

**The effective tax rate** in the 2018 half-year was 30% (2017: 30%).

## OUTLOOK

At Kogan.com we are relentless in continuing to grow our existing businesses and to expand our portfolio of businesses. Kogan.com is a dynamic portfolio of businesses – there is always more that we can do and new ways we can delight our customers. During 2019, we are due to launch Kogan Mobile New Zealand, Kogan Money Super and Kogan Money Credit Cards, with significant upfront incentives due in one instance. In addition, we expect Kogan Mobile to continue its growth in active customers and the investments in marketing and inventory to drive further growth in the Product Divisions.

The Group has started the second half of FY19 well with January 2019 unaudited management accounts showing year-on-year revenue and gross profit growth of 13.1% and 19.9%, respectively, while operating costs (including Marketing Costs, Variable Costs, People Costs and Other Costs) increased by 7.3% year-on-year.

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.

## SUBSEQUENT EVENTS

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

## DIVIDENDS

In line with the Dividend Policy, the Directors have declared an interim dividend of 6.1 cents per ordinary share, fully franked, representing 80% of NPAT. The record date of the dividend is 23 April 2019 and the dividend will be paid on 8 May 2019. The dividend was not determined until after the balance sheet date and accordingly no provision has been recognised as at 31 December 2018.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2018 can be found on page 6 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, 22 February 2019

## NON IFRS MEASURES

Throughout this report, Kogan.com has included certain non-IFRS financial information, including EBITDA, Pro Forma EBITDA, Pro Forma Trading 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. |
| **Gross Sales** | Gross Sales represent sales on a cash basis and prior to cancellations and refunds. Gross Sales is a key measure which management uses to track financial performance and to make management decisions at a product group level. |
| **ARPU** | Average revenue per user. |

KPMG

# 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 2018 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

Simon Dubois
*Partner*

Melbourne
22 February 2019

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# INTERIM FINANCIAL STATEMENTS

## Contents

# CONDENSED CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

| | | CONSOLIDATED GROUP | |
|---|---|---|---|
| | Note | 31 December 2018 $ | 31 December 2017[1] $ |
| Revenue | 1.1 | 231,797,585 | 209,621,823 |
| Cost of sales | 1.2 | (186,659,370) | (168,890,484) |
| **Gross profit** | | **45,138,215** | **40,731,339** |
| Selling and distribution expenses | | (13,909,928) | (12,263,494) |
| Warehouse expenses | | (6,539,878) | (4,131,306) |
| Administrative expenses | | (13,541,468) | (11,634,136) |
| Other expenses | | (937,338) | (655,054) |
| **Results from operating activities** | | **10,209,603** | **12,047,349** |
| Finance income | | 164,714 | 154,363 |
| Finance costs | | (485,801) | (502,718) |
| Unrealised foreign exchange gain | | 620,350 | 274,736 |
| **Net finance income/(loss)** | | **299,263** | **(73,619)** |
| **Profit before income tax** | | **10,508,866** | **11,973,730** |
| Tax expense | | (3,101,653) | (3,647,124) |
| **Total comprehensive income/Net profit for the period attributable to the members of company** | | **7,407,213** | **8,326,606** |
| | | | |
| **Basic earnings per share** | 3.4 | 0.08 | 0.09 |
| **Diluted earnings per share** | 3.4 | 0.08 | 0.09 |

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

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

| | Note | 31 December 2018 $ | 30 June 2018[1] $ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 15,533,320 | 42,617,940 |
| Trade and other receivables | | 2,082,912 | 4,999,536 |
| Inventories | | 92,897,875 | 50,200,175 |
| Financial assets | | 1,193,058 | 572,708 |
| Prepayments and other current assets | | 1,429,943 | 652,478 |
| TOTAL CURRENT ASSETS | | 113,137,108 | 99,042,837 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | 379,207 | 449,088 |
| Intangible assets | | 6,552,817 | 6,492,748 |
| Deferred tax assets | | 2,113,396 | – |
| TOTAL NON-CURRENT ASSETS | | 9,045,420 | 6,941,836 |
| TOTAL ASSETS | | 122,182,528 | 105,984,673 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 58,288,327 | 45,355,366 |
| Current tax liabilities | | 2,682,607 | 3,154,445 |
| Employee benefits | | 648,676 | 684,879 |
| Provisions | | 813,274 | 871,493 |
| Deferred income | | 10,141,451 | 7,319,876 |
| TOTAL CURRENT LIABILITIES | | 72,574,335 | 57,386,059 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | | – | 577,527 |
| Employee benefits | | 128,114 | 110,536 |
| Provisions | | 29,293 | 29,293 |
| Deferred income (non-current) | | 3,281,713 | – |
| TOTAL NON-CURRENT LIABILITIES | | 3,439,120 | 717,356 |
| **TOTAL LIABILITIES** | | 76,013,455 | 58,103,415 |
| **NET ASSETS** | | **46,169,073** | **47,881,258** |
| **EQUITY** | | | |
| Issued capital | 3.3.1 | 167,704,861 | 167,293,634 |
| Merger reserve | | (131,816,250) | (131,816,250) |
| Other reserves | | 920,514 | 832,851 |
| Retained earnings | | 9,359,948 | 11,571,023 |
| **TOTAL EQUITY** | | **46,169,073** | **47,881,258** |

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

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

| | | CONSOLIDATED GROUP | | | | | |
|---|---|---|---|---|---|---|---|
| | Note | Share Capital $ | Retained Earnings $ | Merger Reserve $ | Translation Reserve $ | Performance Rights Reserve $ | Total Equity $ |
| **Balance at 1 July 2017** | | 167,100,702 | 7,460,780 | (131,816,250) | (290,645) | 217,098 | 42,671,685 |
| **Comprehensive income** | | | | | | | |
| Profit for the half-year | | – | 8,326,606 | – | – | – | 8,326,606 |
| **Total comprehensive income for the half-year** | | – | 8,326,606 | – | – | – | 8,326,606 |
| **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 | 53,863 | – | – | – | (53,863) | – |
| Dividends paid | 3.3.2 | – | (3,551,668) | – | – | – | (3,551,668) |
| Equity-settled share-based payments | 5.1 | – | – | – | – | 174,237 | 174,237 |
| **Total transactions with owners, in their capacity as owners** | | 53,863 | (3,551,668) | – | – | 120,374 | (3,377,431) |
| **Balance at 31 December 2017[1]** | | **167,154,565** | **12,235,718** | **(131,816,250)** | **(290,645)** | **337,472** | **47,620,860** |
| **Balance at 30 June 2018** | | 167,293,634 | 11,571,023 | (131,816,250) | (290,645) | 1,123,496 | 47,881,258 |
| Adjustment on the initial application of AASB 15 (net of tax) | | – | (3,902,089) | – | – | – | (3,902,089) |
| **Adjusted balance at 1 July 2018** | | 167,293,634 | 7,668,934 | (131,816,250) | (290,645) | 1,123,496 | 43,979,169 |
| **Comprehensive income** | | | | | | | |
| Profit for the half-year | | – | 7,407,213 | – | – | – | 7,407,213 |
| **Total comprehensive income for the half-year** | | – | 7,407,213 | – | – | – | 7,407,213 |
| **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 | 411,227 | – | – | – | (386,227) | 25,000 |
| Dividends paid | 3.3.2 | – | (5,716,199) | – | – | – | (5,716,199) |
| Equity-settled share-based payments | 5.1 | – | – | – | – | 473,890 | 473,890 |
| **Total transactions with owners and other transfers** | | 411,227 | (5,716,199) | – | – | 87,663 | (5,217,309) |
| **Balance at 31 December 2018** | | **167,704,861** | **9,359,948** | **(131,816,250)** | **(290,645)** | **1,211,159** | **46,169,073** |

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

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

| | | CONSOLIDATED GROUP | |
|---|---|---|---|
| | Note | 31 December 2018 $ | 31 December 2017[1] $ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 270,458,955 | 225,106,010 |
| Payments to suppliers and employees | | (284,406,458) | (220,183,539) |
| Interest received | | 164,714 | 154,363 |
| Finance costs paid | | (117,474) | (50,694) |
| Income tax paid | | (4,592,090) | (1,727,445) |
| Net cash provided by/(used in) operating activities | | (18,492,353) | 3,298,695 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (16,702) | (77,309) |
| Purchase of intangible assets | 2.1 | (2,859,366) | (3,519,654) |
| Net cash used in investing activities | | (2,876,068) | (3,596,963) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net proceeds from issue of shares | | – | – |
| Transaction costs related to the issue of shares | | – | – |
| Repayment of borrowings | | – | – |
| Dividends paid | 3.3.2 | (5,716,199) | (3,551,668) |
| Net cash used in financing activities | | (5,716,199) | (3,551,668) |
| Net decrease in cash held | | (27,084,620) | (3,849,936) |
| Cash and cash equivalents at beginning of half-year | | 42,617,940 | 32,027,680 |
| Cash and cash equivalents at end of half-year | | 15,533,320 | 28,177,744 |

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

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

## BASIS OF PREPARATION

The financial report of Kogan.com Ltd and its controlled entities ("the Group") for the six months ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 22 February 2019.

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.

This is the first set of the Group's financial statements where AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* have been applied. Changes to significant policies are described in Note 6.3.

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 as at and for the year ended 30 June 2018.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2018

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.

## A. SEGMENT INFORMATION

The Group's operations consist primarily of selling goods and services online to Australian customers. The Group has considered the requirements of AASB 8 *Operating Segments* and assessed that the Group has one operating segment, representing the consolidated results, as this is the only segment which meets the requirements of AASB 8.

## B. USES OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements management have made judgements, 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 of aged items over 365 days.

Key estimates and judgements have not changed from those disclosed in the Group financial report for the year ended 30 June 2018, except for new significant judgements and key sources of estimation of uncertainty related to the application of AASB 15, which are described in Note 6.3.

# SECTION 1: BUSINESS PERFORMANCE

## 1.1 REVENUE

### Seasonality of operations:

The Group experiences certain seasonality impacts due to the Christmas trading period. However, management expects the benefits of investments in marketing and inventory to continue to drive growth in the business. The nature and effect of initially applying AASB 15 on the Group's condensed financial statements are disclosed in Note 6.3.

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 $ | 31 December 2017[1] $ |
| **Revenue** | | |
| Sales revenue: | | |
| – sale of goods | 224,826,592 | 199,349,361 |
| – rendering of services | 5,244,547 | 8,856,585 |
| | 230,071,139 | 208,205,946 |
| Other revenue: | | |
| – marketing subsidies | 1,205,520 | 112,758 |
| – other revenue | 520,926 | 1,303,119 |
| | 1,726,446 | 1,415,877 |
| **Total revenue** | **231,797,585** | **209,621,823** |

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

## 1.2 EXPENSES

| | 31 December 2018 $ | 31 December 2017[1] $ |
|---|---|---|
| Cost of sales | 186,659,370 | 165,487,489 |
| Cost of services | – | 3,402,995 |
| **Total Cost of sales** | **186,659,370** | **168,890,484** |
| Employee benefit expense | 7,967,807 | 6,076,517 |
| Depreciation and amortisation expense | 2,922,965 | 2,534,419 |

1 The Group applied AASB 15 as at 1 July 2018. Under the transition methods chosen, comparative information is not restated.

### 1.3 TAX BALANCES

Tax expense 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 income of the interim reporting period.

The Group's consolidated effective tax rate for the six months ended 31 December 2018 was 30% (for the six months ended 31 December 2017: 30%).

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 most significant tax timing differences that caused a decrease in effective tax rate were the decrease of amortisation of intangible assets and the non-deductible IPO related costs in December 2017.

## SECTION 2: OPERATING ASSETS AND LIABILITIES

### 2.1 INTANGIBLE ASSETS

The Group acquired a total of amount of $2,859,366 of intangible assets during the the six months ended 31 December 2018. A total of $3,519,654 was acquired during the six months ended 31 December 2017.

There were no disposals or impairment loss recognised during the half-year.

## SECTION 3: CAPITAL STRUCTURE AND FINANCING

### 3.1 LOAN AND BORROWINGS

The group's interest-bearing loans and borrowings are measured at amortised cost.

On 27 November 2018, the Group renewed its multi-option facility agreement with Westpac Banking Corporation, for a term of three years, maturing on 27 November 2021. The renewal sees an increase in the facility from $10.0 million to $20.0 million.

There were no amounts drawn down under the facility at period end (2017: nil).

### 3.2 CAPITAL AND FINANCIAL RISK MANAGEMENT

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

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 $ | 30 June 2018 $ |
| **Financial assets** | | |
| Cash and cash equivalents | 15,533,320 | 42,617,940 |
| Trade and other receivables | 2,082,912 | 4,999,536 |
| Financial assets | 1,193,058 | 572,708 |
| **Total financial assets** | 18,809,290 | 48,190,184 |
| **Financial liabilities** | | |
| Financial liabilities at amortised cost: | | |
| – trade and other payables | 58,288,327 | 45,355,366 |
| **Total financial liabilities** | 58,288,327 | 45,355,366 |

### 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 on a non-recurring basis.

### 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. |

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.

Cash and cash equivalents are level 1 measurements, whilst foreign exchange contracts are level 2. The fair value of foreign exchange contracts at 31 December 2018 totalled $1,193,058 (30 June 2018: $572,708). This represented the amount 'in the money' on outstanding forward foreign exchange contracts as at period end.

### b. Disclosed Fair Value Measurements

The carrying amounts of assets and liabilities are the same as their carrying 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 when revalued.

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

## 3.3.1 ISSUED CAPITAL AND RESERVES

### a. Ordinary Shares

| | CONSOLIDATED GROUP | | | |
|---|---|---|---|---|
| | 31 December 2018 $ | 30 June 2018 $ | 31 December 2018 No. | 30 June 2018 No. |
| Fully paid ordinary shares | 167,704,861 | 167,293,634 | 93,708,139 | 93,472,345 |

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 | Shares No. | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 July 2016 | 343 | $1.00 | 343 |
| Shares cancelled as part of the Kogan purchase | 7 July 2016 | (343) | $– | – |
| Shares issued at IPO | 7 July 2016 | 27,777,786 | $1.80 | 50,000,015 |
| Shares issued to senior managers under an IPO bonus schemes | 7 July 2016 | 657,638 | $1.80 | 1,183,748 |
| Shares issued to the previous owners for the purchase of Kogan Operations Holdings Pty Ltd | 7 July 2016 | 64,897,910 | $1.80 | 116,816,238 |
| Transaction cost arising on IPO offset against share capital, net of tax | 7 July 2016 | – | $– | (904,642) |
| Shares issued to employees under an incentive plan | 29 September 2016 | 3,247 | $1.54 | 5,000 |
| Balance | 30 June 2017 | 93,336,581 | | 167,100,702 |
| Shares issued to employees under an incentive plan | 3 July 2017 | 128,357 | $1.43 | 183,562 |
| Shares issued to employees under an incentive plan | 8 March 2018 | 7,407 | $1.27 | 9,370 |
| Balance | 30 June 2018 | 93,472,345 | | 167,293,634 |
| Shares issued to employees under an incentive plan | 6 July 2018 | 232,181 | $1.66 | 386,227 |
| Shares issued to employees under an incentive plan | 6 July 2018 | 3,613 | $6.92 | 25,000 |
| Balance | 31 December 2018 | 93,708,139 | | 167,704,861 |

### c. Merger reserve

The acquisition of Kogan Operations Holdings Pty Ltd by Kogan.com Ltd in a previous financial period 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.

### d. Performance Rights 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. The cumulative fair value of performance rights are transferred to issued share capital once they are fully vested and shares issued to the plan participant.

### 3.3.2 DIVIDENDS

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 $ | 31 December 2017 $ |
| Dividends paid during the half-year | 5,716,199 | 3,551,668 |

### 3.4 EARNINGS PER SHARE

**a. Net profit or loss for the reporting period used as the numerator**

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 $ | 31 December 2017 $ |
| Net profit for the reporting period | 7,407,213 | 8,326,606 |

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

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 No. | 31 December 2017 No. |
| Weighted average number of ordinary shares of the entity | 93,701,732 | 93,463,543 |
| Diluted weighted average number of ordinary shares of the entity | 1,312,820 | 831,239 |

| | CONSOLIDATED GROUP | |
|---|---|---|
| | 31 December 2018 $ | 31 December 2017 $ |
| Basic earnings per share | 0.08 | 0.09 |
| Diluted earnings per share | 0.08 | 0.09 |

## SECTION 4: GROUP STRUCTURE

### 4.1 RELATED PARTIES

There have been no material changes to the Group's related party arrangements during the period, which are detailed in the Group's financial report for the year ended 30 June 2018.

# SECTION 5: EMPLOYEE REWARD AND RECOGNITION

## 5.1 INCENTIVE PLANS

Kogan.com Ltd has adopted an equity incentive plan to assist in the motivation and retention of management and selected employees.

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 employees. To align the interests of its employees and the goals of the Group, the Directors have decided the remuneration packages of the executive team and other selected employees will consist of the following components:

- Fixed remuneration (inclusive of superannuation); and
- Equity based long-term incentives.

The Group has established an Equity Incentive Plan (EIP), which is designed to align the interests of eligible employees more closely with the interests of Shareholders in the listed entity post 7 July 2016. Under the EIP, eligible employees 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 employees over time.

### Performance rights under the Equity Incentive Plan (EIP)

Kogan.com Ltd has adopted the EIP in order to assist in the motivation and retention of senior management and other selected employees of Kogan.com. The EIP is designed to align the interests of eligible employees more closely with the interests of Shareholders, by providing an opportunity for eligible employees to receive an equity interest in Kogan.com. Current grants under Kogan.com's long-term incentive plan are shown below.

| | |
|---|---|
| **Consideration** | Nil. |
| **Eligibility** | Offers of Incentive Securities may be made to any employee of the Kogan 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. |
| **Amount 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 Kogan Group at time of vesting. |
| **Restrictions on dealing** | Shares allocated upon exercise of Performance Rights will rank equally with all existing ordinary shares from the date of issue (subject only to the requirements of Kogan's Securities Trading Policy).<br>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). |

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

| | LONG TERM INCENTIVE PLANS PERFORMANCE RIGHTS | |
|---|---|---|
| | No. 2018 | No. 2017 |
| **Six months to 31 December** | | |
| Outstanding at beginning of period | 2,716,885 | 2,809,450 |
| Granted during the period | 7,647 | 105,674 |
| Exercised during the period | (232,181) | (128,356) |
| Forfeited during the period | (140,000) | (95,784) |
| Outstanding at the end of the period | 2,352,351 | 2,690,984 |
| Exercisable at the end of the period | 21,713 | 7,407 |

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

| | LONG TERM INCENTIVE PLANS | | | |
|---|---|---|---|---|
| **Grant Dates** | **29 July 2016** | **29 September 2016** | **20 December 2016** | **20 December 2016** |
| Number | 495,140 | 178,573 | 1,451,856 | 37,037 |
| Fair value at grant date | $583,727 | $237,500 | $1,516,224 | $42,029 |
| Share price at grant date | $1.49 | $1.52 | $1.34 | $1.34 |
| Rights life | 1 to 5 years | 1 to 5 years | 3 & 4 years | 1 to 5 years |
| Vesting dates | 30 Jun 2017 | 30 Jun 2017 | 31 Dec 2019 | 31 Dec 2017 |
| | 30 Jun 2018 | 30 Jun 2018 | 31 Dec 2020 | 31 Dec 2018 |
| | 30 Jun 2019 | 30 Jun 2019 | | 31 Dec 2019 |
| | 30 Jun 2020 | 30 Jun 2020 | | 31 Dec 2020 |
| | 30 Jun 2021 | 30 Jun 2021 | | 31 Dec 2021 |
| Dividend yield | 5.2% | 5.1% | 5.7% | 5.7% |

| | LONG TERM INCENTIVE PLANS | | | |
|---|---|---|---|---|
| **Grant Dates** | **29 June 2017** | **29 June 2017** | **29 June 2017** | **29 June 2017** |
| Number | 436,365 | 12,121 | 18,182 | 212,121 |
| Fair value at grant date | $617,699 | $17,667 | $27,295 | $290,244 |
| Share price at grant date | $1.70 | $1.70 | $1.70 | $1.70 |
| Rights life | 1 to 5 years | 1 to 4 years | 1 to 3 years | 3 & 4 years |
| Vesting dates | 30 Jun 2018 | 30 Jun 2018 | 30 Jun 2018 | 30 Jun 2020 |
| | 30 Jun 2019 | 30 Jun 2019 | 30 Jun 2019 | 30 Jun 2021 |
| | 30 Jun 2020 | 30 Jun 2020 | 30 Jun 2020 | |
| | 30 Jun 2021 | 30 Jun 2021 | | |
| | 30 Jun 2022 | | | |
| Dividend yield | 6.3% | 6.3% | 6.3% | 6.3% |

| | LONG TERM INCENTIVE PLANS | | | | | |
|---|---|---|---|---|---|---|
| Grant Dates | 22 December 2017 | 22 December 2017 | 6 April 2018 | 28 June 2018 | 25 September 2018 | 25 September 2018 |
| Number | 55,633 | 30,810 | 18,013 | 21,708 | 3,388 | 4,259 |
| Fair value at grant date | $324,011 | $182,256 | $151,273 | $140,203 | $19,428 | $24,489 |
| Share price at grant date | $6.20 | $6.20 | $8.60 | $6.76 | $5.83 | $5.83 |
| Rights life | 1 to 4 years | 1 to 5 years | 1 to 5 years | 1 to 4 years | 1 to 2 years | 1 year |
| Vesting dates | 31 Dec 2018<br>31 Dec 2019<br>31 Dec 2020<br>31 Dec 2021 | 30 Jun 2018<br>30 Jun 2019<br>30 Jun 2020<br>30 Jun 2021<br>30 Jun 2022 | 31 Dec 2018<br>31 Dec 2019<br>31 Dec 2020<br>31 Dec 2021<br>31 Dec 2022 | 30 Jun 2019<br>30 Jun 2020<br>30 Jun 2021<br>30 Jun 2022 | 30 Jun 2019<br>30 Jun 2020 | 31 Dec 2019 |
| Dividend yield | 2.1% | 2.1% | 1.5% | 1.9% | 1.1% | 1.1% |

During the period the Group recognised a share-based payment expense of $473,890 (2017: $174,237).

## SECTION 6: OTHER

### 6.1 SUBSEQUENT EVENTS

The Directors have declared a dividend of 6.1 cents per ordinary share, fully franked. The dividend was not determined until after the balance sheet date and accordingly no provision has been recognised at 31 December 2018.

### 6.2 CONTINGENT LIABILITIES

Certain entities within the Group are subject to various lawsuits and claims as well as audits and reviews by government or regulatory bodies. In most instances it is not possible to reasonably predict the outcome of these matter or their impact on the Group. Where outcomes can be reasonably predicted, provisions are recorded.

### 6.3 INITIAL APPLICATION OF AASB 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS & AASB 9 FINANCIAL INSTRUMENTS

#### a. AASB 15 *Revenue from contracts with customers*

The Group adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018.

The effect of applying these standards is mainly attributed to the following:

- defer the recognition of revenue from extended care.
- recognise the revenue from Kogan Travel on a net basis.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations.

The Group has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported under AASB 118, AASB 111 and related interpretations.

The following table summarises the impact, net of tax, of transition to AASB 15 on retained earnings at 1 July 2018.

| Retained earnings | Impact of adopting AASB 15 at 1 July 2018 |
|---|---|
| Extended care | (3,902,089) |
| Kogan Travel | – |
| Impact at 1 July 2018 | (3,902,089) |

The following tables summarise the impacts of adopting AASB 15 on the Group's condensed consolidated statement of financial position as at 31 December 2018 and its condensed consolidated income statement and consolidated statement of comprehensive income for the six months then ended for each line items affected. There was no material impact on Group's condensed consolidated statement of cash flows for the six month period ended 31 December 2018.

**Impact on the condensed consolidated statement of financial position**

| | Amounts without adoption of AASB 15 | AASB 15 adjustment | As reported 31 December 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Deferred tax assets | 350,741 | 1,762,655 | 2,113,396 |
| **Total assets** | **350,741** | **1,762,655** | **2,113,396** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Deferred income | 7,546,753 | 2,594,698 | 10,141,451 |
| **Non-current liabilities** | | | |
| Deferred income | 895 | 3,280,818 | 3,281,713 |
| **Total liabilities** | **7,547,648** | **5,875,516** | **13,423,164** |
| **EQUITY** | | | |
| Retained earnings | 13,262,037 | (3,902,089) | 9,359,948 |
| **Total equity** | **13,262,037** | **(3,902,089)** | **9,359,948** |

**Impact on the consolidated income statement and consolidated statement of comprehensive income for the half-year ended 31 December 2018**

| | Amounts without adoption of AASB 15 | AASB 15 adjustment | As reported 31 December 2018 |
|---|---|---|---|
| Revenue | 235,345,367 | (3,547,782) | 231,797,585 |
| Cost of sales | (189,906,048) | 3,246,678 | (186,659,370) |
| Gross Profit | 45,439,319 | (301,104) | 45,138,215 |
| Income tax expense | (3,191,984) | 90,331 | (3,101,653) |
| Total comprehensive income/Net profit for the period attributable to the members of company | 7,617,986 | (210,773) | 7,407,213 |

The details of new significant accounting policies and the nature of the changes to previous accounting policies in relations to the Group's various goods and services are set out below.

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

| Type of product or service | Nature, timing of satisfaction of performance obligations, significant payment terms | Nature of change in accounting policy |
|---|---|---|
| Extended care | Kogan.com provides two types of care, a standard care of 12 months and an extended care.<br>Under AASB 15, the Group considers the extended care provided beyond 12 months to be a distinct service.<br>The customers obtain control of the extended care once the standard care 12 month period is over.<br>Under AASB 15 the Group recognises the extended care revenue in deferred income and revenue is recognised over the care period on a straight-line basis once the standard care period is over. | Under AASB 118, revenue from the extended care was recognised when a reasonable estimate of the outcome from the transactions could be made and when it was probable that the economic benefits from those transactions would flow to the Group.<br>A reasonable estimate of revenue and probability of economic benefits flowing to the Group could be determined at the time of the sale and revenue was recognised at that point in time.<br>Revenue from the extended care was recognised monthly, in the month the extended care were sold. The outcome from the transactions was recognised in full throughout the year.<br>Revenue was recognised sooner under AASB 118 than under AASB 15.<br>The impact of these changes is a reduction in revenue and an increase in the deferred income liability from extended care. The revenue recognition is deferred by 12 months and recorded on straight-line basis over the extended care period. |
| Kogan Travel | AASB 15 clarified the principal versus agent considerations.<br>Under AASB 15, Kogan's performance obligation is to arrange for Kogan Travel suppliers to provide and organise the travel deals sold on the kogantravel.com website. The Group is considered an agent in this transaction.<br>The Group therefore recorded its revenues as the net amount it retains as a commission. | Under AASB 118, revenue for Kogan Travel was recognised on a gross basis.<br>Following the clarifications from AASB 15, it was determined that revenue would be recorded on a net basis and that Kogan was an agent.<br>The impact of these changes is a reduction in revenue and cost of sale for Kogan Travel by the same amount. The net impact on profit and loss is nil. |

### b. AASB 9 *Financial Instruments*

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities. However, it eliminates the previous AASB 139 Categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of AASB 9 has not had a significant effect on the Group's accounting policies.

# 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 8 to 22 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 2018 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**
Director

Melbourne, 22 February 2019

KPMG

# Independent Auditor's Review Report

To the shareholders of Kogan.com Ltd

## Report on the Half-year Financial Report

### Conclusion

We have reviewed the accompanying ***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 Half-year Financial Report of Kogan.com Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2018 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 ***Half-year Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2018
- Condensed consolidated income statement and consolidated statement of 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 6.3 comprising a summary of significant 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.

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

The Directors of the Company are responsible for:

- the preparation of the 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 Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 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*. As auditor of Kogan.com Ltd, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a 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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* provided to the Directors of Kogan.com Ltd on 31 December 2018, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

KPMG

KPMG

Simon Dubois
*Partner*

Melbourne
22 February 2019

# CORPORATE DIRECTORY

## COMPANY SECRETARY

Mark Licciardo and Adam Sutherland, Mertons Corporate Services

## PRINCIPAL REGISTERED OFFICE

### KOGAN.COM LTD

C/– Mertons Corporate Services
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

### COMPUTERSHARE

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
+61 3 9415 4000

## STOCK EXCHANGE LISTING

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

## AUDITORS

### KPMG

727 Collins Street
Melbourne Victoria 3008

kogan.com