

## APPENDIX 4D

### APPENDIX 4D - KOGAN.COM LTD

ABN 96 612 447 293

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

#### HALF-YEAR ENDED 31 DECEMBER 2019

(Previous corresponding period: Half-year ended 31 December 2018)

	Half-year ended 31 December 2019 \$'000	Restated half-year ended 31 December 2018 <sup>1</sup> \$'000	Change increase/ (decrease) \$'000	Change increase/ (decrease) %
Revenue from ordinary activities	219,541	231,798	(12,257)	(5.3%)
Profit before tax	12,801	10,483	2,318	22.1%
Profit after tax attributable to members	8,929	7,389	1,540	20.8%

Revenue from Exclusive Brands, Kogan Internet, Kogan Insurance, Kogan Mobile Australia and Advertising all grew year-on-year. This was tempered by a reduction in Revenue within Third-Party Brands, partly due to the migration of some customer orders to our new Kogan Marketplace which earns seller fees as revenue. This change in revenue mix saw a reduction in Revenue from ordinary activities of \$12.3 million (5.3%) from \$231.8 million to \$219.5 million in the six months ended 31 December 2019, compared to the prior corresponding period.

Profit before tax was up by \$2.3 million compared to the prior period. Profit before tax and Profit after tax attributable to members in the current and previous corresponding period include an unrealised foreign exchange loss of \$0.9 million in 1HFY20 and gain of \$0.6 million in 1HFY19. Both periods include a non-cash equity-based compensation expense, which was \$0.6 million in 1HFY20 and \$0.5 million in 1HFY19.

Refer to the accompanying market release and the 1HFY20 Results Presentation dated 18 February 2020 for further commentary.

#### Net tangible assets per Share

	31 December 2019	31 December 2018 <sup>1</sup>
Net tangible assets backing per Ordinary Share	\$0.51	\$0.48

#### Dividends

	Amount per Share (cents)	Franked Amount per Share at 30% of Tax (cents)
<b>Ordinary Shares:</b>		
2019 interim - paid 8 May 2019	6.1	6.1
2019 final - paid 14 October 2019	8.2	8.2
2020 Interim Dividend declared	7.5	7.5

<sup>1</sup> The Group applied AASB 16 Leases as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 Leases, refer to Note 6.3.

**Current period**

The 2020 Interim Dividend was declared subsequent to the balance date. The record date for determining entitlement of receipt of the Interim Dividend is 27 February 2020 and the Company expects to pay the Interim Dividend on 10 March 2020. The Interim Dividend has not been accrued for as at 31 December 2019.

**Dividend reinvestment plans**

A dividend reinvestment plan was introduced prior to the declaration of the 2020 Interim Dividend.

**Foreign entities**

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

**Other information required by Listing Rule 4.2A**

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the 31 December 2019 Financial Report.

Signed on behalf of Kogan.com Ltd, on the 18 February 2020.



**Greg Ridder**  
Non-Executive Chairman





**\$18.2m**  
Adjusted  
EBITDA<sup>1</sup>



**16.4%**  
YoY Gross Sales  
growth



**10.6%**  
YoY increase  
in Gross Profit



**Interim Dividend  
of 7.5 cents  
per Share  
(fully franked)**



<sup>1</sup> Kogan believes that non-IFRS measures referred to in this document provide useful information to recipients for measuring the underlying operating performance of the business. Non-IFRS measures are not subject to audit.

<b>Contents</b>	
<b>3</b>	Directors' Report
<b>6</b>	Lead Auditor's Independence Declaration
<b>7</b>	Interim Financial Statements
<b>23</b>	Directors' Declaration
<b>24</b>	Independent Auditor's Review Report
<b>26</b>	Corporate Directory

# DIRECTORS' REPORT

The Directors of Kogan.com Ltd (“Kogan.com”) and its controlled entities (“the Group”) present their report together with the consolidated financial report of the Group for the half-year ended 31 December 2019 (1HFY20) and the review report thereon.

## DIRECTORS

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

**Greg Ridder** – Independent, Non-Executive Chairman

**Ruslan Kogan** – Founder, Chief Executive Officer and Executive Director

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

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

**Michael Hirschowitz** – Independent, Non-Executive Director

## PRINCIPAL ACTIVITIES

Kogan.com is a portfolio of retail and service businesses. Kogan.com's business divisions included Kogan Retail, Kogan Marketplace, Kogan Mobile Australia, Kogan Internet, Kogan Insurance, Kogan Health, Kogan Pet, Kogan Life, Kogan Money, Kogan Cars, Kogan Super, Kogan Credit Cards, Kogan Mobile New Zealand, Kogan Energy and Kogan Travel during the half-year ended 31 December 2019.

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 of products released under Kogan.com's in-house brands, such as Kogan, Ovela, Fortis, Vostok 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 and profit from Kogan Marketplace and the New Verticals including Kogan Mobile Australia, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Cars, Kogan Super, Kogan Credit Cards, Kogan Mobile New Zealand, Kogan Energy and Kogan Travel (“New Verticals”).

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

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

## REVIEW OF OPERATIONS

### TRADING PERFORMANCE

Kogan.com has delivered a record Gross Profit result in the half-year ended 31 December 2019 with Gross Profit up \$4.8 million (10.6%) on the prior corresponding period.

The Group achieved EBITDA<sup>1</sup> of \$16.7 million in 1HFY20 (1HFY19<sup>2</sup>: \$13.6 million).

Adjusted EBITDA<sup>1</sup>, which excludes the impact of Unrealised FX losses of \$0.9 million and equity-based compensation of \$0.6 million, grew to \$18.2 million.

Kogan.com recorded statutory profit after tax attributable to members of \$8.9 million (1HFY19<sup>2</sup>: \$7.4 million). Profit after tax attributable to members in the current and previous corresponding period include an unrealised foreign exchange loss of \$0.9 million in 1HFY20 and gain of \$0.6 million in 1HFY19. Both periods include a non-cash equity-based compensation expense, which was \$0.6 million in 1HFY20 and \$0.5 million in 1HFY19.

<sup>1</sup> Kogan believes that non-IFRS measures referred to in this document provide useful information to recipients for measuring the underlying operating performance of the business. Non-IFRS measures are not subject to audit.

<sup>2</sup> The Group applied AASB 16 Leases as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 Leases, refer to Note 6.3.

The key drivers of performance in the half-year to 31 December 2019 were:

- **Investment in inventory:** the business has continued to invest in inventory to expand our product offering, responding to demand from the growing base of Active Customers and drive Revenue growth of the Product Divisions.
- **Brand growth:** in the twelve months to December 2019, the Company achieved continued growth in Active Customers of 157,000 (10.2%). As at 31 December 2019, the business had Active Customers of 1,699,000.

Return on investment (ROI) on marketing continues to be closely monitored and our NPS<sup>1</sup> remains strong at an average of 59.7. The Company's internally developed proprietary marketing system continues to deliver savings over the half whilst improving marketing efficiency and ROI. Close monitoring of and flexibility in key operating costs allow the business to maintain our price leadership position and respond to changes in the competitive environment.

- **Product Divisions:** Exclusive Brands continues to achieve significant Revenue growth with an increase of 17.0% on 1HFY19. This growth was achieved through ongoing investment in Exclusive Brands inventory to broaden our range and meet consumer demand from the growing base of Active Customers.
- **Kogan Marketplace:** 1HFY20 also saw the rapid growth of Kogan Marketplace achieving \$5.5 million in seller fee revenue during the half.

The exceptional growth of Kogan Marketplace has led to a period of transition for the Business. Our proprietary marketplace platform enables the business to achieve ongoing growth without ongoing investment in inventory.

- **New Verticals:** Kogan Mobile Australia achieved growth in Customers and commission-based revenue over the period.

Kogan Internet and Kogan Insurance continued to grow strongly, and the Company is working closely with respective partners to implement strategies to accelerate growth further.

1HFY20 saw the launch of four New Verticals Kogan Super, Kogan Mobile New Zealand, Kogan Energy and Kogan Credit Cards, all which were launched ahead of schedule.

- **Operating costs:** The Business is realising the benefits from investments made in the current and prior periods in warehousing and infrastructure. During 1HFY20, the Company's internally developed proprietary marketing system continued to deliver savings, enabling the continued reduction in Marketing Costs.

The effective tax rate in the first half of FY20 was 30% (in the first half of FY19: 30%)

## OUTLOOK

At Kogan.com we are relentless in our mission to both continue to grow our existing businesses and to expand our portfolio of businesses. Kogan.com is a dynamic portfolio businesses – there is always more that we can do and new ways we can delight our customers.

Consistent with prior years, the Company will not be providing earnings guidance for the second half of FY20. However, the Company will provide regular business updates during the period.

January 2020 unaudited management accounts show year-on-year Gross Sales<sup>2</sup> growth of more than 17%.

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.

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

## SUBSEQUENT EVENTS

No matters or circumstances other than the declared Interim Dividend detailed below, 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.

## INTERIM DIVIDENDS

In line with the Dividend Policy, the Directors have declared an Interim Dividend of 7.5 cents per Ordinary Share, fully franked. The record date of the Interim Dividend is 27 February 2020 and will be paid on 10 March 2020. The Interim Dividend was not determined until after the balance sheet date and accordingly no provision has been recognised as at 31 December 2019.

## ROUNDING

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

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2019 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, 18 February 2020

## NON IFRS MEASURES

Throughout this report, Kogan.com has included certain non-IFRS financial information, including Adjusted EBITDA, 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.

<b>Adjusted EBITDA</b>	Earnings before interest, tax, depreciation, amortisation, unrealised FX gain/(loss) and equity-based compensation.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation.
<b>Gross Sales</b>	(formerly referred to as GTV or Gross Transaction Value): is the gross transaction value, on a cash basis, of products and services sold, of Kogan Retail, Kogan Marketplace and the New Verticals.

# LEAD AUDITOR'S INDEPENDENCE DECLARATION



## 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 2019 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to be 'S Dubois'.

Simon Dubois  
Partner

Melbourne  
18 February 2020



# INTERIM FINANCIAL STATEMENTS

## Contents

8	CONDENSED CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	12	NOTES TO THE CONDENSED FINANCIAL STATEMENTS
9	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12	BASIS OF PREPARATION
10	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12	A. SEGMENT INFORMATION
11	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	12	B. USES OF JUDGEMENT AND ESTIMATES
		13	SECTION 1: BUSINESS PERFORMANCE
		13	1.1 REVENUE
		13	1.2 EXPENSES
		14	1.3 TAX BALANCES
		14	SECTION 2: OPERATING ASSETS AND LIABILITIES
		14	2.1 INTANGIBLE ASSETS
		14	SECTION 3: CAPITAL STRUCTURE AND FINANCING
		14	3.1 LOANS AND BORROWINGS
		14	3.2 CAPITAL AND FINANCIAL RISK MANAGEMENT
		15	3.3.1 ISSUED CAPITAL AND RESERVES
		17	3.3.2 DIVIDENDS
		17	3.4 EARNINGS PER SHARE
		17	SECTION 4: GROUP STRUCTURE
		17	4.1 RELATED PARTIES
		18	SECTION 5: EMPLOYEE REWARD AND RECOGNITION
		18	5.1 INCENTIVE PLANS
		20	SECTION 6: OTHER
		20	6.1 SUBSEQUENT EVENTS
		20	6.2 CONTINGENT LIABILITIES
		21	6.3 INITIAL APPLICATION OF AASB 16 <i>LEASES</i>

# CONDENSED CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

<b>CONSOLIDATED GROUP</b>			
	Note	31 December 2019 \$'000	Restated 31 December 2018 <sup>1</sup> \$'000
Revenue	1.1	219,541	231,798
Cost of sales	1.2	(169,609)	(186,660)
<b>Gross profit</b>		<b>49,932</b>	<b>45,138</b>
Selling and distribution expenses		(11,525)	(13,910)
Warehouse expenses		(7,014)	(6,540)
Administrative expenses		(16,411)	(13,830)
Other expenses		(1,108)	(649)
<b>Results from operating activities</b>		<b>13,874</b>	<b>10,209</b>
Finance income		32	165
Finance costs		(218)	(511)
Unrealised foreign exchange (loss)/gain		(887)	620
<b>Net finance (loss)/income</b>		<b>(1,073)</b>	<b>274</b>
<b>Profit before income tax</b>		<b>12,801</b>	<b>10,483</b>
Tax expense		(3,872)	(3,094)
<b>Total Comprehensive income for the period attributable to the members of the Company</b>		<b>8,929</b>	<b>7,389</b>
<b>Basic earnings per Share</b>	3.4	0.10	0.08
<b>Diluted earnings per Share</b>	3.4	0.09	0.08

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

<sup>1</sup> The Group applied AASB 16 Leases as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 Leases, refer to Note 6.3.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$'000	30 June 2019 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		34,082	27,462
Trade and other receivables		7,396	5,365
Inventories		94,738	75,850
Financial assets		-	383
Prepayments and other current assets		1,982	482
<b>TOTAL CURRENT ASSETS</b>		<b>138,198</b>	<b>109,542</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		139	365
Right-of-use asset		3,331	1,201
Intangible assets		5,283	5,815
Deferred tax assets		1,585	1,474
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,338</b>	<b>8,855</b>
<b>TOTAL ASSETS</b>		<b>148,536</b>	<b>118,397</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		76,775	51,725
Lease liabilities		1,946	557
Current tax liabilities		2,636	3,311
Employee benefits		830	748
Provisions		888	1,304
Deferred income		9,890	7,733
Financial liabilities		504	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>93,469</b>	<b>65,378</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		1,455	692
Employee benefits		156	136
Deferred income		635	1,211
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,246</b>	<b>2,039</b>
<b>TOTAL LIABILITIES</b>		<b>95,715</b>	<b>67,417</b>
<b>NET ASSETS</b>		<b>52,821</b>	<b>50,980</b>
<b>EQUITY</b>			
Issued capital	3.3.1	168,202	167,823
Merger reserve		(131,816)	(131,816)
Other reserves		1,775	1,537
Retained earnings		14,660	13,436
<b>TOTAL EQUITY</b>		<b>52,821</b>	<b>50,980</b>

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

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Share Capital \$'000	Retained Earnings \$'000	Merger Reserve \$'000	Translation Reserve \$'000	Perfor- mance Rights Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2018</b>		167,294	7,669	(131,816)	(290)	1,122	43,979
<b>Comprehensive income</b>							
Restated profit for the half-year <sup>1</sup>	6.3	-	7,389	-	-	-	7,389
<b>Restated total comprehensive income for the half-year<sup>1</sup></b>	6.3	-	7,389	-	-	-	7,389
<b>Transactions with owners, in their capacity as owners, and other transfers</b>							
Issue of ordinary shares under performance plans, net of issue costs	3.3.1b	411	-	-	-	(386)	25
Dividends paid	3.3.2	-	(5,716)	-	-	-	(5,716)
Equity-settled share-based payments	5.1	-	-	-	-	474	474
<b>Total transactions with owners, in their capacity as owners</b>		411	(5,716)	-	-	88	(5,217)
<b>Balance at 31 December 2018<sup>1</sup></b>		<b>167,705</b>	<b>9,342</b>	<b>(131,816)</b>	<b>(290)</b>	<b>1,210</b>	<b>46,151</b>
<b>Balance at 30 June 2019</b>		167,823	13,436	(131,816)	(290)	1,827	50,980
<b>Comprehensive income</b>							
Profit for the half-year		-	8,929	-	-	-	8,929
<b>Total comprehensive income for the half-year</b>		-	8,929	-	-	-	8,929
<b>Transactions with owners, in their capacity as owners, and other transfers</b>							
Issue of ordinary shares under performance plans, net of issue costs	3.3.1b	379	-	-	-	(379)	-
Dividends paid	3.3.2	-	(7,705)	-	-	-	(7,705)
Equity-settled share-based payments	5.1	-	-	-	-	617	617
<b>Total transactions with owners and other transfers</b>		379	(7,705)	-	-	238	(7,088)
<b>Balance at 31 December 2019</b>		<b>168,202</b>	<b>14,660</b>	<b>(131,816)</b>	<b>(290)</b>	<b>2,065</b>	<b>52,821</b>

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

<sup>1</sup> The Group applied AASB 16 *Leases* as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 *Leases*, refer to Note 6.3.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

<b>CONSOLIDATED GROUP</b>		
Note	31 December 2019 \$'000	Restated 31 December 2018 <sup>1</sup> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	250,274	270,459
Receipts from customers		
	(228,007)	(284,119)
Payments to suppliers and employees		
	32	165
Interest received		
	(262)	(143)
Finance costs paid		
	(4,658)	(4,592)
Income tax paid		
Net cash provided by/(used in) operating activities	17,379	(18,230)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	(45)	(17)
Purchase of property, plant and equipment		
	(2,398)	(2,860)
Purchase of intangible assets	2.1	
Net cash (used in) investing activities	(2,443)	(2,877)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	(7,705)	(5,716)
Dividends paid	3.3.2	
	(612)	(262)
Repayment of lease liabilities		
Net cash (used in) financing activities	(8,317)	(5,978)
Net increase/(decrease) in cash held	6,620	(27,085)
Cash and cash equivalents at beginning of half-year	27,462	42,618
Cash and cash equivalents at end of half-year	34,082	15,533

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

<sup>1</sup> The Group applied AASB 16 *Leases* as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 *Leases*, refer to Note 6.3.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

## BASIS OF PREPARATION

The financial report of Kogan.com Ltd and its controlled entities (“the Group”; “Kogan.com”) for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 18 February 2020.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards and the nature of its operations and principal activities are described in the Directors’ Report on page 3.

The Group early adopted AASB 16 *Leases* as at 1 July 2018. 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 and its subsidiaries as at and for the year ended 30 June 2019.

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 2019.

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

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

## A. SEGMENT INFORMATION

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 JUDGEMENT 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 2019, except for new significant judgements and key sources of estimation of uncertainty related to the application of AASB 16 *Leases*, which are described in Note 6.3.

## SECTION 1: BUSINESS PERFORMANCE

### 1.1 REVENUE

CONSOLIDATED GROUP		
	31 December 2019 \$'000	Restated 31 December 2018 <sup>1</sup> \$'000
<b>Revenue</b>		
Sales revenue:		
- sale of goods	202,975	224,827
- rendering of services	12,728	5,244
	215,703	230,071
Other revenue:		
- marketing subsidies	2,641	1,206
- other revenue	1,197	521
	3,838	1,727
<b>Total revenue</b>	<b>219,541</b>	<b>231,798</b>

### 1.2 EXPENSES

	31 December 2019 \$'000	Restated 31 December 2018 <sup>1</sup> \$'000
Cost of sales	169,609	186,660
<b>Total Cost of sales</b>	<b>169,609</b>	<b>186,660</b>
Employee benefit expense	9,154	7,968
Depreciation and amortisation expense	3,838	3,211

<sup>1</sup> The Group applied AASB 16 *Leases* as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 *Leases*, refer to Note 6.3.

### 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 2019 was 30% (for the six months ended 31 December 2018: 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.

## SECTION 2: OPERATING ASSETS AND LIABILITIES

### 2.1 INTANGIBLE ASSETS

The Group acquired a total amount of \$2,397,868<sup>1</sup> of intangible assets during the the six months ended 31 December 2019. A total of \$2,859,366<sup>1</sup> was acquired during the six months ended 31 December 2018.

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

## SECTION 3: CAPITAL STRUCTURE AND FINANCING

### 3.1 LOANS AND BORROWINGS

The Group's interest-bearing loans and borrowings have been 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 saw an increase in the facility from \$10.0 million to \$20.0 million. The facility agreement was then amended on 23 April 2019 to increase the facility limit to \$30.0 million.

There were no amounts drawn down under the facility at period end (2018: nil).

### 3.2 CAPITAL AND FINANCIAL RISK MANAGEMENT

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

	CONSOLIDATED GROUP	
	31 December 2019 \$'000	30 June 2019 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	34,082	27,462
Trade and other receivables	7,396	5,365
Financial assets	-	383
<b>Total financial assets</b>	<b>41,478</b>	<b>33,210</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
- trade and other payables	76,775	51,726
- lease liability - current	1,946	557
- lease liability - non-current	1,455	692
- financial liabilities	504	-
<b>Total financial liabilities</b>	<b>80,680</b>	<b>52,975</b>

<sup>1</sup> These values are absolute and not rounded.



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

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

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

The fair value of foreign exchange contracts at 31 December 2019 totalled (\$503,893)<sup>1</sup> liability, 30 June 2019: \$382,691<sup>1</sup> (asset). This represented the fair value of forward contracts as at 31 December 2019, being the difference between the spot rate and strike rate.

### 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.

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 2019 \$ <sup>1</sup>	30 June 2019 \$ <sup>1</sup>	31 December 2019 No.	30 June 2019 No.
Fully paid Ordinary Shares	168,201,958	167,822,590	93,959,212	93,729,852

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.

<sup>1</sup> These values are absolute and not rounded.

**b. Movements in Ordinary Share capital**

Details	Date	Shares No.	Issue price	\$ <sup>1</sup>
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 issues to eligible 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 issues to eligible employees under an incentive plan	3 July 2017	128,357	\$1.43	183,562
Shares issues to eligible 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 issues to eligible employees under an incentive plan	6 July 2018	232,181	\$1.66	386,227
Shares issues to eligible employees under an incentive plan	6 July 2018	3,613	\$6.92	25,000
Shares issues to eligible employees under an incentive plan	28 February 2019	21,713	\$5.42	117,729
Balance	30 June 2019	93,729,852		167,822,590
Shares issues to eligible employees under an incentive plan	20 August 2019	229,360	\$1.65	379,368
Balance	31 December 2019	93,959,212		168,201,958

**c. Merger reserve**

The acquisition of Kogan Operations Holdings Pty Ltd by Kogan.com Ltd has been treated as a common control transaction at book value for accounting purposes, and no fair value adjustments have been made. Consequently, the difference between the fair value of issued capital and the book value of net assets acquired is recorded within a merger reserve of \$131,816,250<sup>1</sup>.

**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.

<sup>1</sup> These values are absolute and not rounded.

### 3.3.2 DIVIDENDS

	CONSOLIDATED GROUP	
	31 December 2019 \$'000	31 December 2018 \$'000
Dividends paid during the half-year	7,705	5,716

### 3.4 EARNINGS PER SHARE

#### a. Net profit for the reporting period used as the numerator

	CONSOLIDATED GROUP	
	31 December 2019 \$'000	Restated 31 December 2018 <sup>1</sup> \$'000
Net profit for the reporting period	8,929	7,389

#### b. Weighted average number of Ordinary Shares of the entity used as the denominator

	CONSOLIDATED GROUP	
	31 December 2019 No.	31 December 2018 No.
Weighted average number of Ordinary Shares of the entity	93,896,886	93,701,732
Diluted weighted average number of Ordinary Shares of the entity	1,727,738	1,312,820

	CONSOLIDATED GROUP	
	31 December 2019 \$	31 December 2018 \$
Basic earnings per Share	0.10	0.08
Diluted earnings per Share	0.09	0.08

## 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 2019.

<sup>1</sup> The Group applied AASB 16 *Leases* as at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 *Leases*, refer to Note 6.3.

## SECTION 5: EMPLOYEE REWARD AND RECOGNITION

### 5.1 INCENTIVE PLANS

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

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

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

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

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

The following table outlines the significant aspects of the current long-term incentive (LTI):

<b>Consideration</b>	Nil.
<b>Eligibility</b>	Offers of Incentive Securities may be made to any team member of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of incentive Shares under the EIP.
<b>Amount payable &amp; Entitlement</b>	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.
<b>Service condition on vesting</b>	Individuals must be employed by the Group at time of vesting, and not be in their notice period.
<b>Restrictions on dealing</b>	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).

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:

	<b>LONG TERM INCENTIVE PLANS</b>	
	<b>PERFORMANCE RIGHTS</b>	
	No. 2019	No. 2018
<b>Six months to 31 December</b>		
Outstanding at beginning of period	2,342,370	2,716,885
Granted during the period	67,259	7,647
Exercised during the period	(229,360)	(232,181)
Forfeited during the period	(6,061)	(140,000)
Outstanding at the end of the period	2,174,208	2,352,351
Exercisable at the end of the period	657,677	21,713

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

	<b>LONG TERM INCENTIVE PLANS</b>			
	29 July 2016	29 September 2016	20 December 2016	20 December 2016
<b>Grant Dates</b>				
Number	495,140	178,573	1,451,856	37,037
Fair value at grant date <sup>1</sup>	\$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 June 2017	30 June 2017	31 Dec 2019	31 Dec 2017
	30 June 2018	30 June 2018	31 Dec 2020	31 Dec 2018
	30 June 2019	30 June 2019		31 Dec 2019
	30 June 2020	30 June 2020		31 Dec 2020
	30 June 2021	30 June 2021		31 Dec 2021
Dividend yield	5.2%	5.1%	5.7%	5.7%

	<b>LONG TERM INCENTIVE PLANS</b>			
	29 June 2017	29 June 2017	29 June 2017	29 June 2017
<b>Grant Dates</b>				
Number	436,365	12,121	18,182	212,121
Fair value at grant date <sup>1</sup>	\$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%

<sup>1</sup> These values are absolute and not rounded.

LONG TERM INCENTIVE PLANS				
Grant Dates	22 December 2017	22 December 2017	6 April 2018	28 June 2018
Number	55,633	30,810	18,013	21,708
Fair value at grant date <sup>1</sup>	\$324,011	\$182,256	\$151,273	\$140,203
Share price at grant date	\$6.20	\$6.20	\$8.60	\$6.76
Rights life	1 to 4 years	1 to 5 years	1 to 5 years	1 to 4 years
Vesting dates	31 Dec 2018 31 Dec 2019 31 Dec 2020 31 Dec 2021	30 Jun 2018 30 Jun 2019 30 Jun 2020 30 Jun 2021 30 Jun 2022	31 Dec 2018 31 Dec 2019 31 Dec 2020 31 Dec 2021 31 Dec 2022	30 Jun 2019 30 Jun 2020 30 Jun 2021 30 Jun 2022
Dividend yield	2.1%	2.1%	1.5%	1.9%

LONG TERM INCENTIVE PLANS						
Grant Dates	25 September 2018	25 September 2018	27 February 2019	27 February 2019	20 August 2019	20 August 2019
Number	4,259	3,388	10,491	15,152	30,711	36,550
Fair value at grant date <sup>1</sup>	\$24,489	\$19,428	\$42,908	\$23,837	\$173,210	\$206,141
Share price at grant date	\$5.83	\$5.83	\$4.09	\$4.09	\$5.64	\$5.64
Rights life	1 year	1 to 2 years	1 to 3 years	1 to 2 years	1 to 4 years	1 to 4 years
Vesting dates	31 Dec 2019	30 Jun 2019 30 Jun 2020	31 Dec 2019 31 Dec 2020 31 Dec 2021	30 Jun 2020 30 Jun 2021	31 Dec 2019 31 Dec 2020 31 Dec 2021 31 Dec 2022	30 Jun 2020 30 Jun 2021 30 Jun 2022 30 Jun 2023
Dividend yield	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%

During the period the Group recognised a share-based payment expense of \$617,478<sup>1</sup> (2018: \$473,890<sup>1</sup>).

## SECTION 6: OTHER

### 6.1 SUBSEQUENT EVENTS

The Directors have declared an Interim Dividend of 7.5 cents per Ordinary Share, fully franked. The Interim Dividend was not determined until after the balance sheet date and accordingly no provision has been recognised at 31 December 2019.

### 6.2 CONTINGENT LIABILITIES

An entity within the Group is subject to a lawsuit by the ACCC. It is not possible to reasonably predict the outcome of this matter, accordingly, no provision is recorded.

As at 31 December 2019, the Group had bank guarantees amounting to \$1.2 million with Westpac Banking Corporation in relation to its ordinary course of business.

<sup>1</sup> These values are absolute and not rounded.

### 6.3 INITIAL APPLICATION OF AASB 16 LEASES

The Group early adopted AASB 16 *Leases* from 1 July 2018.

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

- recognise a right-of-use asset and lease liability.
- reduce the lease liability by the amount of actual lease principal repayments and interest expenses.
- amortise the right-of-use asset over the remaining lease period.
- principal repayment of the lease liability is included in financing activities.

AASB 16 *Leases* introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The previous accounting model for leases required lessees and lessors to classify their leases as either finance leases or operating leases and account for those two types of leases accordingly.

The Group has early adopted AASB 16 *Leases* using the modified retrospective method with practical expedients, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). The Group has applied the relief provisions in AASB 16.C3 (b) and has not reviewed contracts under the definition of a lease in AASB 16, which were not classified as leases under AASB 117.

There was no impact, on transition to AASB 16 *Leases* on retained earnings at 1 July 2018. The Half-Year Report for the six months ended 31 December 2018 did not reflect the impact of the early adoption of AASB 16 *Leases*.

#### Impact on the condensed consolidated income statement and consolidated statement of other comprehensive income for the half-year ended 31 December 2019

\$'000	As reported at 31 December 2018	AASB 16 adjustment	Restated 31 December 2018 for AASB 16 impact
Administration expenses	(13,541)	(289)	(13,830)
Other expenses	(937)	288	(649)
Finance costs	(486)	(25)	(511)
Profit before income tax	10,509	(26)	10,483
Income tax expense	(3,102)	8	(3,094)
<b>Net profit for the period attributable to the members of company</b>	<b>7,407</b>	<b>(18)</b>	<b>7,389</b>

#### Impact on the condensed consolidated statement of cash flows for the half-year ended 31 December 2019

\$'000	As reported at 31 December 2018	AASB 16 adjustment	Restated 31 December 2018 for AASB 16 impact
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees	(284,407)	288	(284,119)
Finance costs paid	(117)	(26)	(143)
Net cash (used in) operating activities	(18,492)	262	(18,230)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability	-	(262)	(262)
Net cash (used in) financing activities	(5,716)	(262)	(5,978)
<b>Net (decrease) in cash held</b>	<b>(27,085)</b>	<b>-</b>	<b>(27,085)</b>

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

Type of Lease	Policy prior to early adoption of AASB 16	Nature of change in accounting policy
Property including warehousing	Under AASB 117, lease payments for operating leases, where all the risks and benefits substantially remain with the lessor, were recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases were recognised as a liability and amortised on a straight-line basis over the lease term.	<p>At inception, the Group assesses whether a contract is or contains a lease.</p> <p>The Group recognises a right-of-use (ROU) asset at the commencement date. The ROU is initially measured based on the present value of lease payments, plus initial direct costs and the cost of obligations to refurbish the asset, less any lease incentive received. The ROU is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU is subject to testing for impairment if there is an indicator for impairment.</p> <p>On initial adoption of AASB 16, the Group has adjusted the right-of-use assets as at the date of initial application.</p> <p>The lease liability is measured at the present value of the fixed lease payments net of cash lease incentives that are not paid at the balance date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the borrowing rate as per our facility agreement to achieve a constant rate of interest on the remaining balance of the liability. Lease payments for the building exclude service fees and other costs.</p>



## DIRECTORS' DECLARATION

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 2019 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



**David Shafer**  
Executive Director

Melbourne, 18 February 2020

# INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KOGAN.COM LTD AND CONTROLLED ENTITIES



## Independent Auditor's Review Report

To the shareholders of Kogan.com Ltd

### Report on the 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 2019 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 2019
- 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 2019 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*.

KPMG

Simon Dubois  
Partner

Melbourne  
18 February 2020

## CORPORATE DIRECTORY

### COMPANY SECRETARY

Mark Licciardo, Mertons Corporate Services

### PRINCIPAL REGISTERED OFFICE

#### C/- MERTONS CORPORATE SERVICES

7/330 Collins Street  
Melbourne VIC 3000  
+61 3 8689 9997

### PRINCIPAL PLACE OF BUSINESS

#### KOGAN.COM LIMITED

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 5000

### STOCK EXCHANGE LISTING

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

### AUDITORS

#### KPMG

Tower Two, Collins Square  
727 Collins Street  
Docklands VIC 3008



