ASX ANNOUNCEMENT

30 June 2017

Kogan.com agrees favourable changes to Debt Facility

Amendments relax certain covenants and undertakings

Kogan.com Limited (Kogan.com; ASX:KGN) today announces that it has agreed favourable amendments to its banking covenants and undertakings in its multi-option facility agreement with Westpac Banking Corporation (Debt Facility). These amendments will provide Kogan.com with increased flexibility.

As detailed in the company's Prospectus dated 24 June 2016, Kogan Australia Pty Ltd entered into a $10.0 million multi-option facility agreement with Westpac Banking Corporation on 31 May 2016. Following the IPO of Kogan.com on 7 July 2016, all debt was paid down and the Debt Facility remains undrawn on the date of this announcement.

The principal terms of the Debt Facility remain as detailed in the Prospectus. Among the amendments to the Debt Facility now agreed are -

1. **Financial covenants**
    a. Fixed cover charge ratio:
        i. The ratio of adjusted EBIT plus operating lease expenses and warehousing storage costs for the previous 12 months, and interest expense plus operating lease expenses and warehousing storage costs for the previous 12 months, must be no less than 1.5 times.
        ii. Replaces previous: The ratio of EBIT plus operating lease expense of the Group for the previous 12 months, and Interest Expense plus operating lease expense of the Group for the previous 12 months, must be no less than 1.25 from the time of the first draw to 30 June 2016, and 1.50 times from 1 July 2016 onwards.
    b. Shareholders' Funds/Total Assets ratio:
        i. This covenant has been removed.

2. **Key undertakings**
    a. Distributions:
        i. Distributions may be made at any time, but can only be made with the financier's prior consent if:
            1. A default or potential default subsists or would occur as a result of declaring, making or paying the distribution; or
            2. the aggregate of distributions in any one financial year would exceed 100% of adjusted net profit after tax for that financial year.

3. Replaces previous: (2) the aggregate of distributions in any one financial year would exceed the lesser of 100% of net profit after tax and 100% of free cash flow for that financial year.

ENDS

Contact

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