

ASX ANNOUNCEMENT

12 May 2020

Business Update and Senior Executive LTI Proposal

Kogan.com Limited (the Company; Kogan.com; ASX: KGN) provides the following business update in light of the current dynamic trading environment. Where applicable, the update is based on unaudited management accounts for April 2020. Unless otherwise stated, the update compares April 2020 to April 2019:

- Kogan.com grew Active Customers to 1,948,000 as at 30 April 2020, with an incremental 139,000 Active Customers in the month of April 2020
- Gross Sales grew by more than 100%
- Gross Profit grew by more than 150%
- Adjusted EBITDA¹ grew by more than 200%
- Financial Year-to-date Adjusted EBITDA to the end of April 2020 grew by more than 40%
- The Company continues to invest heavily in building its brand and growing Active Customers - as a result April recorded the Company's largest ever monthly marketing expense

Proposed Senior Executive LTI

The Company advises that the Remuneration Committee, comprising all of the Non-Executive Directors, proposes to introduce a Long Term Incentive (LTI) plan for the Executive Directors, Ruslan Kogan and David Shafer, subject to the matters set out below.

Between its initial public offering in July 2016 and 30 April 2020, the Company has delivered a Total Shareholder Return of 343.89%. Accordingly, the Remuneration Committee intends to propose an LTI plan that both retains and incentivises the Executive Directors well into the future.

Kogan.com Chairman Greg Ridder said, "Ruslan and David are outstanding business leaders. They have been fundamental in building and growing the high performing company we see today, and shareholders have been rewarded with an exceptional return on their investment since IPO. Recent performance of the Company highlights the solid foundations of our business - with strong customer appeal, multiple revenue streams, diverse supply chains, and world-class proprietary systems and processes. The proposed LTI grant (which will be by way of options over ordinary shares) involves at-risk equity with an additional service condition of at least three years. Other than usual annual reviews, no changes to the modest fixed remuneration of Ruslan and David are proposed. The Remuneration Committee has received advice from an independent expert and believe that the proposed option grant will generate long term shareholder value. We believe the grant is in the best interests of all shareholders."

¹ Earnings before interest, tax, depreciation, amortisation, unrealised FX gain or loss and equity-based compensation.

KEY TERMS OF PROPOSED OPTION GRANTS

Name:	Ruslan Kogan
Position:	Chief Executive Officer and Executive Director
Long Term Incentive:	3.6m options. Exercise Price: 3-month VWAP ending 30 April 2020. Vesting Condition: Not having resigned prior to approval of FY23 Financial Report. Exercise Period: to be agreed between the parties
Other Terms:	Other terms to be agreed between the parties.
Approvals required:	Approval of the Board, the parties, and Shareholders are required.

Name:	David Shafer
Position:	Chief Financial Officer, Chief Operating Officer and Executive Director
Long Term Incentive:	2.4m options. Exercise Price: 3-month VWAP ending 30 April 2020. Vesting Condition: Not having resigned prior to approval of FY23 Financial Report. Exercise Period: to be agreed between the parties
Other Terms:	Other terms to be agreed between the parties.
Approvals required:	Approval of the Board, the parties, and Shareholders are required.

Authorised for release by the Board of Kogan.com Limited.

ENDS

For further information please contact:

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