



ASX ANNOUNCEMENT

29 January 2021

Kogan.com Business Update

Record half including record breaking Black Friday week and Active Customers surging past three million

Kogan.com Limited (the Company; Kogan.com; ASX: KGN) business growth continued at a strong pace during the Christmas trading period, with 7 of the 10 biggest trading days ever occurring within the period surrounding Black Friday. The Company tackled some significant challenges caused by extreme growth and is progressively integrating the newly acquired Mighty Ape team and operations, all while assisting the community by making significant donations to assist with the COVID-19 response.

During the key Christmas sales periods, more Australians than ever shopped at Kogan.com and the Business now has over 3 million active customers.

1HFY21 Highlights across the Kogan Group (including Kogan.com and Mighty Ape¹)

- **Gross Sales** grew by more than 96%
- **Gross Profit** grew by more than 120%
- **Adjusted EBITDA²** grew by more than 175%
- **EBITDA** grew by more than 140%
- **Cash at period end** was A\$78.9M³ with A\$1.4M of the Group's debt facility drawn within Mighty Ape
- **Active Customers** was 3,003,000 for Kogan.com and 719,000 for Mighty Ape

¹ The results reflect the inclusion of Mighty Ape's results for the one month period of December 2020.

² Adjusted EBITDA is a measure of the underlying performance of the business, it removes non-cash items including the unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. In respect of 1HFY21: there is a significant unrealised FX loss at financial period end driven by the rise in the AUD; there are significant equity-based compensation expenses driven by the recent awards of options after the Company's AGM in November 2020; there is a material donation of PPE by the Company to Australian charities; there are material logistics demurrage charges driven by one-off warehousing and supply chain interruptions from late 2020; and there is a write-down of PPE held by Kogan.com following the reduction in COVID-19 cases in Australia.

³ Cash held by Mighty Ape at 31 December 2020 was converted using a spot rate of 0.9376.

Black Friday sales were record breaking and a sign of shifting Christmas purchasing behaviour and growth in eCommerce penetration:

- The Business had its first \$30m+ week and \$40m+ week and \$50m+ week of Gross Sales in the same week. Black Friday Week (23 November to 29 November inclusive) Gross Sales were greater than \$50m.
- Gross Sales on Black Friday (27 November) were greater than \$15m for the single day, the biggest day in the history of the Business.
- Through Black Friday week, the Business sold 470,000 items to 253,000 unique customers.
- On Black Friday the Business sold 124,000 items to 63,000 unique customers - more than an item per second through the entire day.
- Kogan Marketplace had its first \$10m+ week of Gross Sales in Black Friday week.
- Matt Blatt had its first \$1m+ week of Gross Sales in Black Friday week.

Kogan.com Founder & CEO, Ruslan Kogan, said he was proud of the way the team continued to delight customers while dealing with the exciting challenges of scaling the business through a period of extreme growth:

“We are proud to have delivered another record half while undertaking significant investments into the future of the business. I am so proud of how our team is navigating extreme growth within our core business, and responding to the fast-changing economic, health and supply-chain environment. We delivered our largest acquisition to date, in Mighty Ape and expanded the Kogan.com community of members to more than 3 million active customers. We are investing into building strong customer relationships by expanding our logistics capability, our marketing reach and our systems and infrastructure - giving us the foundation to continue delighting customers as the business further scales.”

“The Black Friday week saw some of the most extraordinary trading we have ever seen - with 7 out of our top 10 days ever occurring during the Black Friday period. Customers have come to rely on Kogan.com to deliver their Christmas shopping needs, and we are proud to have satisfied well over a million happy shoppers this Christmas period. Keeping up with the extreme demand is an engineering, supply chain, and logistical challenge that our team loves working on and solving”.

The Company provides the following business update which, where applicable, is based on unaudited management accounts for 1HFY21. Unless otherwise stated, the update compares the 1HFY21 accounts to those of the prior corresponding period (1HFY20)⁴. In respect of Mighty Ape, the update is based on December 2020 unaudited management accounts, reflecting the period after the date on which Kogan.com's acquisition was effective:

- **Kogan Group (Kogan.com and Mighty Ape¹ consolidated):**
 - Gross Sales grew by more than 96%
 - Gross Profit grew by more than 120%
 - Adjusted EBITDA² grew by more than 175%
 - EBITDA grew by more than 140%
 - Cash at period end was A\$78.9M⁵ with A\$1.4M of the Group's debt facility drawn within Mighty Ape.

- **Kogan.com:**
 - Active Customers was 3,003,000 as at 31 December 2020
 - Gross Sales grew by more than 90%
 - Gross Profit grew by more than 115%
 - Adjusted EBITDA² grew by more than 165%
 - EBITDA grew by more than 130%
 - The adjustments to EBITDA (resulting in Adjusted EBITDA) include:
 - a significant unrealised FX loss at financial period end driven by the rise in the AUD
 - significant equity-based compensation expenses driven by the recent awards of options after the Company's AGM in November 2020
 - donations of \$1.1m of PPE by the Company to Australian charities to assist in the COVID-19 response
 - logistics demurrage charges of \$1.9m driven by one-off warehousing and supply chain interruptions from late 2020 (almost never previously incurred, and expected to be resolved from early 2021)
 - a \$1.5m write-down of PPE held by Kogan.com following reduction in COVID-19 cases in Australia.

⁴ 1HFY21 consolidation incorporates the results of both Kogan.com and Mighty Ape (results of Mighty Ape included for the month of December 2020). 1HFY20 only includes the result of Kogan.com as this period was prior to the Mighty Ape acquisition.

⁵ Cash held by Mighty Ape at 31 December 2020 was converted using a spot rate of 0.9376.

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

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relations@kogancorporate.com

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About Kogan.com

Kogan.com is a portfolio of retail and services businesses that includes Kogan Retail, Kogan Marketplace, Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Travel, Kogan Money, Kogan Cars, Kogan Energy, Dick Smith, Matt Blatt and Mighty Ape. Kogan is a leading consumer brand renowned for price leadership through digital efficiency. The company is focused on making in-demand products and services more affordable and accessible.