kogan.com

ASX Announcement

22 December 2022

Kogan.com acquires Brosa and grows its online furniture market share

Offers a lifeline to Brosa customers and will relaunch Brosa.com.au

- Kogan.com has purchased the Brosa business (excluding any leases or liabilities) out of administration

- Brosa joins Dick Smith, Matt Blatt and Mighty Ape in the Kogan Group to expand the Kogan Group's furniture offering

- Prior Brosa customers who have paid for undelivered goods will be contacted with fulfilment options

- Brosa.com.au will relaunch with expanded range and value

Kogan.com Limited (the Company; Kogan.com; ASX: KGN) is pleased to announce that it has acquired Brosa, one of Australia's largest online luxury furniture retailers, out of administration. The deal will see the popular furniture brand stay alive and relaunched stronger than ever with the backing of the Kogan Group.

Details of the acquisition

Details of the acquisition are as follows:

- Purchase price: $1.5m plus logistics support for thousands of customers with undelivered orders

- Assets purchased: Intellectual property, goodwill and stock, but excluding all leases and other liabilities

- Funding: Funded from the Company's cash reserves

Founded in 2014, Brosa has delivered practical design-led furniture without the price tag. Brosa's Revenue for FY22 was $75m, which was largely generated online, and the Brosa community consists of almost 500,000 subscribers. The Company was backed by venture capital investors and had invested tens of millions of dollars in marketing and brand-building, and was recently valued at over $60m. The acquisition will significantly expand Kogan.com's share of the online furniture market, and ensure Brosa and Kogan Group customers can access great deals on beautiful furniture and homewares.

Kogan.com will continue to operate a relaunched Brosa.com.au and will offer to resolve unfulfilled customer orders, where Brosa has the product in stock. These customers will be contacted by Kogan.com about arrangements in the coming weeks.

Kogan.com COO and CFO David Shafer said:

"The acquisition of Brosa by Kogan will broaden the online furniture offering of the Kogan Group, providing unprecedented range and value to Brosa customers, while also expanding the range of furniture and homewares available to Kogan customers. We are pleased to be able to offer a lifeline to Brosa customers, to be able to save the Brosa brand, and to relaunch Brosa.com.au very shortly. Following years of investment in brand-building and marketing, Brosa is a well known online furniture brand in Australia, and we are delighted to be able to bring the brand within the Kogan Group."

Brosa administrator Richard Tucker of KordaMentha said:

"Kogan.com was the successful bidder after more than 30 parties expressed interest in the two days following our appointment to Brosa last Wednesday.

Kogan.com is a white knight for the business and particularly customers who are awaiting delivery of orders where the stock was held by Brosa. Unfortunately, the Administrators were unable to fulfil these orders due to challenges in the logistics network. Kogan.com is providing a great outcome for customers to get their product where possible and subject to commercial arrangements."

Arnold Bloch Leibler acted for Kogan.com in this transaction.

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

ENDS

For further information please contact:
relations@kogancorporate.com

Subscribe to Kogan.com Investor Relations Updates:
https://www.kogancorporate.com/subscribe/

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, Mighty Ape and Brosa. Kogan.com 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.