

ASX ANNOUNCEMENT

20 October 2016

Kogan.com quarterly Cash Flow Statement

Kogan.com Limited (Kogan.com; ASX:KGN), Australia's leading pure-play online retail website, today released its Appendix 4C Cash Flow Statement for the quarter ending 30 September 2016 (1Q17).

The Company ended 1Q17 with cash of \$31.7m.

Assessing management accounts of performance in 1Q17 against the Company's forecasts for the same period (outlined in the Prospectus on a full year basis only), Kogan.com is outperforming expectations on:

- revenue by more than 10%
- gross profit by more than 20%
- pro-forma EBITDA¹ by more than 30%

Kogan.com Founder & CEO Ruslan Kogan said the Company is pleased with the strong performance in 1Q17, and has a strong balance sheet in the lead up to the peak Christmas quarter.

"We are pleased to deliver cashflows that demonstrate better than forecast operating results for Kogan.com's first quarter of trading as a listed company. With a healthy cash balance and lower than expected stock at the end of September, we believe Kogan.com is well placed to increase inventory levels next quarter to capitalise on the Christmas trading period."

"The benefits of our investment in systems and automation are continuing to be realised and, together with revenue growth, are positively impacting on gross profit and earnings. We now have a solid platform to scale Kogan.com, and we continue to focus on delivering operating leverage and margin improvement into the business"

"While the Company's performance so far this financial year is above expectations, the Board is mindful that only one quarter has passed. The Board is closely monitoring ongoing trading performance, and will continue to review if an update to the Company's outlook is required".

ENDS

For further information please contact:

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¹ The basis of the pro forma adjustments is consistent with the Prospectus.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Kogan.com Ltd (**Kogan**)

ABN

ACN 612 447 293

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	68,560	68,560
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(56,692)	(56,692)
(c) advertising and marketing	(3,951)	(3,951)
(d) leased assets	(208)	(208)
(e) staff costs	(2,340)	(2,340)
(f) administration and corporate costs	(1,263)	(1,263)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	128	128
1.5 Interest and other costs of finance paid	(56)	(56)
1.6 Income taxes paid	(200)	(200)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	3,978	3,978

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(12)	(12)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	(903)	(903)
	(e) other non-current assets	(147)	(147)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,062)	(1,062)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	35,000	35,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(3,106)	(3,106)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4,900)	(4,900)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	26,994	26,994

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,808	1,808
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,978	3,978
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,062)	(1,062)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	26,994	26,994

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	31,718	31,718

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,903	1,808
5.2	Call deposits	14,720	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	10,095	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	31,718	1,808

Previous quarter cash balance reflects the cash position of Kogan Operations Holdings Pty Ltd (Kogan Group) as at 30 June 2016. Kogan.com Limited listed on the ASX on 7 July 2016, and acquired the Kogan Group shortly prior to listing.

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	130
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors Fees (\$32,000) in respect of the non-executive directors, and salaries (\$98,000) in respect of the executive directors of the Group.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(1,185)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Purchases from eStore warehousing. Kogan Australia Pty Ltd entered into a Logistic Services Agreement with eStore Logistics Pty Ltd ("eStore"), in a prior financial period, in relation to the provision of warehousing, distribution and logistics services by eStore to Kogan Australia. Ruslan Kogan is a minority shareholder and director of eStore. The agreement was entered into on arm's length terms.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	10,000	-
8.2 Credit standby arrangements	-	-
8.3 Other (see below)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 31 May 2015, the Kogan Group signed a new multi-option facility agreement with Westpac Banking Corporation, maturing on 31 May 2019. The Facility includes a Cash Advance Facility, Trade Finance Facility and LC Facility with a total limit of \$10.0 million.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(59,873)
9.3 Advertising and marketing	(2,978)
9.4 Leased assets	(290)
9.5 Staff costs	(2,036)
9.6 Administration and corporate costs	(1,023)
9.7 Other (finance & income tax costs)	(320)
9.8 Total estimated cash outflows	(66,520)

The estimated cash outflows for the next quarter are based on prospectus forecast.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: ..20/10/2016

Print name: ..Mark Licciardo.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.