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1HFY21 RESULTS PRESENTATION

26 FEBRUARY 2021

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CEO Update

Ruslan Kogan
Founder, CEO and Executive Director

1HFY21 KOGAN GROUP HIGHLIGHTS

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Our Business is experiencing extreme growth which included a record breaking Black Friday week and Active Customers surging past three million during the half. During this extraordinary growth period we achieved Gross Sales[1], Revenue, Gross Profit and Adjusted EBITDA[2] growth of 97.4%, 88.6%, 126.2% and 184.4%, respectively.

FINANCIAL PERFORMANCE

- Gross Sales[1] of $638.2 million outperformed the prior year period by 97.4%
- Revenue, Gross Profit, Adjusted EBITDA[2] and Adjusted NPAT[2] outperformed the prior year period by 88.6%, 126.2%, 184.4% and 250.2%, respectively
- The Group finished the period with a cash balance of $79.0 million

PLATFORM GROWTH

- 3,003,000 Active Customers for Kogan.com as at 31 December 2020 – an increase of 76.8% YoY
- 719,000 Active Customers for Mighty Ape

STRONG PERFORMANCE FROM KEY INITIATIVES

- Kogan Marketplace Gross Sales[1] grew by 194.3% in 1HFY21 compared to 1HFY20
- Exclusive Brands Revenue and Gross Profit grew by 114.9% and 174.9% respectively
- Third-Party Brands Revenue and Gross Profit grew by 50.5% and 77.0% respectively
- Kogan Mobile grew commission-based Revenue by 12.9%
- Kogan Internet grew Customers by 17.9%
- Kogan First loyalty program continues to grow, with Kogan First members purchasing on average much more often than non-members, demonstrating loyalty to the platform

ACQUISITION

- The Company acquired Mighty Ape, one of New Zealand's largest online retailers with a focus on gaming, toys and other entertainment categories
- The newly acquired Mighty Ape team and operations are progressively integrating into the Kogan Group

DIVIDEND

- Interim Dividend announced of 16.0 cents per share, fully franked

1. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

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1HFY21 KOGAN GROUP RESULTS

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Adjusted EBITDA[1] of $51.7 million and Adjusted NPAT[1] of $36.5 million exceeded 1HFY20 by 184.4% and 250.2%, respectively, driven by Gross Profit growth of 126.2%.

$m	1HFY20	1HFY21[2]	1HFY20 vs 1HFY21 Variance
Gross Sales[3]	323.4[5]	638.2	97.4% ▲
Revenue[4]	219.5	414.0	88.6% ▲
Gross Profit	49.9	112.9	126.2% ▲
Gross Margin	*22.7%*	*27.3%*	*4.5pp/19.9%* ▲
EBITDA	**16.7**	**38.8**	**132.4%** ▲
Adjusted EBITDA[1]	**18.2**	**51.7**	**184.4%** ▲
NPAT	**8.9**	**23.6**	**164.2%** ▲
Adjusted NPAT[1]	**10.4**	**36.5**	**250.2%** ▲
EPS	0.10	0.22	135.1% ▲
Adjusted EPS[1]	0.11	0.35	211.7% ▲

1. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
2. 1HFY21 Kogan Group results reflect the inclusion of Mighty Ape's results for the one month period of December 2020 of: $20.0 million Gross Sales, $20.0 million Revenue, $5.4 million Gross Profit, $2.9 million EBITDA, $2.9 million Adjusted EBITDA and $2.0 million Adjusted NPAT. Values stated in AUD using spot rate of 0.9376 on 31 December 2020.
3. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
4. The differential between Revenue and Gross Sales is reflective of Kogan Marketplace and New Verticals recognising only seller fee or commission-based Revenue while the gross transaction values are recognised within Gross Sales.
5. 1HFY20 has been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

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KOGAN GROUP FINANCIAL HIGHLIGHTS

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Improving Operating Leverage over many years has allowed Kogan.com to grow Adjusted EBITDA[1] at a faster rate than Gross Sales[2] and Gross Profit.

1. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
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ACQUISITION OF MIGHTY APE

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Kogan.com acquired leading NZ Online Retailer Mighty Ape in December 2020.

1995 — **Launched as Gamezone**

- Commenced as a traditional B&M store. Strong relationship with Sony is developed, hosting the official New Zealand release of the first Sony Playstation

1990's — **eCommerce capability launched**

- The first iteration of Mighty Ape's online store is developed

2000's — **Expansion and the first of many awards**

- Product offering extends to DVD movies, computer hardware, music and books
- Wins '**Best Online Store**' 3 times at the NetGuide Web Awards

2008 — **Mighty Ape rebrand & transformation to online only**

- The brand is relaunched as Mighty Ape with a significant website upgrade. All B&M stores are closed
- Wins '**Best New Site, Relaunch or Innovation**' at the 2009 NetGuide Web Awards

2010's — **More awards and improved customer experience**

- Launches same day delivery service in Auckland, Wellington and Christchurch and DHL shipping to Australia
- Mighty Ape wins '**Overall Best Site**' (2012) at the NetGuide Web Awards, '**Excellence in Customer Service Delivery**' (2015) at the Westpac Auckland Business Awards and places 1st for '**Non-retail Grocery**' at the KPMG Customer experience Awards

2020 — **#1 New Zealand online retail specialist brand**

- Fast growing exclusive brands portfolio, driving higher margins
- In-house experts with 20+ years experience building one of New Zealand's most loved eCommerce brand
- Operates own purpose built distribution centre, allowing room for future growth
- Over 895,000 subscribers as at 31 October 2020, including over 690,000 unique customers in the last 12 months to October 2020.
- Continues to deliver exceptional customer satisfaction, winning the Canstar '**Most satisfied customers award 2020**'
- **Highest ranking retailer on the 2020 Kantar Customer Leadership Survey**

3 Dec 2020 — **Agreed to be acquired by Kogan.com**

- Ready to launch into a new and exciting phase of growth

The Mighty Ape family

MIGHTYape

Gorilla

GORILLA GAMING

GORILLA RIGS

ape basics Multiple Categories

zoink

FRASER COUNTRY

CHEEKY CHIMP

MOST SATISFIED CUSTOMERS 2020 CANSTAR BLUE ONLINE STORES

PRICESPY.CO.NZ SHOP OF THE YEAR 2019

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WHO WE ARE

We have built a Business that allows us to be agile, bold and innovative. Our growing portfolio of businesses enables us to scale significantly while mitigating operational risks.

3,003,000
Active Customers

719,000
Active Customers

kogan retail | kogan travel | kogan mobile | kogan mobile nz | kogan internet
kogan insurance | kogan life insurance | kogan pet insurance | kogan health | kogan cars
kogan marketplace | kogan energy | kogan money | kogan super | kogan credit cards
kogan travel:hotels | kogan home loans | dick smith .com.au | dick smith .co.nz | MATT BLATT

MIGHTYape | MIGHTYape PriMATE | GORILLA GAMING | THE BOARD GAMER | TOYTITANS | GIFTmonkey

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KOGAN KINETICS

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Our mission is to make the most in-demand products and services more affordable and accessible for all.

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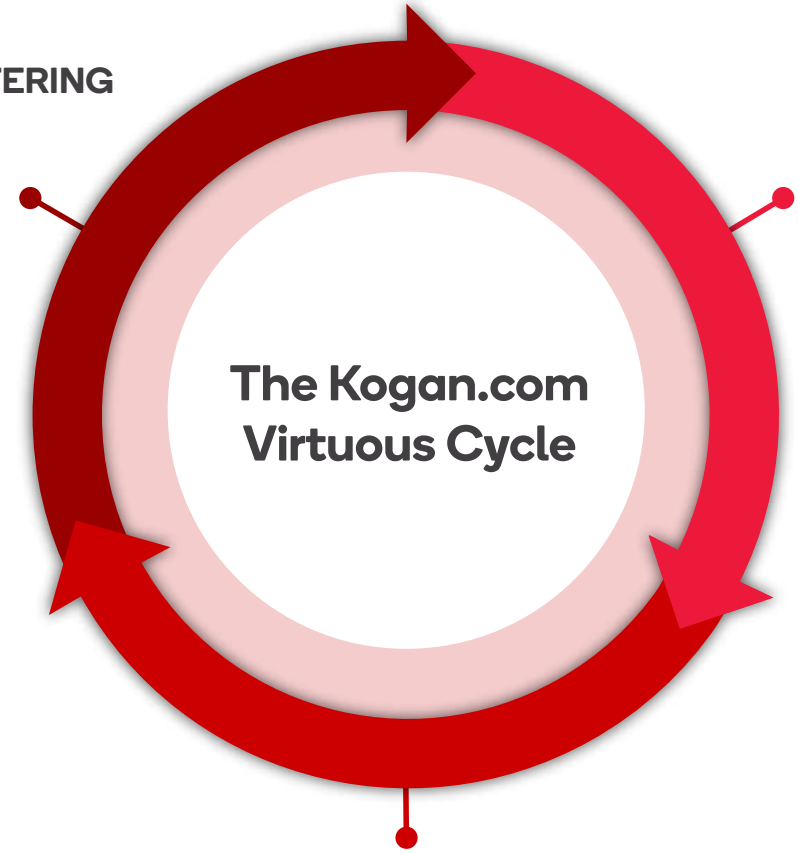
ENHANCED CONSUMER OFFERING

- Broader selection
- Improved pricing



CUSTOMER & PLATFORM GROWTH

- Scale of efficiencies
- Customer acquisition & retention
- Expand audience via acquisition

MORE PARTNERS & PRODUCTS

- More brands
- Additional verticals
- Top tier manufacturing partners
- More Marketplace sellers

BUILDING THE KOGAN.COM PLATFORM

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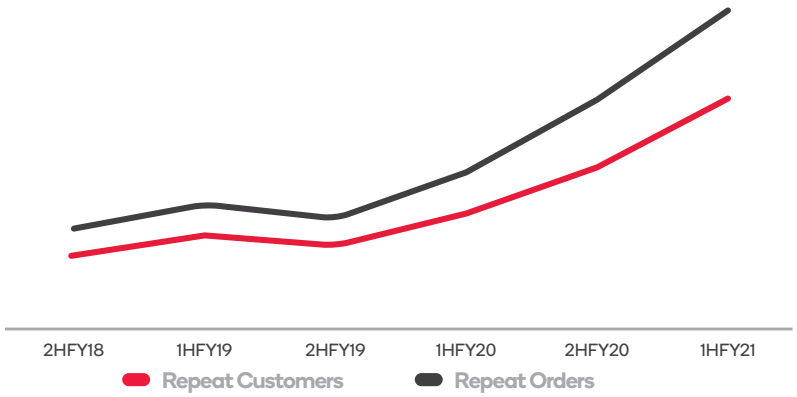
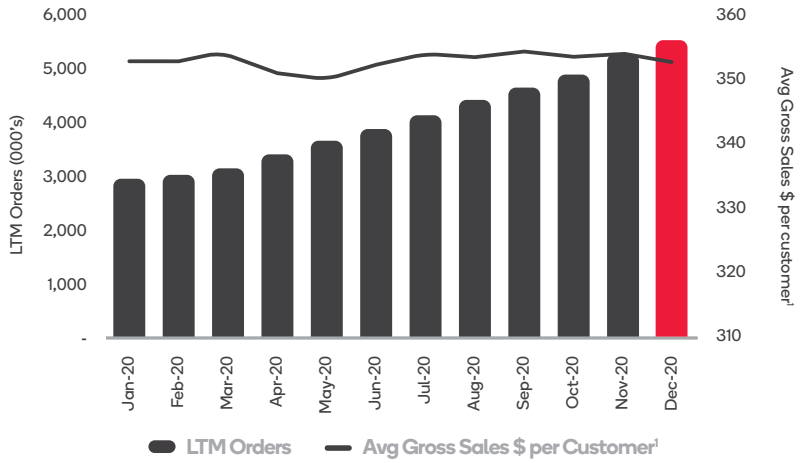
Gross Sales per Customer[1,2] is expected to benefit as recently acquired Customers continue to shop through the remainder of their first year.

REPEAT BUSINESS - CREATING BRAND LOYALTY[2]



Repeat business from new Customers, Repeat Orders is rapidly accelerating, as customers access loyalty benefits and breadth of range.

LTM CUSTOMER ORDERS & AVERAGE GROSS SALES PER CUSTOMER[1,2]



LTM customer orders & average Gross Sales per Customer[1,2], the number of customer orders is rapidly accelerating with the significant growth in Active Customers in recent months. Annual Gross Sales per Customer[1,2] is expected to grow as product range expands, loyalty benefits improve, and customers increasingly come to rely on Kogan.com for more of their general shopping needs.

1. Gross sales $ per customer is Gross Sales within the prior 365 days/no. of Active Customers within the prior 365 days.
2. Chart reflects Kogan.com excluding Mighty Ape.

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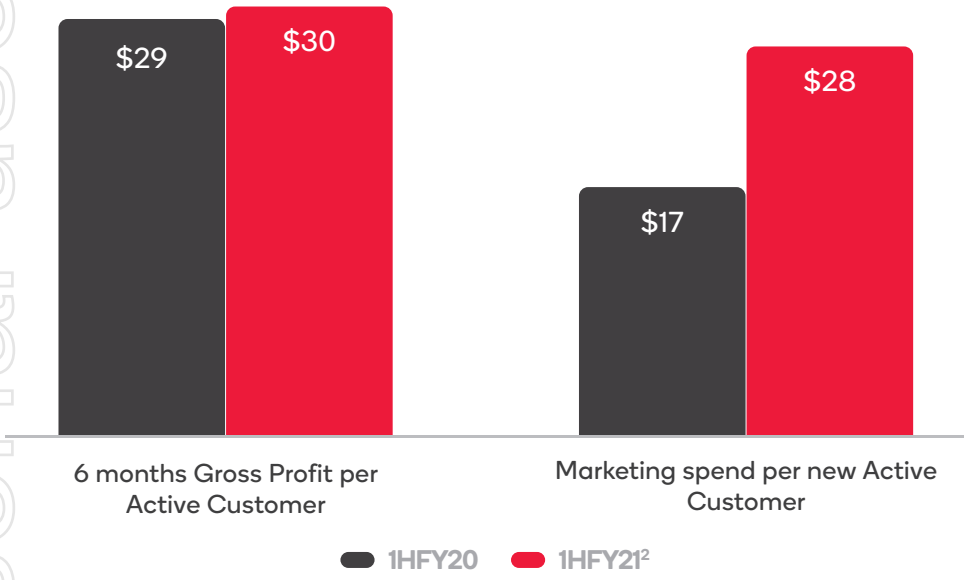
BUILDING THE KOGAN.COM PLATFORM

We have invested heavily in our platform and growing Active Customers in 1HFY21, recording our largest marketing spend ever during the period.

6 MONTH RETURN ON INVESTMENT IN MARKETING[1]



LTM return on investment in marketing[1], we we have invested heavily in our platform and growing Active Customers in 1HFY21, recording our largest marketing spend ever during the period. This is expected to have ongoing long-term benefits as Active Customers continue repurchasing. We paid off our marketing investment in new Active Customers within their first half year shopping with us.

1. 6 month Gross Profit / Active Customers 1HFY20 vs 1HFY21; marketing costs/sum of new customers for the 6 month period 1HFY20 vs 1HFY21.
2. 1HFY21 Kogan Group Gross Profit and Marketing spend reflect the inclusion of Mighty Ape's results for the one month period of December 2020.

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BUILDING THE KOGAN.COM PLATFORM

Free traffic continues to represent more than 67% of all traffic following significant investment in our platform.

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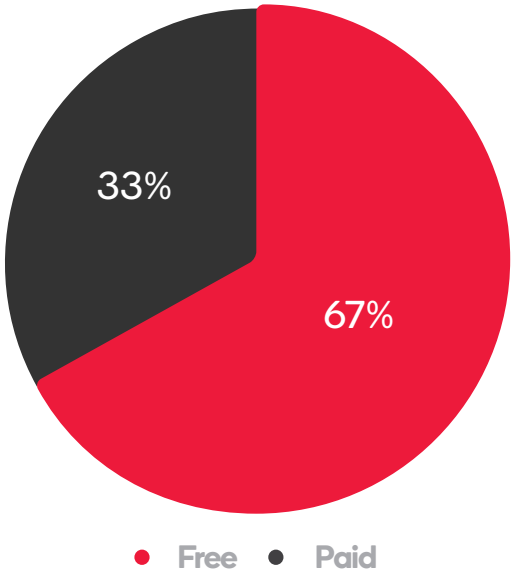
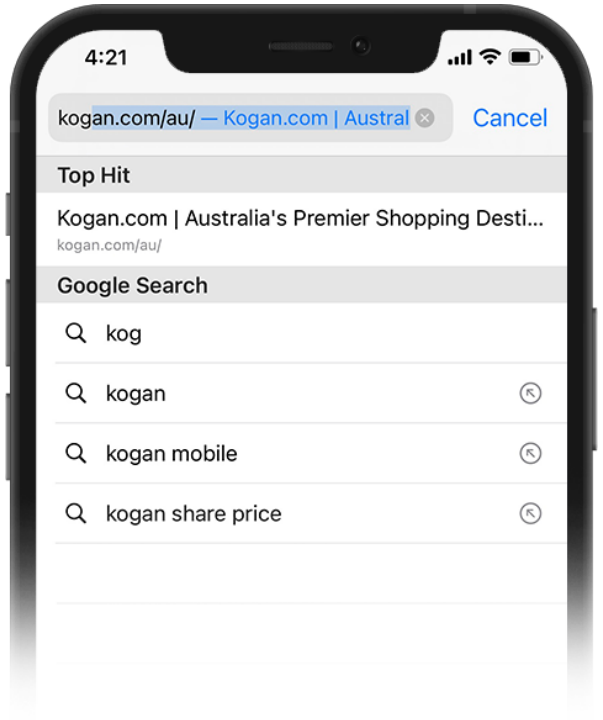
KOGAN.COM TRAFFIC - FREE (BRAND DRIVERS) VS PAID MARKETING



Free Sources

- Direct website traffic
- Direct App traffic
- Brand searches
- Other organic search queries
- Email-based direct marketing
- Others



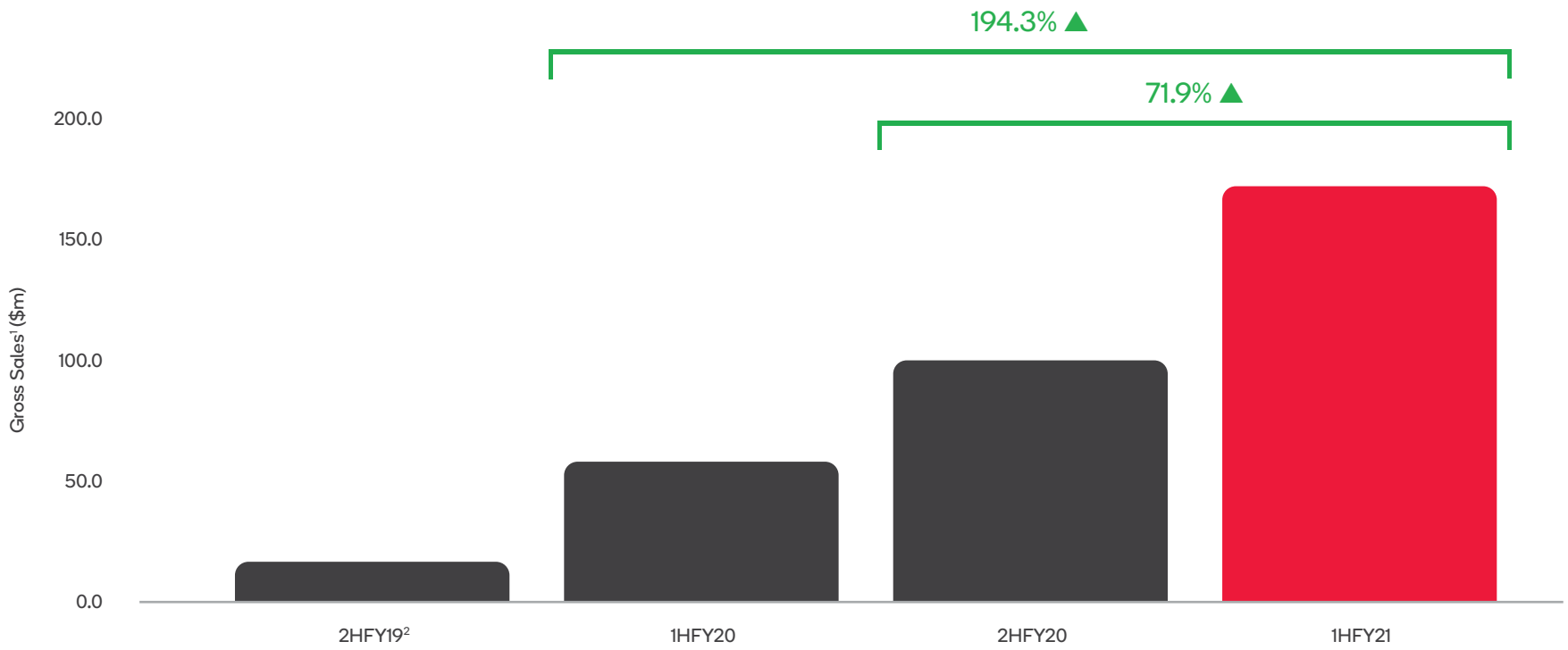
Free vs paid marketing, proportion of traffic for Kogan.com from paid sources has increased following significant marketing investment, while free traffic continues to represent more than 67% of all traffic (1HFY20: Free 75%, Paid: 25%).

KOGAN MARKETPLACE

kogan.com

Gross Sales[1] in 1HFY21 further grew by 194.3% on 1HFY20 continuing the extraordinary growth achieved in 2HFY20. Kogan Marketplace achieved its first $10m+ week of Gross Sales[1] during the Black Friday week.

KOGAN MARKETPLACE GROSS SALES[1] ACHIEVED SIGNIFICANT GROWTH HALF-ON-HALF



The growth of Kogan Marketplace demonstrates the scalability of the platform and the strong customer and seller engagement achieved to date, while also indicating the size of the opportunity as the Kogan Marketplace expands its offering, makes it easier for sellers to list products on Kogan.com, and launches in New Zealand. The pipeline for new sellers remains strong and continues to grow.

1. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. Kogan Marketplace launched in 3QFY19, the prior period (2HFY19) does not reflect a full half of trading.

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EXCLUSIVE BRANDS STRATEGY

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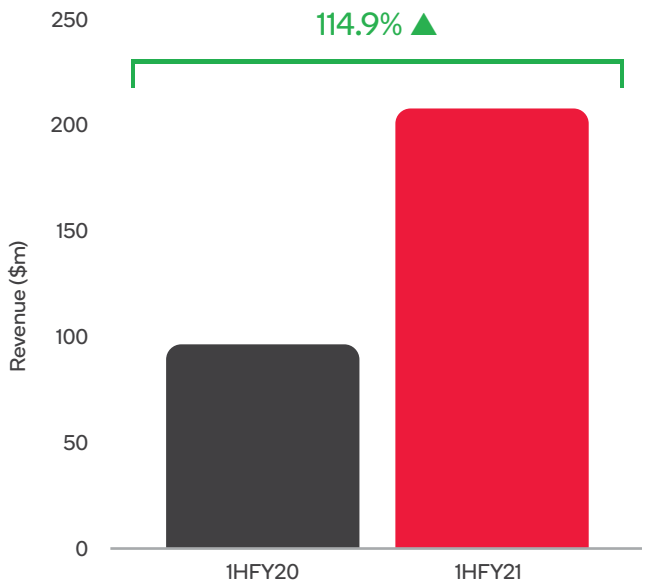
Exclusive Brands achieved Revenue growth of 114.9% in 1HFY21 vs 1HFY20, continuing to meet strong consumer demand across a wide-array of products.

YoY GROWTH IN KOGAN EXCLUSIVE BRANDS REVENUE ACCELERATED IN 1HFY21



Exclusive Brands growth rate increased YoY and benefits from:

- Full control of the end-to-end supply chain
- Strong competitive advantage
- Building trusted brands renowned for value
- Compelling consumer offering
- Ever expanding range of in-demand products
- 14+ years' experience

kogan KOMODO bubbli CERTA ovela Scharfen nutrivance COOKMASTER Trafalgar FORTIS VOSTOK SHANGRI-LA BELLA VITA Pestill ERGOLUX orbis ESTELLE KROMO Pawever Pets UGG OUTBACK CLOTHING CO.

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KOGAN FIRST

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Kogan First provides members with a suite of consumer benefits, creating a large and growing community of loyal customers who access free shipping and a range of exclusive benefits.

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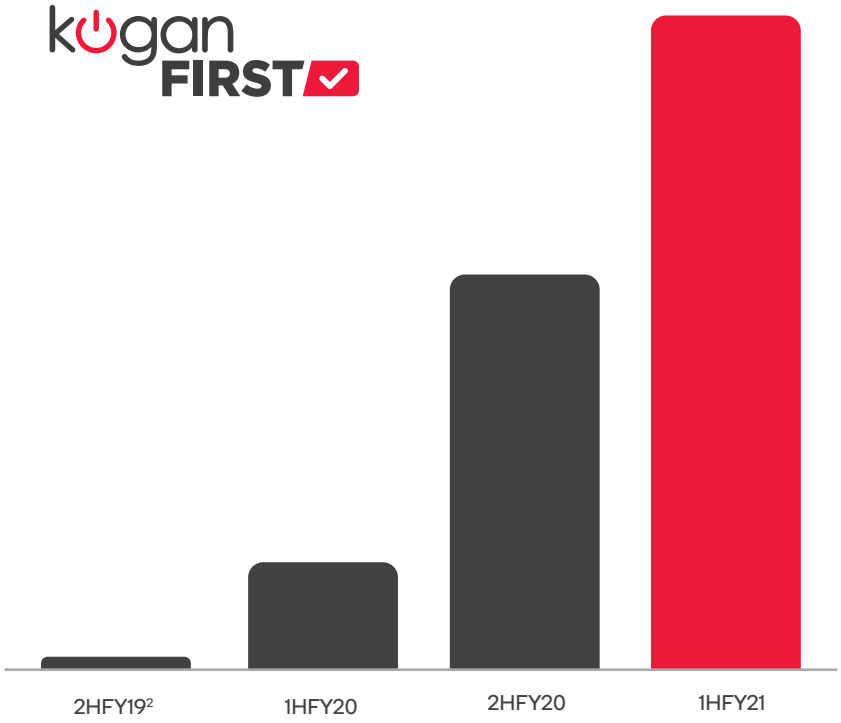
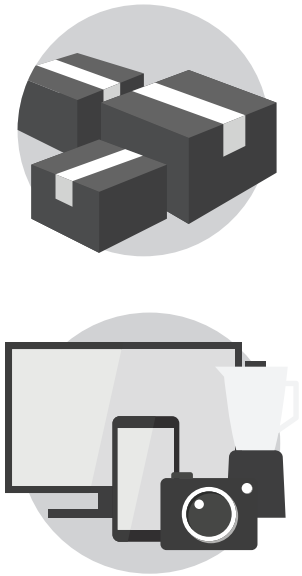
KOGAN FIRST MEMBERS[1]





Kogan First members purchase on average much more often than non-members, demonstrating loyalty to the platform, and also demonstrating the significant savings available through the loyalty program.

1. Kogan First Members excludes Kogan First customers who are in a trial period or have received complimentary Kogan First Membership, and includes only those members who have paid membership fees.
2. Kogan First launched in 4QFY19, the prior period (2HFY19) does not reflect a full half of trading.

OUR PROPRIETARY TECHNOLOGY

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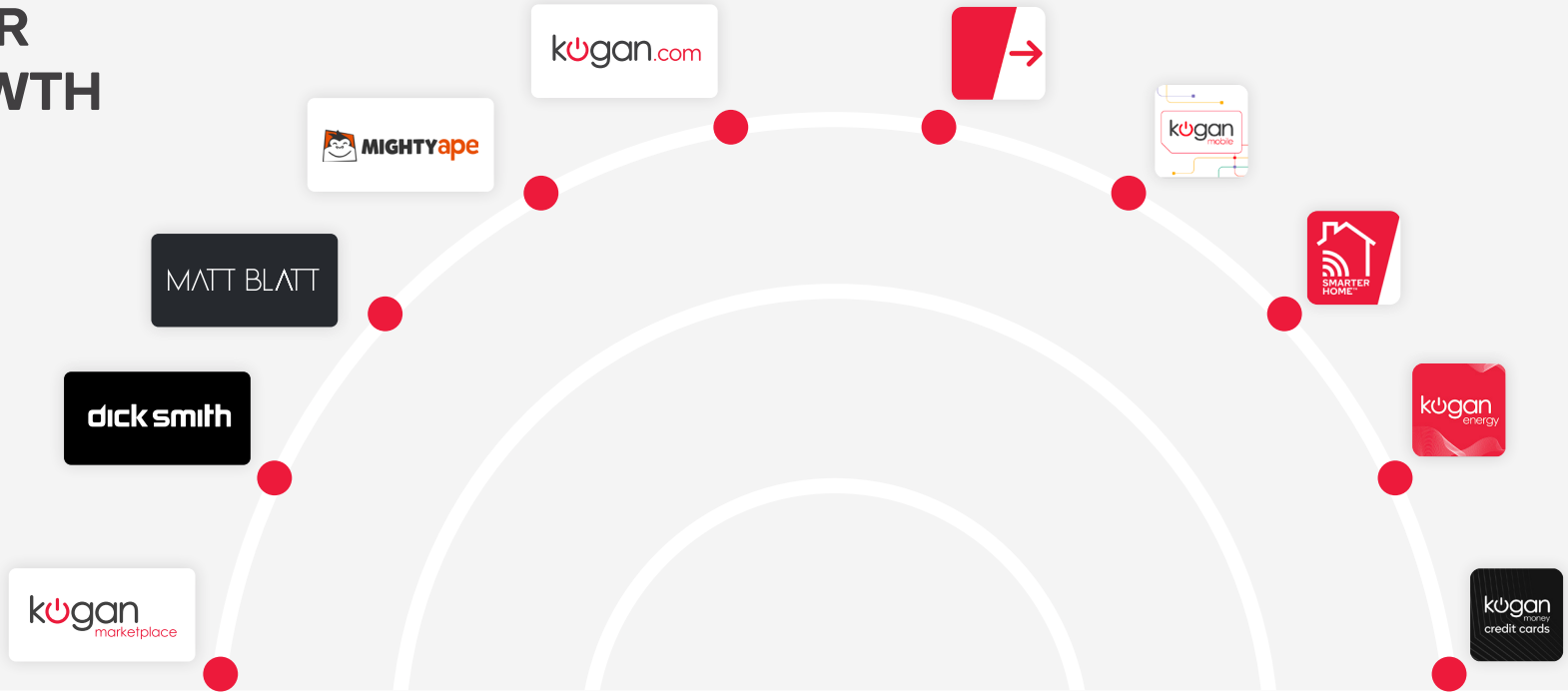
IT solutions powering scale.

PLATFORM FOR SCALE & GROWTH



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TECHNOLOGY PLATFORM

Proprietary eCommerce Engine

- Offers over 15 payment methods - including BNPL
- Secure platform & Identity Management
- Behavioural Marketing & A.I.
- Multi-brand, multi-region eCommerce capability
- Proprietary Product Search algorithm
- Unified 360° Customer Data Platform
- Automated & optimised digital ad generation

Refined Team Technical Capability

- Strong development processes
- Full stack cross functional capabilty
- Refined tooling & continuous delivery
- Production deployments daily

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Financial Update

David Shafer
CFO, COO and Executive Director

1HFY21 KOGAN GROUP RESULTS COMPARED TO 1HFY20

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Adjusted EBITDA[1] growth to $51.7 million represents an increase of 184.4%.

$m	1HFY20	1HFY21[4]	*Variance %*
Gross Sales[2]	**323.4[5]**	**638.2**	**97.4%**
Revenue[3]	219.5	414.0	88.6%
Cost of sales	(169.6)	(301.1)	77.5%
Gross Profit	**49.9**	**112.9**	**126.2%**
Gross margin	*22.7%*	*27.3%*	*4.5pp/19.9%*
Variable costs	(10.8)	(18.3)	69.2%
Marketing costs	(8.7)	(30.6)	251.7%
Contribution profit	**30.4**	**64.0**	**110.6%**
Contribution margin	*13.8%*	*15.5%*	*1.6%*
People costs	(9.2)	(18.2)	98.5%
Other costs	(3.7)	(3.8)	2.4%
Total operating costs	**(32.4)**	**(70.9)**	**119.0%**
Unrealised FX gain/(loss)	(0.9)	(3.3)	272.6%
EBITDA	**16.7**	**38.8**	**132.4%**
EBITDA margin	*7.6%*	*9.4%*	*1.8pp/23.3%*
Unrealised FX gain/(loss)	*(0.9)*	*(3.3)*	*272.6%*
Equity-based compensation	*(0.6)*	*(2.6)*	*322.6%*
Donations	*0.0*	*(1.1)*	*n/a*
COVID-19 related stock provision	*0.0*	*(1.5)*	*n/a*
COVID-19 related logistics costs	*0.0*	*(1.9)*	*n/a*
Mighty Ape purchase - Tranches 3&4	*0.0*	*(1.8)*	*n/a*
Mighty Ape purchase - transaction costs	*0.0*	*(0.8)*	*n/a*
Adjusted EBITDA[1]	*18.2*	*51.7*	*184.4%*
Depreciation & amortisation	(3.8)	(3.7)	(3.0%)
EBIT	**12.8**	**35.1**	**172.9%**
Interest	(0.0)	0.1	(293.6%)
Profit before tax	**12.8**	**35.1**	**174.5%**
Income tax expense	(3.9)	(11.5)	198.1%
NPAT	**8.9**	**23.6**	**164.2%**
Adjusted NPAT[1]	**10.4**	**36.5**	**250.2%**
EPS	0.10	0.22	135.1%
Adjusted EPS[1]	0.11	0.35	211.7%

Overview

Gross Sales[2] growth accelerated through the period to achieve our highest Gross Sales[2] over a half-year. Our diversified supply chain, portfolio of businesses and business preparation over many years enabled us to meet growing consumer demand.

Gross Margin increased by 4.5pp to 27.3% as a result of growth from the Group's Product Divisions and Kogan Marketplace seller-fee based Revenue.

Marketing Costs reflect the significant investment made by the Group in growing our platform and Active Customers in 1HFY21.

Contribution profit grew 110.6% over the period driven by the investment made in our platform, technology and supply chain.

People costs are inclusive of Tranches 3 and 4 of the Mighty Ape purchase. As part of the Sale Agreement, Tranches 3 and 4 are only payable provided Simon Barton, Mighty Ape Founder & CEO, is not a 'Bad Leaver'. In line with accounting standards, Tranches 3 and 4 payments will be considered as compensation for post-combination services, and as such, treated as employee remuneration. The Group will proportionately account for these expenses up until the respective payment dates. People costs are further inclusive of significant equity-based compensation expense driven by the recent awards of options after the Company's AGM in November 2020.

Other costs are inclusive of an infringement notice of $0.3 million paid to ACMA in relation to Australian spam laws.

EBITDA of $38.8 million reflects an increase in EBITDA margin of 1.8pp to 9.4%.

Adjusted EBITDA[1], Adjusted NPAT[1] and Adjusted EPS[1] excluding the unrealised FX losses, equity-based compensation and other adjusting items grew to $51.7 million, $36.5 million and $0.35 per Share, respectively. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

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5. 1HFY20 has been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

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1HFY21 KOGAN.COM RESULTS[1] COMPARED TO 1HFY20

kogan.com

Adjusted EBITDA[2] growth to $48.8 million represents an increase of 168.3%.

$m	1HFY20	1HFY21	*Variance %*
Gross Sales[3]	**323.4[5]**	**618.3**	**91.2%**
Revenue[4]	219.5	394.1	79.5%
Cost of sales	(169.6)	(286.5)	68.9%
Gross Profit	**49.9**	**107.5**	**115.4%**
Gross margin	*22.7%*	*27.3%*	*4.5pp/20%*
Variable costs	(10.8)	(18.0)	65.8%
Marketing costs	(8.7)	(30.0)	244.3%
Contribution profit	**30.4**	**59.6**	**96.1%**
Contribution margin	*13.8%*	*15.1%*	*1.3%*
People costs	(9.2)	(16.8)	83.8%
Other costs	(3.7)	(3.6)	(0.9%)
Total operating costs	**(32.4)**	**(68.4)**	**111.3%**
Unrealised FX gain/(loss)	(0.9)	(3.3)	267.5%
EBITDA	**16.7**	**35.9**	**115.2%**
EBITDA margin	*7.6%*	*9.1%*	*1.5pp/19.9%*
Unrealised FX gain/(loss)	*(0.9)*	*(3.3)*	*267.5%*
Equity-based compensation	*(0.6)*	*(2.6)*	*322.6%*
Donations	*0.0*	*(1.1)*	*n/a*
COVID-19 related stock provision	*0.0*	*(1.5)*	*n/a*
COVID-19 related logistics costs	*0.0*	*(1.9)*	*n/a*
Mighty Ape purchase - Tranches 3&4	*0.0*	*(1.8)*	*n/a*
Mighty Ape purchase - transaction costs	*0.0*	*(0.8)*	*n/a*
Adjusted EBITDA[2]	*18.2*	*48.8*	*168.3%*
Depreciation & amortisation	(3.8)	(3.6)	(6.4%)
EBIT	**12.8**	**32.3**	**151.5%**
Interest	(0.0)	0.1	(417.8%)
Profit before tax	**12.8**	**32.4**	**153.4%**
Income tax expense	(3.9)	(10.8)	178.1%
NPAT	**8.9**	**21.7**	**142.7%**
Adjusted NPAT[2]	**10.4**	**34.6**	**231.4%**

Overview

Gross Sales[3] reflects the total transactional value of Kogan Retail, Kogan Marketplace and New Verticals. Revenue reflects the accounting Revenue of Kogan Retail and only the commission or seller fees received from Kogan Marketplace and New Verticals.

Revenue[4] was driven by the growth from Exclusive Brands, Kogan Marketplace and Third-Party Brands increasing 114.9%, 141.0% and 50.5% YoY, respectively.

Gross Margin increased by 4.5pp to 27.3% as a result of growth in Product Divisions and Kogan Marketplace seller-fee based Revenue.

Variable Costs reflect the increased volume in transactions and stock holdings including logistics demurrage charges of $1.9 million, driven by one-off warehousing and supply chain interruptions from late 2020 (almost never previously incurred, and expected to be resolved from early 2021) that has allowed the Business to deliver its largest Gross Sales[3] and Gross Profit ever.

Marketing costs reflect a strategic investment in marketing and has delivered Active Customer growth of 76.8% since 1HFY20, equating to 1,304,000 incremental Active Customers.

Contribution profit grew 96.1% YoY owing to the investment made in our platform, technology and supply chain.

Other costs are inclusive of an infringement notice of $0.3 million paid to ACMA in relation to Australian spam laws.

EBITDA of $35.9 million reflects an increase in EBITDA margin of 1.5pp to 9.1%.

Adjusted EBITDA[2] and Adjusted NPAT[2] excluding unrealised FX losses, equity-based compensation and other on-off costs grew to $48.8 million and $34.6 million, respectively. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

1. Results reflect Kogan.com excluding Mighty Ape.
2. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
3. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and and other New Verticals are not reflected in Revenue.
4. The differential between Revenue and Gross Sales is reflective of Kogan Marketplace and New Verticals recognising only seller fee or commission-based Revenue while the gross transaction values are recognised within Gross Sales.
5. 1HFY20 has been restated to include Kogan Energy Gross Sales. Kogan Energy launched in September 2019, Gross Sales data has historically been unavailable.

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KEY DRIVERS OF KOGAN GROUP 1HFY21 FINANCIAL PERFORMANCE

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

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PLATFORM GROWTH

The Business achieved growth in Active Customers of 76.8% in 1HFY21. At 31 December 2020 Kogan.com had 3,003,000 Active Customers (excluding Mighty Ape). Mighty Ape Active Customers grew to 719,000.

Kogan First memberships scaled significantly during 1HFY21 as more and more customers recognise the significant value we are offering via our loyalty program.

The Business strategically increased its marketing activities in order to grow Active Customers. The significant investment to grow our platform and Active Customers had an immediate impact on growth in Active Customers and is also expected to have ongoing long-term benefits to our Business.

PRODUCT DIVISIONS

Exclusive Brands continued to achieve year-on-year Revenue growth with an increase of 114.9% on 1HFY20. Exclusive Brands also achieved Gross Profit growth of 174.9%, resulting in a contribution of 55.9% to the Group's overall Gross Profit in 1HFY21. This was achieved through ongoing investment in Exclusive Brands inventory to broaden our range and meet consumer demand from the growing base of Active Customers.

Third-Party Brands achieved growth in Revenue and Gross Profit, delivering an increase of 50.5% and 77.0% on 1HFY20, respectively.

KOGAN MARKETPLACE

The success of Kogan Marketplace has resulted in Gross Sales[1] increasing by 194.3% in 1HFY21 compared to 1HFY20. The platform continues to resonate with sellers, with Kogan Marketplace having increased the number of sellers significantly, while there continues to be a long backlog of sellers ready to be onboarded.

The exceptional growth of Kogan Marketplace has led to a period of transition for the Business. We are continually improving our proprietary marketplace platform which enables the Business to achieve ongoing growth without a corresponding investment in inventory. The growth of Kogan Marketplace means that customers have more choice than ever.

1. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.

KEY DRIVERS OF KOGAN GROUP 1HFY21 FINANCIAL PERFORMANCE

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NEW VERTICALS

Kogan Mobile grew 12.9% YoY, contributing over 4.8% of the Group's total Gross Profit. Kogan Internet Customers grew 17.9% YoY. Negative growth was experienced in some New Verticals, driven by Travel and Insurance (inc Travel Insurance and certain other Insurances, which are suspended).

MIGHTY APE

The newly acquired Mighty Ape team and operations are progressively integrating into the Kogan Group. December 2020 trading showed strong sales over the Christmas peak trading period with Revenue and Gross Profit of $20.0 million[2] and $5.4 million[2], respectively. Active Customers grew to 719,000.

VARIABLE COSTS

Variable Costs predominantly consist of warehousing and selling costs. The increase in these costs was largely driven by growing volumes of transactions and stock holding that has allowed the Business to deliver its largest Gross Sales[1] and Gross Profit ever. Variable costs also includes logistics demurrage charges of $1.9 million, driven by one-off warehousing and supply chain interruptions from late 2020 (almost never previously incurred, and expected to be resolved from early 2021).

INVESTMENT IN OUR TEAM

In order to retain key talent and align their interests with our Shareholders, the Business has made strategic investments in team members. Long-Term Incentives remain in place and People Costs have increased year-on-year, as a result. 1HFY21 is also inclusive of significant equity-based compensation expenses driven by the recent awards of options after the Company's AGM in November 2020.

OTHER COSTS

Other costs are inclusive of an infringement notice of $0.3 million paid to ACMA in relation to Australian spam laws.

1. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.
2. Values stated in AUD using spot rate of 0.9376 on 31 December 2020.

IMPROVING OPERATING LEVERAGE

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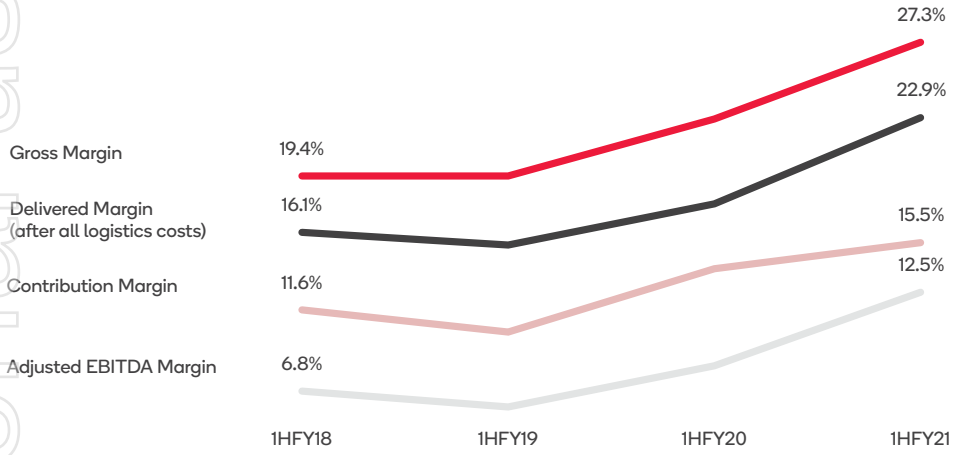
	1HFY18	1HFY19	1HFY20	1HFY21[1]
Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Gross Margin	19.4%	19.5%	22.7%	27.3%
Delivered Margin (after all logistics costs)	**16.1%**	**15.3%**	**17.8%**	**22.9%**
Marketing costs	4.5%	5.0%	4.0%	7.4%
Contribution Margin	**11.6%**	**10.3%**	**13.8%**	**15.5%**
Fixed costs	4.9%	4.7%	5.8%	5.3%
EBITDA Margin	6.7%	5.8%	7.6%	9.4%
Adjusted EBITDA[2] Margin	**6.8%**	**5.8%**	**8.4%**	**12.5%**



Over the past four first-half financial periods, we have delivered growth in Gross Margin. We have also grown Delivered Margin (after a logistics costs), Contribution Margin, EBITDA Margin and Adjusted EBITDA[2] Margin over the past two years. We continue to deliver significant projects to grow our products and services offering, while heavily investing in our brands.

1. 1HFY21 Kogan Group results reflect the inclusion of Mighty Ape's results for the one month period of December 2020 of: $20.0 million Gross Sales, $20.0 milion Revenue, $5.4 million Gross Profit, $2.9 million EBITDA, 2.9million Adjusted EBITDA and $2.0 million Adjusted NPAT. Values stated in AUD using spot rate of 0.9376 on 31 December 2020.
2. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

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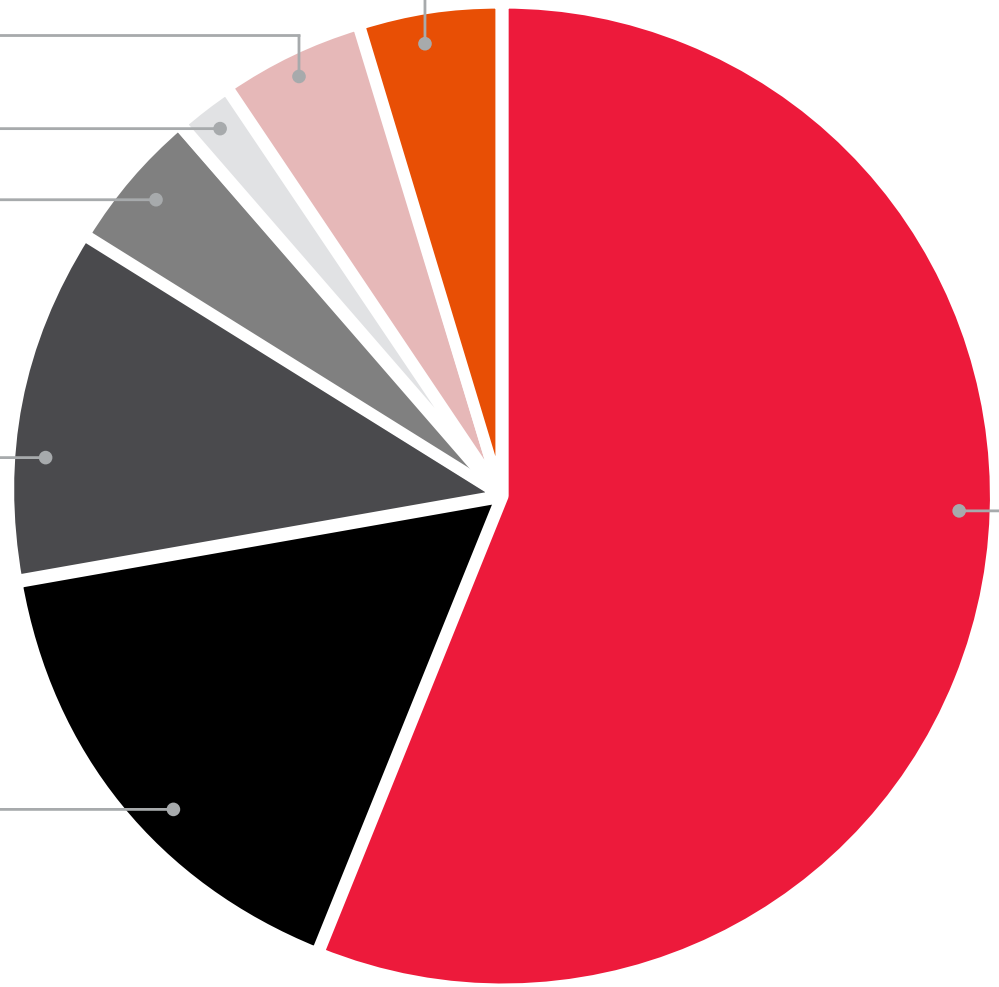
1HFY21 KOGAN GROUP GROSS PROFIT PRODUCT & BUSINESS MIX

More than half of our Gross Profit is generated from our Exclusive Brands Products.



1. Mighty Ape reflects December 2020 Gross Profit
2. Other Revenue includes Kogan Travel, Kogan Insurance, Kogan Internet, Kogan Mobile NZ, Kogan Credit Cards, Kogan Cars, Kogan Energy and Kogan First.

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KOGAN MOBILE & KOGAN INTERNET

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Kogan Mobile Australia and Kogan Internet continue to achieve growth in number of Customers.

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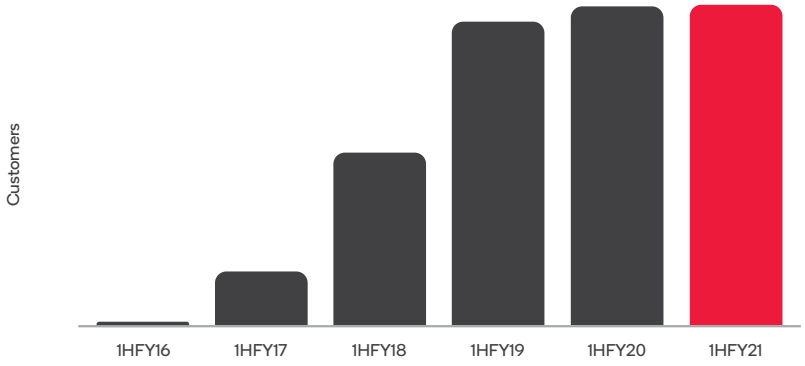
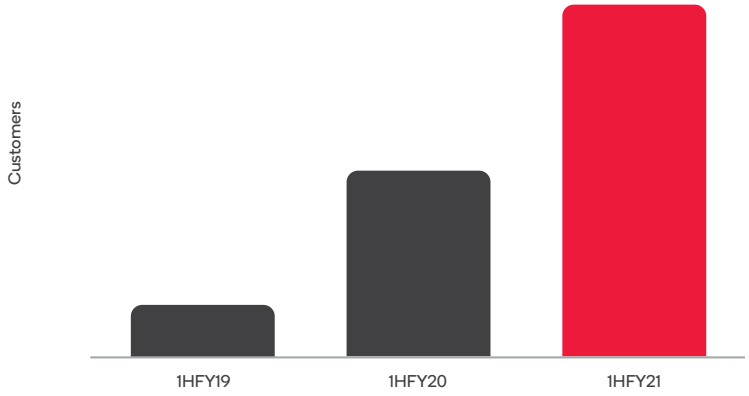
KOGAN MOBILE AUSTRALIA CUSTOMERS[1]



KOGAN INTERNET CUSTOMERS[1]



Kogan Mobile Australia, grew 12.9% YoY, contributing over 4.8% of the Group's total Gross Profit. The Business is continuing to work on new offerings to accelerate growth in 2HFY21 and beyond.

Kogan Mobile New Zealand, in partnership with Vodafone NZ, was launched during 1HFY20. Vodafone NZ is New Zealand's largest mobile network operator.

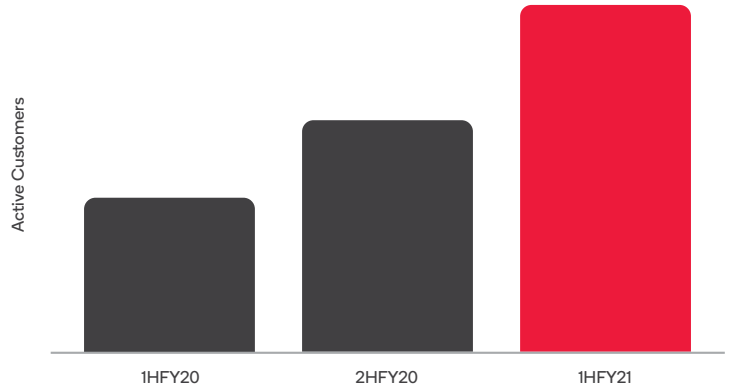
Kogan Internet Customers grew of 17.9%. Management are actively working with Vodafone to continue delivering competitive consumer offerings.

1. Are those customers whose services are active at the relevant reporting date.

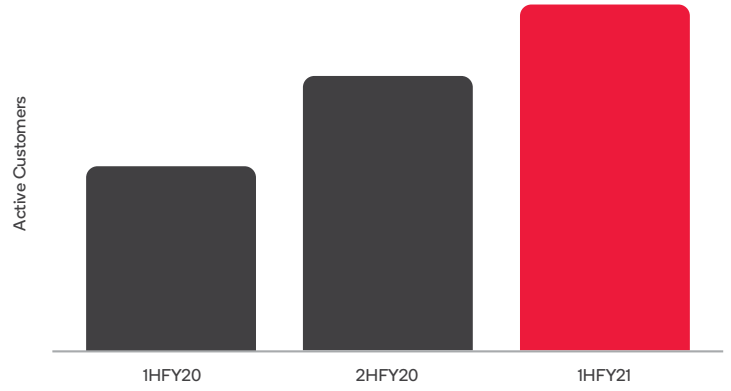
KOGAN ENERGY AND KOGAN CREDIT CARDS

New Verticals launched in 1HFY20 Kogan Energy and Kogan Credit Cards are growing strongly.

KOGAN ENERGY CUSTOMERS[1]



KOGAN CREDIT CARDS CUSTOMERS[1]



Kogan Energy offers competitive power and gas deals and was launched in September 2019 in partnership with part of the Meridian Energy Limited group.

Kogan Credit Cards is a credit card with uncapped Kogan reward points, no annual fee, complimentary Kogan First membership, and competitive rates and fees. It was launched in October 2019 in partnership with Citi.

1. Only includes those customers with an active utilities or credit card account at the relevant reporting date.

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KOGAN GROUP NET ASSETS

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A strong balance sheet at 31 December 2020 with $79.0 million of cash post Tranche 1 of the Mighty Ape acquisition in December 2020.

$m	Dec-20
CURRENT ASSETS	
Cash	79.0
Trade and other receivables	10.6
Inventories	225.3
Total current assets	**314.9**
NON-CURRENT ASSETS	
Property, plant and equipment	11.5
Intangible assets	82.9
Deferred tax assets	6.5
Total non-current assets	101.0
Total assets	**415.8**
CURRENT LIABILITIES	
Trade and other payables	132.7
Acquisition payables	29.5
Lease liability	2.8
Current tax liabilities	9.9
Loans and borrowings	1.5
Provisions	4.8
Deferred income	21.4
Financial liabilities	4.3
Total current liabilities	**206.9**
NON-CURRENT LIABILITIES	
Lease liability	8.0
Deferred income and provisions	0.4
Loans and borrowings	1.2
Total non-current liabilities	**9.6**
Total liabilities	**216.6**
NET ASSETS	**199.3**

Cash balance at 31 December 2020 of $79.0 million with $1.4 million of the Group's debt facility drawn within Mighty Ape.

Inventories across the Group held at 31 December 2020 was comprised of:

- $152.7 million in warehouse; and
- $72.6 million in transit.

More than 99% of Kogan.com inventory and 92% of Mighty Ape inventory in warehouse was less than 365 days old. The business has significantly increased its inventory to reflect its internal projections of demand from its growing customer base.

The acquisition of Mighty Ape included the recognition of goodwill which has been included within the intangible assets balance.

Financial liabilities is reflective of the unrealised FX loss recognised against forward contracts, which is non-cash.

Trade and other payables reached a seasonal high following the peak Christmas trading period.

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1HFY21 KOGAN GROUP STATUTORY CASH FLOW

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	$000
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	433.8
Payments to suppliers	(430.1)
Payments to employees	(14.1)
Interest received	0.0
Finance costs paid	(0.1)
Income tax paid	(12.9)
Net cash (used in) operating activities	**(23.4)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of PPE	(0.1)
Purchase of intangible assets	(0.9)
Business acquisition	(47.8)
Net cash (used in) investing activities	**(48.8)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Net proceeds from issue of shares	20.0
Transaction costs related to the issue of shares	(0.3)
Repayment of Lease liability	(1.1)
Repayment of debt facility	(1.8)
Dividends/distributions paid	(12.4)
Net cash provided by financing activities	**4.4**
Net decrease in cash held	**(67.8)**
Cash and cash equivalents at beginning	146.7
Cash and cash equivalents at end of financial year	**79.0**

The Group significantly expanded its' inventory levels to respond to increasing demand from the growing community of Active Customers, and our internal projections of future demand.

The Group finished the period with a cash balance of $79.0 million.

The Group paid the Tranche 1 payment for the Mighty Ape Acquisition, and completed the $20 million Share Purchase Plan during the period.

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Outlook

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PORTFOLIO BUSINESS - MARKET

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Portfolio Business	Partner	Launch date	Market size	Achieved greater than 1% market share?
Kogan Retail	n/a	FY06	$29.4 billion[1]	✓
Kogan Marketplace	n/a	Launched FY19	$29.4 billion[1]	✓
Kogan Internet	Vodafone	Launched 4QFY18	11.6 million premises[2]	-
Kogan Insurance	Hollard	Launched 1QFY18	$51.0 billion[3]	-
Kogan Health	Medibank	Launched 3QFY18	$25.4 billion[4]	-
Kogan Life	Greenstone	Launched 4QFY18	$46.5 billion[5]	-
Kogan Pet	PetSure	Launched 4QFY18	$490 million[6]	-
Kogan Mobile	Vodafone	Launched 2QFY16	32.89 million mobile phone connections[7]	✓
Kogan Mobile NZ	Vodafone	Launched 1HFY20	3.8 million users[8]	-
Kogan Money Home Loans	Pepper Group Limited	Launched 2QFY19	$85.6 billion[9]	-
Kogan Money Super	Mercer	Launched 1HFY20	15.6 million account holders[10]	-
Kogan Money Credit Card	Citi	Launched 1HFY20	16.0 million cards[11]	-
Kogan Cars	Firstmac	Launched 4QFY19	1.1 million cars[12]	-
Kogan Energy	Powershop (part of Meridian Energy)	Launched 1HFY20	$40.8 billion[13]	-
Mighty Ape	n/a	Acquired 1HFY21	$6.5 billion[14]	✓

1. Source: https://www.ibisworld.com.au/industry-trends/market-research-reports/thematic-reports/online-shopping.html
2. Number of households connected or ready to connect to the NBN at Jun 2019. Source: https://www2.nbnco.com.au/content/dam/nbnco2/2020/documents/how-we-are-tracking/nbn-may-2020-monthly-progress-report.pdf
3. Source: https://www.apra.gov.au/sites/default/files/2020-05/Quarterly%20general%20insurance%20performance%20statistics%20highlights%20March%202020_0.pdf
4. Source: https://www.ibisworld.com/au/market-size/health-insurance/
5. Source: https://www.ibisworld.com/au/industry/life-insurance/522/
6. Source: Canstar - www.canstar.com.au/pet-insurance/how-much-do-we-spend-on-our-pets/
7. Source: https://www.statista.com/statistics/680482/australia-number-of-mobile-subscriptions/
8. Source: http://archive.stats.govt.nz/browse_for_stats/industry_sectors/information_technology_and_communications/isp-2017-mobile-connections-story.aspx
9. Source: https://www.ibisworld.com/au/industry/mortgages/1909/
10. Source: https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-accounts-data/Multiple-super-accounts-data/
11. Source: https://qsuper.qld.gov.au/news-hub/articles/2018/03/13/04/46/credit-cards-the-stats
12. Source: https://www.caradvice.com.au/817278/vfacts-2019-new-car-sales-results/
13. Source: https://www.ibisworld.com/au/industry/electricity-retailing/2147/
14. Source: IBISWorld Industry Report: Online Shopping in New Zealand, October 2020. Chart values have been converted from NZD to AUD using the spot rate of 0.95 as at 23 November 2020.

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2HFY21 KOGAN GROUP OUTLOOK

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We expect that 2HFY21 will see further growth in Exclusive Brands, enhance and develop Kogan Marketplace and complete the integration of the Mighty Ape team and operations, and further growth in the Group's Active Customer base.

Consistent with prior years, the Company will not be providing formal Adjusted EBITDA[1] guidance for 2HFY21. However, the Company will provide regular business updates during the year.

January 2021 unaudited management accounts show:

- Gross Sales[2] growth of more than 45% YoY, which included:
  - 111.6% growth in Kogan Marketplace
  - 54.6% growth in Exclusive Brands
  - negative growth in some New Verticals, driven by Travel and Insurance (inc Travel Insurance and certain other Insurances, which are suspended)
- Gross Profit growth of more than 102% YoY
- Adjusted EBITDA[1] growth of more than 90% YoY

IN 2HFY21, WE EXPECT:

- ☑ Growth of Active Customer base
- ☑ Growth in Exclusive Brands and Third-Party Brands
- ☑ Growth in Kogan Marketplace, and launch in New Zealand
- ☑ Growth across New Verticals
- ☑ Integration of Mighty Ape team and operations
- ☑ Growth by acquisition

1. Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the Business, they remove non-cash items including the unrealised FX gain/ (loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.
2. The Company believes Gross Sales is a key metric of the Business, given that gross transaction values of Kogan Marketplace, Kogan Mobile and other New Verticals are not reflected in Revenue.

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DIVIDEND

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The Board has declared a fully franked interim Dividend of 16.0 cents per share. The Dividend Reinvestment Plan will apply to the interim Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on ASX from the trading day prior to the record date.

	DPS (cents)	Franking (%)	Record date	Election date[1]	Payment date
Dividend per share (cents)	16.0	100.0	9 March 2021	10 March 2021	31 May 2021

1. The date by which an eligible Shareholder must have notified Kogan.com Ltd that it will participate in the DRP.

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GLOSSARY

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1HFYxx: the six months ended 31 December 20xx.

2HFYxx: the six months ended 30 June 20xx.

1QFYxx: the three months ended 30 September 20xx.

2QFYxx: the three months ended 31 December 20xx.

3QFYxx: the three months ended 31 March 20xx.

4QFYxx: the three months ended 30 June 20xx.

Active Customers: unique customers who have purchased in the last twelve months from 1 January 2020, rounded to the nearest thousand.

Adjusted EBITDA: earnings before interest, tax, depreciation, amortisation, unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

Adjusted NPAT: net profit after tax and before unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

Adjusted EPS: earnings per share before unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. Refer to Annexure 2 of this Presentation for a detailed reconciliation of adjusting items.

AUD: value stated in Australian dollars using spot rate of 0.9376 on 31 December 2020.

Contribution Margin: Gross Profit less variable costs divided by Revenue.

Core Website Channels: Kogan.com, Kogan Apps (iPhone and Android), Dick Smith and Matt Blatt Assets.

EBIT: earnings before interest and tax.

EBITDA: earnings before interest, tax, depreciation and amortisation.

EBITDA Margin: EBITDA divided by Revenue.

EPS: earnings per share.

Exclusive Brands: products sold under brands owned by Kogan.com.

FYxx: financial year ended 30 June 20xx.

Gross Margin: Gross Profit divided by Revenue.

Gross Profit: Revenue less cost of goods sold.

Gross Sales: is the gross transaction value, on a cash basis, of products and services sold, of Kogan Retail, Kogan Marketplace and the New Verticals.

Kogan Cars: New Vertical launched in 4QFY19 offering competitive prices on new-car purchases.

Kogan Energy: New Vertical launched in 1HFY20 offering low cost power and gas whilst allowing customers to easily track their energy usage on-demand, in partnership with Powershop (part of Meridian Energy).

Kogan First: our loyalty program offering members free/upgraded express shipping along with special offers across thousands of our products.

Kogan Health: New Vertical launched in 3QFY18 offering health insurance online.

Kogan Insurance: New Vertical launched in 1QFY18 offering Insurance online.

Kogan Internet: New Vertical launched in 4QFY18 offering NBN plans via Vodafone's fixed line NBN network.

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GLOSSARY

Kogan Life: New Vertical launched in 4QFY18 offering life insurance online.

Kogan Marketplace: a platform launched in 3QFY19 for sellers and buyers to complete transactions on Kogan.com, with commission-based Revenue being earned by Kogan.com.

Kogan Mobile Australia: launched in 2QFY16, vertical offering pre-paid mobile phone plans available online using Vodafone's mobile network in Australia.

Kogan Mobile New Zealand: New Vertical launched in 1HFY20 offering pre-paid mobile phone plans available online using Vodafone's mobile network in New Zealand.

Kogan Money Credit Cards: New Vertical launched in 1HFY20 offering a competitively priced credit card with compelling loyalty incentives for consumers to shop on Kogan.com and elsewhere, in partnership with Citi.

Kogan Money Home Loans: New Vertical launched in 2QFY19 offering competitive home loan products, in partnership with Pepper Group.

Kogan Money Super: New Vertical launched in 1HFY20 offering a new no frills, ultra low fee Australian super fund, in partnership with Mercer.

Kogan Pet: New Vertical launched in 4QFY18 offering pet insurance online.

Kogan Retail: Exclusive Brands and Third-Party Brands sales through the Core Website Channels and eBay, Amazon.com.au, TradeMe and other platforms.

Kogan Travel: New Vertical offering online holiday packages and hotel and cruise bookings.

LTM: last twelve months.

Mighty Ape: refers to Mighty Ape Ltd.

New Verticals: Kogan Cars, Kogan Credit Cards, Kogan Energy, Kogan Health, Kogan Insurance, Kogan Internet, Kogan Life, Kogan Marketplace, Kogan Mobile Australia, Kogan Mobile New Zealand, Kogan Money, Kogan Pet, Kogan Super and Kogan Travel.

Operating Leverage: the efficiency by which a business converts its Revenue into Net Profit.

Partners: refers to the companies Kogan.com has conducted business with.

Product Division: means Exclusive Brands and Third-Party Brands.

QoQ: quarter-on-quarter.

Repeat Orders: refer to orders placed during the period by Active Customers who had previously transacted with the Business at the time of their order.

ROI: return on investment.

The Business: refers to Kogan.com Ltd.

The Company: refers to Kogan.com Ltd.

The Group: refers to Kogan.com Ltd and its subsidiaries, including Mighty Ape Ltd.

The Presentation: refers to this document, titled 'Kogan.com - 1HFY21 Results Presentation'.

Third-Party Brands: products sold under brands owned by third parties, which are sourced domestically in Australia and internationally.

Unique customers: the number of distinct customers who have purchased in the last twelve months.

Working Capital: total of trade and other receivables, inventories and prepayments which are included within other assets, less trade and other payables, deferred income, employee benefits and current provisions.

YoY: year-on-year.

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ANNEXURE 1

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1HFY21 REVENUE GROWTH BY PORTFOLIO

Revenue growth was driven by Exclusive Brands and Kogan Marketplace.

$m	1HFY20 Revenue	1HFY21 Revenue	*YoY Revenue growth %*
Exclusive Brands	97.2	208.7	114.9%
Third-Party Brands	105.8	159.1	50.5%
Kogan Marketplace	5.5	13.2	141.0%
Mighty Ape[1]	n/a	20.0	n/a
Product divisions	208.4	401.0	92.4%
Kogan Mobile Australia	4.8	5.4	12.9%
Advertising income	2.6	2.1	(20.1%)
Other Revenue[2]	3.7	5.4	48.6%
Total	219.5	414.0	88.6%

1. Mighty Ape reflects December 2020 Revenue.
2. Other Revenue includes Kogan Travel, Kogan Insurance, Kogan Internet, Kogan Mobile NZ, Kogan Credit Cards, Kogan Cars, Kogan Energy and Kogan First.. 1HFY21 Kogan Travel Revenue includes credits issued to Kogan Travel customers for the full value of their travel purchases as a result of COVID-19 travel restrictions and after a Kogan Travel supplier became insolvent during the period.

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ANNEXURE 2

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RECONCILIATION TO KOGAN GROUP ADJUSTED EBITDA AND ADJUSTED NPAT

	Unadjusted	Unrealised FX gain/(loss)	Equity-based compensation	Donations	COVID-19 related stock provision	COVID-19 related logistics costs	Mighty Ape purchase - Tranches 3&4	Mighty Ape purchase - transaction costs	Adjusted
Revenue	414.0								414.0
Cost of sales	(301.1)				1.5				(299.5)
Gross Profit	**112.9**								**114.5**
Gross margin	*27.3%*								*27.6%*
Variable costs	(18.3)					1.9			(16.5)
Marketing costs	(30.6)								(30.6)
People costs	(18.2)		2.6				1.8		(13.8)
Other costs	(3.8)			1.1				0.8	(1.9)
Total operating costs	**(70.9)**								**(62.7)**
Unrealised FX gain/(loss)	(3.3)	3.3							0.0
EBITDA	**38.8**								**51.7**
EBITDA margin	*9.4%*								*12.5%*
Depreciation & amortisation	(3.7)								(3.7)
EBIT	**35.1**								**48.0**
Interest	0.1								0.1
Profit before tax	**35.1**								**48.1**
Income tax expense	(11.5)								(11.5)
NPAT	**23.6**								**36.5**
EPS	0.22								0.35

Adjusted EBITDA, Adjusted NPAT and Adjusted EPS are measures of the underlying performance of the business, they remove non-cash items including the unrealised FX gain/(loss), equity-based compensation and one-off non-recurring items. In respect of 1HFY21 the below items have been adjusted:

- **Unrealised FX gain/(loss):** significant unrealised FX losses at financial period end driven by the rise in the AUD.
- **Equity-based compensation:** significant equity-based compensation expenses driven largely by the recent awards of options after the Company's AGM in November 2020.
- **Donations:** there is a material donation of PPE by the Company to Australian charities.
- **COVID-19 related stock provision:** write-down of PPE held by Kogan.com following the reduction in COVID-19 cases in Australia.
- **COVID-19 related logistics costs:** relates to material logistics demurrage charges driven by one-off warehousing and supply chain interruptions from late 2020. These charges have almost never previously incurred, and expected to be resolved from early 2021.
- **Mighty Ape purchase - Tranches 3 & 4:** refers to Tranches 3 and 4 payments as part of the Sale Agreement of Mighty Ape, which are only payable provided Simon Barton, Mighty Ape Founder and CEO, is not a 'Bad Leaver'. In line with accounting standards, Tranches 3 and 4 payments will be considered as compensation for post-combination services, and as such, treated as employee remuneration. The Group will proportionately account for these expenses up until the respective payment dates.
- **Mighty Ape purchase - transaction costs:** relating to the due diligence and other transactions costs for the acquisition of Mighty Ape.

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