

Annual Report 2024

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kogan
.com

Highlights 2024

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**Over
502,000**

Kogan FIRST Subscribers
with over 25% growth YoY

**Record
year for
Verticals**

with \$20.0m revenue

69.5%

of our 2.6 million
Group Active Customers¹
are repeat shoppers



1. Combined Active Customers of Kogan.com and Mighty Ape at 30 June 2024.

Improved operating leverage

delivering strong bottom line profitability

\$40.0m

Adjusted EBITDA²

15.0 cps

dividend with strong Balance Sheet



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2. *Non-IFRS measure. Adjusted EBITDA excludes non-cash items such as unrealised gains/(losses), and equity-based compensation, and one-off non-recurring items.*

Chairman's Letter



It is with great pleasure that I present the FY24 Annual Report for Kogan.com Ltd (Kogan.com; the Company). This year we achieved a return to strong operating leverage and profitability. Key achievements during the year included the growth of our Kogan FIRST community to over 502,000 Subscribers, a record year of Verticals Revenue, and seeing the renewed growth of our Products Division during the final quarter. This return to strength has allowed the Board to continue the Share buy-back program and reinstate a Dividend of 15.0 cents per Ordinary Share for FY24.

Dear Kogan.com Shareholders,

FY24 has been an outstanding year for the Company. We served over 2.6 million customers, recorded Adjusted EBITDA of 40.0 million, maintained a healthy Balance Sheet with no debt, continued our share buy-back and reintroduced dividends this year. These results demonstrate our focused strategy on operational efficiency and commitment to delivering exceptional value for both our customers and shareholders.

At Kogan.com, operational efficiency is at the core of our business strategy. By streamlining our processes, we're able to manage operating costs, improve productivity, and deliver exceptional value to our customers. This focus on efficiency not only helps us maintain competitive pricing but also enables us to quickly adapt to market changes. Our financial results this year demonstrate this approach. Our Gross Margin and Contribution Margin of 36.6% and 22.5%, respectively, is the highest it has ever been, while our Adjusted EBITDA margin of 8.7% is back to our historical strong performance.

A key driver of our operational efficiency has been the growing contribution of Platform-based Sales. In FY24, these sales accounted for 62% of Kogan.com's Gross Sales (excluding Mighty Ape), up from 57% in FY23. Revenue from Platform-based Sales delivers 100% Gross Margin, with minimal operating overheads, making it a highly efficient and scalable part of our business. The primary factors behind this year's growth have been the continued success of Kogan FIRST and our Verticals.

The Kogan FIRST loyalty program plays a pivotal role in our strategy by rewarding our most loyal customers with exclusive discounts on millions of products and essential services, prize giveaways, free shipping, Kogan reward credits, and double Qantas points. This year, Kogan FIRST grew to over half-a-million subscribers, representing over 25% year-on-year growth. This strong subscriber growth underscores the program's success and its resonance with our customers. As we continue to prioritise operational efficiency, Kogan FIRST is key to our strategy to deepen customer loyalty, improve marketing ROI and drive sustainable business growth.

Our Verticals deliver a wide range of essential services, including telecommunications, utilities, insurance, and credit cards; serving hundreds of thousands of customers each year. In FY24, the division achieved a record year, with revenue growing 20.5% to \$20.0 million, highlighting the strength of our offerings. This year also marked the exciting launch of Mighty Mobile in New Zealand, further expanding our services portfolio, and marks the first in a series of planned Verticals launches with Mighty Ape.

Throughout the year, we effectively managed our Balance Sheet and working capital, supported by the strong operating leverage we achieved. This resulted in \$28.2 million in operating cash flow, enabling key strategic investments. These included a \$23.8 million contribution to our ongoing share buy-back program, the final tranche payment of \$10.9 million for the Mighty Ape acquisition, a \$13.4 million cash-settlement for Executive Options, and the payment of a \$6.5 million Interim Dividend, net of the Dividend Reinvestment Plan. We ended the year with \$41.2 million of cash and no debt, reflecting our commitment to delivering value to shareholders while maintaining financial discipline and investing in the company's long-term growth.

During FY24, we maintained a majority independent Board, along with independent Audit & Risk and Remuneration & Nomination Committees. Our dedication to maintaining rigorous governance standards and strong risk management practices remains unwavering across all aspects of our business. We are committed to ensuring transparency, accountability, and integrity in our operations.

Our Corporate Governance Statement and other policies and charters are available on the Company's corporate website, www.kogancorporate.com.

STRATEGIC OPPORTUNITIES

Looking forward to FY25, we anticipate further improvements in our Gross Margin and operating leverage, driven by strong contributions and expansion of our Platform-based Sales. Expansion will be driven by new Verticals as well as the soon to be launched Mighty Ape Marketplace. Our Products Division returned to growth in the final quarter of FY24, and we expect this positive momentum to carry forward into the new year. Following a record year, we remain confident that Kogan Verticals will continue to expand. We expect further growth and improvement in the Kogan FIRST and Mighty Ape PRIMATE loyalty programs.

OUR TEAM

On behalf of the Kogan.com leadership, I want to sincerely thank each member of our incredible team. Your unwavering commitment and dedication have been crucial to our success. Despite the challenges faced, your tireless efforts have allowed us to continue delivering exceptional results. Your hard work is truly appreciated.

DIVIDEND & CAPITAL MANAGEMENT

Following the outstanding results of FY24, the Board was delighted to declare a total Dividend of 15.0 cents Per Ordinary Share, fully franked. The Dividend Reinvestment Plan (DRP) was available for the FY24 Interim Dividend and the DRP will also be available for the FY24 Final Dividend.

In FY24, Kogan.com continued its share buy-back program, purchasing 4,465,514 shares during the year. This represented 4.2% of the shares on issue. The buy-back program was extended until May 2025, with the Board continuing to focus on maximising returns to shareholders.

LOOKING AHEAD

Thanks to the exceptional year we've had in FY24, the Board is confident that Kogan.com is well positioned for another strong year in FY25 and beyond. We are excited to deliver even greater value to our customers and shareholders as we move forward, building on our strong platform and driving sustainable growth for the future.



Greg Ridder
Chairman

Founder & CEO's Report



In FY24 both of our loyalty programs, Kogan FIRST and Mighty Ape PRIMATE, saw impressive double-digit growth in subscriptions, as more shoppers embraced their remarkable value. This growing community has been a key driver of our success this year.

Dear Kogan.com Shareholders,

I'm pleased to share with you the results of Kogan.com Ltd for FY24. It has been a year in which we have showcased the strength and resilience of our business model, and is testament to the dedication of our team, and the loyalty of our customers. Our return to profitability with a strong Balance Sheet has ensured we are very well positioned to continue delivering remarkable value to millions of customers well into the future.

We achieved Gross Sales of \$809.0 million, and Revenue of \$459.7 million. While this represented a slight decline from the previous year, we achieved an impressive improvement in Gross Margin, which increased by 8.7pp to 36.6%. This improvement was driven by the growth of our higher-margin, capital-light Platform-based Sales, which contributed 62% of Kogan.com's (excluding Mighty Ape) Gross Sales. We recorded Adjusted EBITDA of \$40.0 million, a substantial increase from FY23, and we delivered a total dividend of 15 cents per Ordinary Share, fully franked.

A key pillar of our success this year has been the continued growth of our Platform-based Sales, which includes Kogan Marketplace, Verticals, Kogan FIRST and our newly launched Advertising Platform. Platform-based Sales are central to our strategy to deliver scalable, high-margin, recurring revenue streams. In FY24, our Platform-based Sales contributed more than 53% of the Group's Gross Profit. In the first half of this year we added Mighty Mobile and the Kogan Advertising Platform to the portfolio. Both have performed well since launch.

Our loyalty programs, Kogan FIRST and Mighty Ape PRIMATE, have also been critical to our success in FY24. Kogan FIRST subscriptions grew by more than 25%, reaching over 502,000 Subscribers by 30 June 2024. This program has become a cornerstone of our business, with Kogan FIRST Subscribers accounting for over 61% of Kogan.com's (excluding Mighty Ape) Gross Sales. The loyalty and repeat purchasing behaviour of these customers had a significant impact on our marketing efficiency, as we continue to grow this valuable community. We also placed renewed focus on the Mighty Ape PRIMATE program this year, and the results speak for themselves. We achieved strong growth, with Subscribers increasing by more than 35% during the year. We are continuing to improve and expand both programs, and look forward to welcoming many more Subscribers in FY25.

This year, we made significant strides in streamlining our operations and improving efficiency across the business. Our focus on maintaining healthy levels of inventory and improving our Gross Margin delivered positive results. Throughout the year we held approximately 40% less inventory on average than FY23, allowing us to operate more efficiently while maintaining strong product offerings for our customers. This reduction allowed for better capital management, and helped us to achieve a 39% increase in Gross Profit in the Products Division. Importantly, our Products Division, which offers both our Exclusive and Third-Party Brands inventory, returned to revenue growth in the final quarter of the year, following a positive trend in the first three quarters. This Division provides unique offerings that make customers want to return, which is why it is fundamental to our operations.

Mighty Ape achieved Adjusted EBITDA of \$7.4 million this year. The continued initiative to grow the Mighty Ape private label offering delivered Gross Margin growth of 7.7% in FY24, despite a very challenging retail market. This offset a revenue decline, to grow Gross Profit by 2.0% year-on-year. Ongoing operational initiatives, including the new Christchurch warehouse to better serve the New Zealand South island community, did however increase operating costs during the year. Finally, we announced a leadership change during the second half of the year, with Daniel Balasoglou being appointed CEO of Mighty Ape, following a successful period as its CFO.

As a result of a fantastic financial year and maintenance of a strong cash position and overall Balance Sheet, we reintroduced a dividend for our Shareholders. This year we have announced a total dividend of 15.0 cents per Ordinary Share, with the Dividend Reinvestment Plan being available.

FY25 & BEYOND

“We have significant and exciting initiatives planned for launch in FY25. This includes the launch of the new Mighty Ape Marketplace in the new financial year. This initiative will further strengthen Mighty Ape’s position in the New Zealand market and contribute to the growth of the Group’s Platform-based Sales.”

As we look to FY25 and beyond, we are excited about the opportunities ahead. We are confident that our strategic focus on Platform-based Sales and return to growth of our Products Division, combined with the continued enhancement of our loyalty programs and the launch of new initiatives such as the Mighty Ape Marketplace, will drive further growth and profitability for the Group.

We remain committed to delivering remarkable value to our customers, helping them to live their best lives. Our business is well-positioned to continue thriving in a competitive and rapidly changing environment, and we are excited about the next chapter of growth for Kogan.com.



Ruslan Kogan
Founder & CEO

Operating & Financial Review

ORGANISATIONAL OVERVIEW & BUSINESS MODEL

OUR BUSINESS MODEL

Kogan.com is a leading Australian consumer brand renowned for price leadership through digital efficiency. It is a portfolio of retail and service businesses that includes Kogan Retail, Mighty Ape, Kogan Marketplace and Verticals. The Company is focused on helping customers live their best lives by delivering remarkable value.

We have established a dynamic business model that allows us to be nimble, bold and innovative. Over the years we have added much loved brands such as Dick Smith, Matt Blatt, Mighty Ape and Brosa to the Kogan Group. We harness our platform to seize opportunities like the Kogan Marketplace and partner with industry leading companies to offer our Verticals, driving growth and bringing best-in-market offers to our millions of customers.

Our objective is to continue growing our portfolio of businesses, while also delivering exceptional value and service to our customers.



WHO WE ARE

Kogan.com is an Australian eCommerce company, focused on making the most in-demand products and services more affordable and accessible. We have built a vertically integrated eCommerce business across Australia and New Zealand, with millions of products on our platform as well as offering everyday essential services in partnership with industry leaders such as TPG and NAB.

As at 30 June 2024, we had 2,609,000 Group Active Customers³. Within this group, we had over 502,000 Kogan FIRST Subscribers⁴, who received exclusive deals, discounts, draw entries for prize giveaways and reward points every time they shop with us.



Kogan Retail & Kogan Marketplace

Kogan.com's technology and sourcing driven business model is more than just an innovative, low cost distribution platform. In combining data analytics, systems and culture with the deep technological expertise of its management and team, Kogan.com has created a vertically integrated business model with a market leading Exclusive Brands capability. This is complemented by a compelling range of in-demand Third-Party Brands, supporting website traffic and cash generation.



Kogan Marketplace partners with thousands of select sellers and distributors, giving them access to our Kogan Community, in addition to our marketing and online distribution capability. Our curated marketplace works with sellers and distributors who generate incremental sales with exposure on the Kogan.com platform and marketing initiatives to the Kogan Community. In FY24 the Advertising Platform was introduced, allowing Kogan Marketplace sellers to gain further prominence on the platform to drive further sales.

3. Group Active Customers refers to unique customers who have purchased in the last twelve months from reference date on either the Kogan.com or Mighty Ape platforms, rounded down to the nearest thousand.

4. Kogan FIRST Subscribers excludes Kogan FIRST customers who are in a trial period, and includes only non-trial members.



Kogan FIRST

Kogan FIRST loyalty program was launched in the last quarter of FY19, and grew to over 502,000 subscribers at 30 June 2024, representing 25.0% growth year-on-year.

Kogan FIRST Subscribers⁴ are offered exclusive deals on top of everyday discounts on the platform, Kogan FIRST Reward Credits, free shipping, double Qantas Rewards points, entries to win major prizes and priority Customer Care.



Kogan Mobile Australia

Kogan Mobile Australia launched in October 2015 offering pre-paid mobile phone plans online. We partner with part of TPG to deliver this essential service. The unique model means that TPG is responsible for operations, while Kogan is responsible for branding, marketing and customer acquisition.



Kogan Travel

Kogan Travel originally launched in May 2015 and was temporarily paused during the COVID-19 pandemic. Kogan Travel, in partnership with TRAVLR, now gives Kogan FIRST members exclusive access to deals on hotels, results and holiday travel packages.



Kogan Insurance

Kogan Insurance launched in August 2017 to offer general insurance, covering home, contents, landlord, car and travel insurance, with a focus on value for money. Following a new agreement during FY22, QBE underwrites our general insurance policies, with Kogan.com earning commission on the sale of all insurance policies. Similarly to our other Verticals, Kogan.com provides branding, marketing and customer acquisition for all insurance offerings.



Kogan Internet

Under an expanded partnership with part of TPG that was announced in June 2017, Kogan Internet launched in April 2018, providing fixed line NBN plans.



Kogan Mobile New Zealand

Kogan Mobile New Zealand launched in 1HFY20 in partnership with One NZ, offering telecommunications services in New Zealand. One NZ is New Zealand's largest mobile network operator.



Kogan Energy

Kogan Energy offers competitive power and gas deals and was launched in September 2019 in partnership with part of Shell Energy Operations Pty Ltd.



Kogan Money Credit Cards

Kogan Credit Cards, in partnership with NAB, 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.



Dick Smith

In 2016, Kogan.com acquired Dick Smith, one of Australia's premier consumer electronics brands and a pioneer of the consumer electronics industry in Australia.

Operating & Financial Review continued

MATT BLATT

Matt Blatt

In May 2020, Kogan.com acquired Matt Blatt, one of Australia's premier furniture and homewares brands and a pioneer of the online furniture industry in Australia.



Mighty Ape

In December 2020, Kogan.com acquired Mighty Ape, one of New Zealand's largest online retailers with a focus on gaming, toys and other entertainment categories.

BROSA

Brosa

In December 2022, Kogan.com acquired Brosa, one of Australia's largest online luxury furniture retailers.



Mighty Mobile

Represents the first Vertical introduced through the Mighty Ape Brand. It was launched in August 2023 in partnership with One NZ, offering telecommunication services in New Zealand.



Mighty Ape PRIMATE

The Mighty Ape loyalty program grew by over 35% in FY24, as renewed focus was placed on the program. It offers free shipping, discounted Jungle Express delivery, exclusive deals on Mighty Ape Travel and early access to exclusive deals.

HOW WE DELIVER VALUE TO OUR CUSTOMERS:

Compelling offering:

We aim to bring market leading prices to our customers on in-demand products and services across our portfolio of businesses.

We achieve this by leveraging our 18+ years' experience in Exclusive Brands and Third-Party Brands offering. We also use the strength of the Kogan platform to partner with thousands of Marketplace sellers and industry leaders across our many Verticals.

We are able to pass on savings to customers by streamlining and minimising overheads in our supply chains and marketing.

Customer-centric approach and industry leading IT platform:

The Kogan.com platform is renowned for price leadership through digital efficiency. We believe 'There is always a better way' and our vision is to harness the power of technology and personalisation to change the way our customers shop online.

Understanding and servicing our customers' needs is central to what we do. We employ the power of technology and personalisation to offer a seamless shopping experience. Our data analytics capability enable us to know what our customers want and when they want it. Our investment in automation has driven faster fulfilment of products and services, leading to happier customers.

Along with data analytics, we are investing in AI to optimise our marketing campaigns and merchandising, making our offers more relevant than ever. Our projects today include improved search results for our customers and we're shortly rolling out immediate customer service resolutions, any time of day.

As the technology improves, we anticipate leveraging generative AI to dynamically create in-situ product placement images. This will enable customers to personalise the product images to their environment, and provide savings on expensive product staging and photography costs.

High margin Platform-based Sales

Since the launch of the first Vertical in 2013, Kogan.com has steadily been building its portfolio of Platform-based Sales. Today these sales are generated from Kogan Verticals, Kogan Marketplace, Kogan FIRST and Advertising. It excludes sales from the Products Division and Mighty Ape.

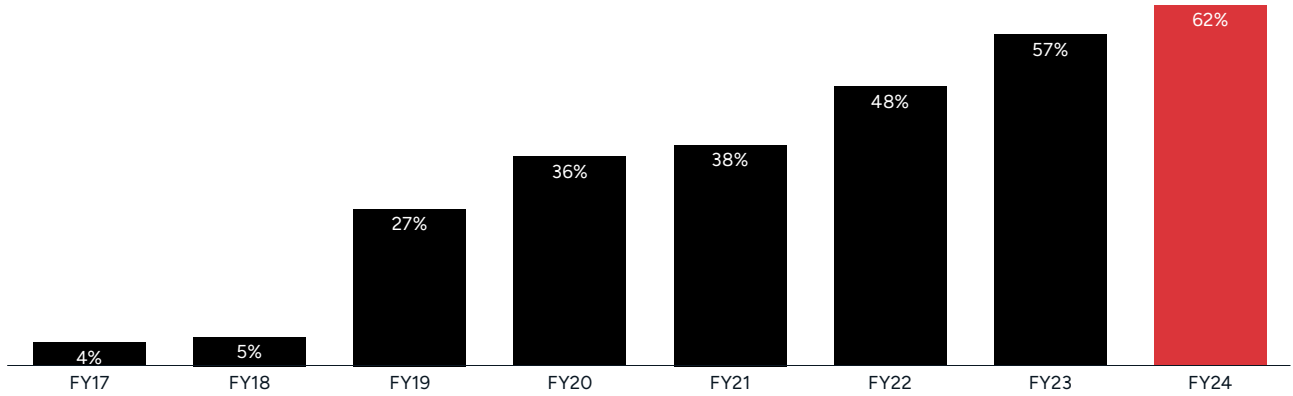
In FY23, Kogan.com reached a significant milestone, with the majority of Gross Sales (excluding Mighty Ape) coming from Platform-based Sales for the first time. This contribution continued to grow in FY24, reaching 62%.

This growth has driven increased profitability, enabling Kogan.com to adopt a more capital-light operating model with higher levels of recurring revenue. The strategic shift towards Platform-based Sales has been vital in strengthening the company's resilience and long-term sustainability.

Kogan.com remains focused on identifying new opportunities to further expand its Platform-based sales portfolio. In August 2023, the business launched Mighty Mobile, and it plans to introduce the Mighty Ape Marketplace alongside additional Verticals in the first half of FY25.

Operating & Financial Review continued

Figure 1.1 Kogan.com (excluding Mighty Ape) Platform-Based⁵ Gross Sales contribution

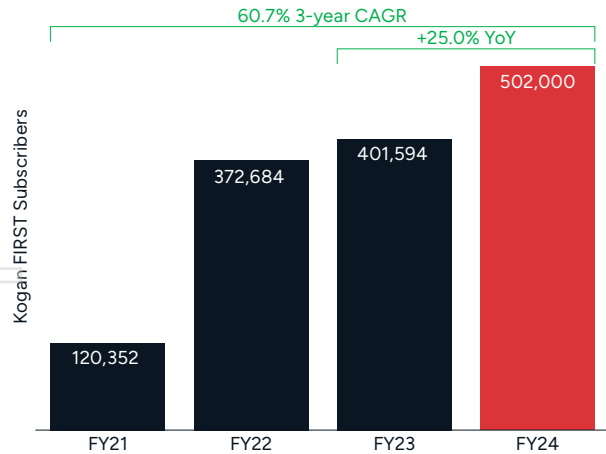


Kogan FIRST

The Kogan FIRST program is the largest driver of Platform-based Sales. In FY24, the subscriber base grew to over 502,000, reflecting a 25% year-on-year increase. Over the past three years, the program achieved a compound annual growth rate of 60.7%, underscoring its strong long-term growth and sustained success.

The Kogan FIRST Subscribers are very important to Kogan.com’s success. Although they represent just 26.3% of Kogan.com’s (excluding Mighty Ape) Active Customer base, they account for over 61% of Kogan.com’s Gross Sales (excluding Mighty Ape). This highlights the strong loyalty and repeat purchasing behaviour of Kogan FIRST Subscribers, making them a key driver of the Company’s financial performance.

Figure 1.2 Kogan FIRST Subscribers

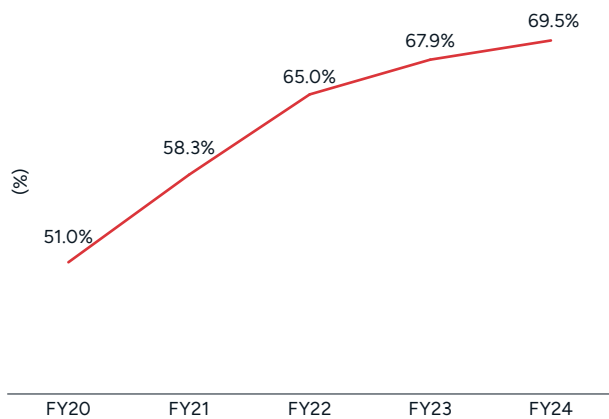


5. Refers to sales generated by Kogan Marketplace, Kogan FIRST, Kogan Verticals and Advertising & Other Income. It excludes sales by Exclusive Brands, Third-Party Brands and Mighty Ape.

THE KOGAN.COM PLATFORM

The Kogan.com Platform is one of the Company's most significant assets. It is what has allowed the business to drive its expansion into Platform-based Sales over the years. In FY24 it was underpinned by 2,609,000 Active Customers across Australia and New Zealand. This comprised 1,909,000 for Kogan.com and 700,000 for Mighty Ape. Of particular significance was the proportion of repeat customers during the year, with the proportion following the positive historical trend and increasing to 69.5% in FY24. This repeat shopping behaviour highlights the remarkable value we're able to offer to our customers, driving higher customer retention and deepening their engagement with our platform. The consistent increase in repeat customers not only strengthens our revenue streams but also underscores the value we deliver for our customers. By fostering loyalty and delivering a seamless shopping experience, we continue to build long-term value and position Kogan.com for sustained growth in the years ahead. This foundation of loyal customers is crucial as we expand into new verticals and develop additional services, ensuring that our platform remains a key driver of future success.

Figure 2.1 Proportion of Group Repeat Customers



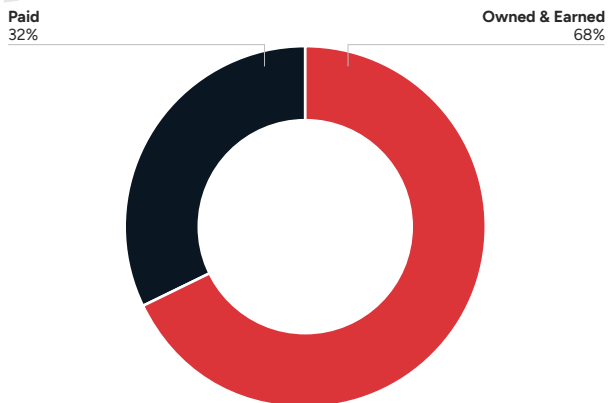
Marketing efficiency

Our owned and earned traffic sources remained strong at 68% for the period, underscoring the effectiveness of our marketing strategies. This success is further strengthened by the growing number of repeat customers and the expansion of our Kogan FIRST and Mighty Ape PRIMATE subscriber bases, both of which have significantly improved overall marketing effectiveness.

The focus of Kogan.com's (excluding Mighty Ape) marketing efforts has shifted primarily toward expanding the Kogan FIRST program. Through strong retention results and the amplified impact from word-of-mouth, marketing spend per Kogan FIRST Subscriber reduced by 9.2% year-on-year, while the program membership grew by 25.0%.

Operating & Financial Review continued

Figure 3.1 FY24 Group traffic – owned & earned vs paid



Owned & Earned Sources

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

Products division recovery

Our Products Division, comprising both our Exclusive Brands and Third-Party Brands, offers a diverse range of unique products sourced directly from the manufacturers, alongside globally recognised brands.

In FY24 the division cycled a prior period of increased promotional activity which optimised inventory levels. The result was growth in Gross Profit of over 39% as margins rapidly recovered, and a return to Revenue growth in the final quarter of the year, following a positive trend through the first 3 quarters.

The Products Division is a vital part of our strategy, because it gives us unique products and prices that separate our offering from our competition, and keep our loyal customers coming back for more.

Figure 4.1 Products division Gross Profit

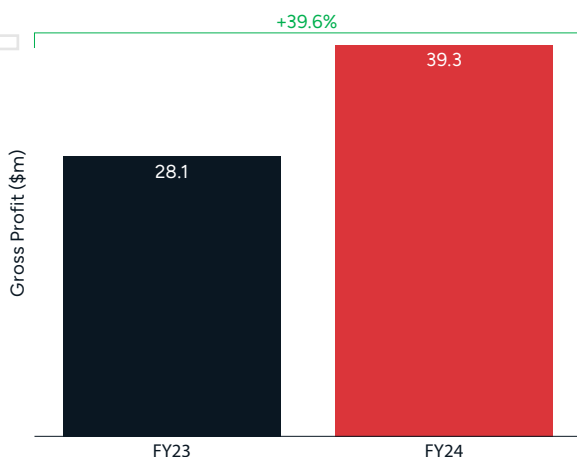


Figure 3.2 Marketing spend per Kogan FIRST Subscriber

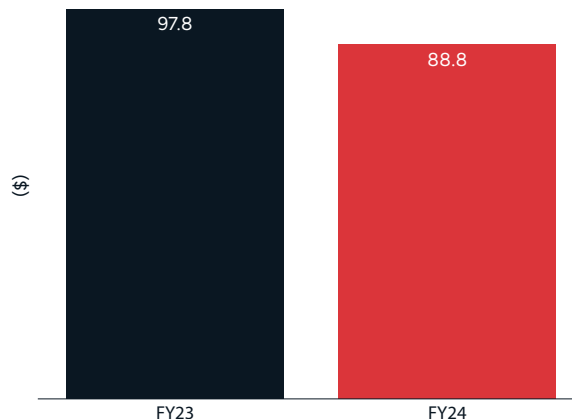
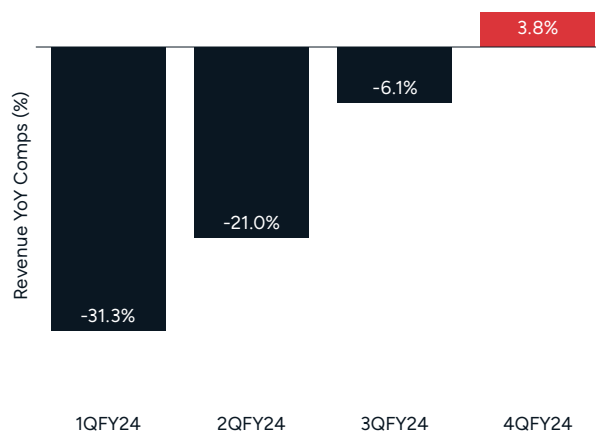


Figure 4.2 FY24 Products division revenue comps, by quarter



PERFORMANCE REVIEW & OUTLOOK

RESULTS SUMMARY

Table 1 FY24 Kogan Group Results

\$m	FY23	FY24
Gross Sales⁶	849.7	809.0
Revenue ⁷	489.5	459.7
Cost of sales	(352.9)	(291.3)
Gross Profit	136.6	168.4
Gross Margin	27.9%	36.6%
Variable costs	(19.3)	(16.9)
Marketing costs	(48.5)	(48.0)
Contribution profit	68.8	103.5
Contribution margin	14.1%	22.5%
People costs	(67.1)	(49.1)
Other costs	(22.6)	(18.3)
Total operating costs	(157.5)	(132.3)
Unrealised gain/(loss)	0.1	(0.1)
EBITDA	(20.8)	36.0
EBITDA margin	(4.2%)	7.8%
Unrealised gain/(loss)	2.0	(0.1)
Realised (loss) on Wonderfi shares	(2.1)	–
Equity-based compensation	(31.3)	(3.9)
Bitbuy.com domain sale	(0.1)	–
Mighty Ape Tranche 4 acquisition costs	3.9	–
Adjusted EBITDA⁸	6.8	40.0
Depreciation	(8.7)	(7.5)
Amortisation	(7.9)	(7.5)
EBIT	(37.4)	20.9
Adjusted EBIT⁸	(6.4)	28.3
Interest (expense)/income	(0.7)	0.3
(Loss)/Profit before tax	(38.1)	21.2
Income tax benefit/(expense)	12.2	(21.1)
NPAT	(25.9)	0.1
Adjusted NPAT⁸	(4.3)	21.0
EPS	(0.24)	0.00
Adjusted EPS⁸	(0.04)	0.20

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

6. Non-IFRS measure.

7. The differential between Revenue and Gross Sales is reflective of Kogan Marketplace and Verticals recognising only commission-based Revenue while the gross transaction values are recognised within Gross Sales.

8. Adjusted EBITDA, Adjusted EBIT, Adjusted NPAT, and Adjusted EPS are measures of the underlying performance of the business. They exclude non-cash items such as unrealised gains/losses, equity-based compensation, and one-off non-recurring items. Refer to page 18 of this Annual Report for a detailed reconciliation of the adjusting items.

Operating & Financial Review continued

In FY24, Kogan.com strategically shifted its focus to building more resilient, consistent, and sustainable revenue streams by expanding its Platform-based Sales. This transition impacted the Products Division's revenue, especially as the Company cycled a prior year of increased promotional activity aimed at realigning inventory to post-pandemic market conditions. Despite these challenges, the Company saw improvements in Gross Margins, the two loyalty programs, and overall profitability.

Kogan.com achieved a 23% year-on-year growth in Gross Profit in FY24, driven by the increased contribution of Platform-based Sales and a recovery in margins within the Products Division. The company's overall Gross Margin expanded to 36.6%, representing an 8.7pp increase. This improvement was the result of better product ranging and improved inventory management.

The growth of Kogan.com's Platform-based Sales was pivotal in FY24. Kogan FIRST and Mighty Ape PRIMATE saw strong double-digit growth in their subscriber bases, highlighting the strength of the loyalty programs. Kogan FIRST Subscribers grew by 25.0% year-on-year, reaching over 502,000 members, and generating \$43.7 million in subscription revenue. Meanwhile, Mighty Ape PRIMATE subscribers grew by over 35%, reaching 23,000 members by the end of the year.

The Verticals division achieved record performance, with \$20.0 million in revenue, reflecting a 20.5% year-on-year growth. The year included the launch of Mighty Mobile, which has been performing well and to the Company's high expectations.

Despite a 15.6% decline in revenue year-on-year for the Products Division, Kogan.com achieved a 3.8% year-on-year revenue growth in the fourth quarter. This return to growth was largely attributed to strategic improvements in inventory management and product mix. The division's Gross Profit for the year increased by 39.6%, reaching \$39.3 million. These results were driven by improved product ranging and the successful return to normalised inventory levels.

Kogan Marketplace remains a key driver of Kogan.com's platform-based sales model. The Marketplace allows the company to offer millions of products without investing capital into researching, sourcing, purchasing, warehousing, or dispatching inventory. In FY24, Kogan Marketplace achieved \$228.6 million in Gross Sales and \$21.9 million in Revenue. Following on from the success of the Kogan Marketplace, a new Mighty Ape Marketplace is expected to be launched in FY25.

The launch of the Advertising Platform in FY24 further supported Kogan's marketplace model by enabling sellers to promote their products and increase their visibility within the Kogan.com ecosystem. Though still in its early stages, the platform contributed \$2.9 million in advertising revenue, and Kogan.com is optimistic about its future growth potential.

Mighty Ape, Kogan.com's New Zealand-based subsidiary, delivered an increase of 7.7% in Gross Margin in FY24, driven by the continued expansion of its private-label offerings. Despite a topline reduction year-on-year, this margin expansion helped deliver 2.0% Gross Profit growth for Mighty Ape. Ongoing operational initiatives, including the establishment of a new warehouse in Christchurch, temporarily increased operating costs, resulting in an Adjusted EBITDA of \$7.4 million, a decline year-on-year. However, with the warehouse setup nearing completion, Kogan.com expects these costs to decrease in the near future, leading to further margin improvements.

Kogan.com successfully reduced its variable costs by over 12% year-on-year in FY24. This reduction was primarily driven by inventory realignment efforts, which allowed the company to streamline its logistics network and consolidate costs. Additionally, the company shifted its marketing focus to engage its most loyal customers through the Kogan FIRST and Mighty Ape PRIMATE loyalty programs. As a result, both programs saw substantial growth while keeping marketing costs relatively stable.

Personnel costs decreased in FY24, largely due to the completion in the prior year of both the Mighty Ape acquisition tranches and the vesting of the 2020 AGM Options Package. Additionally, other costs were reduced by 19.2% year-on-year through the renegotiation of service contracts and IT efficiency improvements.

The combination of these strategic initiatives led to a return to strong profitability for Kogan.com in FY24. The company reported Adjusted EBITDA of \$40.0 million, Adjusted EBIT of \$28.3 million, and Adjusted NPAT of \$21.0 million. Having returned to a stable and healthy operating position, Kogan.com expects continued profitability and growth moving into FY25.

STATEMENT OF FINANCIAL POSITION

Table 2 Summary of Kogan Group Net Assets at 30 June 2023 and 30 June 2024

\$m	30-Jun-23	30-Jun-24
Current assets	142.9	125.2
Non-current assets	131.2	118.3
Total assets	274.1	243.4
Current liabilities	(97.7)	(103.9)
Non-current liabilities	(8.7)	(15.9)
Total liabilities	(106.4)	(119.8)
Net assets	167.7	123.6

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

We ended the year with \$41.2 million in cash and no debt, despite significant cash outflows, including the \$10.9 million final payment for the Mighty Ape acquisition, \$23.8 million invested in the share buy-back program, \$6.5 million for the FY24 Interim Dividend (net of the Dividend Reinvestment Plan), and \$13.4 million for the cash settlement of Executive Options upon exercise.

The reduction in non-current assets was due to the release of a deferred tax asset provision, which had no impact on FY24 tax liabilities or future tax payable. This release stemmed from the difference between the expensed value of the 2020 AGM Executive Options (\$66.5 million, based on fair value at the time of grant) and the actual cash payment upon exercise (\$17.6 million).

The increase in current liabilities reflects a higher deferred income balance, caused by the FY24 year-end falling on a weekend, unlike FY23. Additionally, non-current liabilities increased due to the rise in lease liabilities following the opening of the new Mighty Ape Christchurch warehouse at the end of FY24.

CASH FLOWS

Table 3 Summary of Kogan Group Statutory Cash Flow from Operating Activities.

\$m	FY23	FY24
Receipts from customers	509.9	519.2
Payments to suppliers and employees	(432.3)	(488.7)
Interest received	0.9	1.6
Finance costs paid	(2.0)	(1.2)
Income tax paid	(5.6)	(2.7)
Net cash provided by Operating Activities	70.9	28.2

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

We continued to generate positive cash flows from operating activities, with the reduction year-on-year reflective of the significant sell-through of inventory in FY23, as well as the inclusion of the cash settlement of the 2020 AGM Options package in FY24.

Operating & Financial Review continued

OUTLOOK

As the Company commences FY25, it has a lot to look forward to and high expectations.

In FY25, we expect:

- Continued strong contribution from Platform-based Sales;
- Improving Gross Margin and Operating Leverage;
- Continued improvement in our Product Division and return to growth;
- Strong growth of Verticals and the new Advertising Platform;
- Launch of the Mighty Ape Marketplace and mobile app;
- Further growth of the Kogan FIRST and Mighty Ape PRIMATE loyalty programs and community; and
- Maintenance of a strong Balance Sheet, while continuing the share buy-back.

NON-IFRS MEASURES

Throughout this report, Kogan.com has included certain non-IFRS financial information, including Gross Sales, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted NPAT and Adjusted EPS. Kogan.com believes that these non-IFRS measures provide useful information to recipients for measuring the underlying operating performance of Kogan.com's business. Non-IFRS measures have not been subject to audit.

The table below provides details of the Non-IFRS measures used in this report.

Table 4 Non-IFRS Measures

Gross Sales	The gross transaction value, on a cash basis, of products and services sold, of Kogan Retail, Mighty Ape, Kogan Marketplace, Kogan FIRST, Mighty Ape PRIMATE, the Verticals, Advertising Income and the commission of Kogan Money (due to limitations of Kogan Money Gross Sales reporting).
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortisation, unrealised gain/(loss), equity-based compensation and one-off non-recurring items. Refer to page 18 of this Annual Report for a detailed reconciliation of adjusting items.
EBIT	Earnings before interest and tax.
Adjusted EBIT	Earnings before interest, tax, unrealised gain/(loss), equity-based compensation and one-off non-recurring items. Refer to page 18 of this Annual Report 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 page 18 of this Annual Report 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 page 18 of this Annual Report for a detailed reconciliation of adjusting items

RISKS

Set out below are the key financial and operational risks facing the Business. Kogan.com manages and seeks to mitigate these risks through internal review and control processes at the Board and management level.

Australian retail environment and general economic conditions may worsen	Many of Kogan.com's products are discretionary goods and, as a result, sales levels are sensitive to consumer sentiment. Kogan.com's offering of products, and its financial and operational performance, may be affected by changes in consumers' disposable incomes, or their preferences as to the utilisation of their disposable incomes. Any reduction in the disposable incomes of Kogan.com's customers as a result of changes to factors such as economic outlook, interest rates, unemployment levels and taxation may decrease consumer confidence and consumer demand, which may subsequently result in lower levels of revenue and profitability.
Competition may increase and change	Kogan.com could be adversely affected by increased competition in the various segments in which it operates. The Australian online retail market is highly competitive and is subject to changing customer preferences.
Inventory management	In order to operate its business successfully, Kogan.com must maintain sufficient inventory and also avoid the accumulation of excess inventory.
Key supplier, service provider and counterparty factors	Kogan.com has a large number of international suppliers and service providers, from which it sources a broad range of products and services. There is a risk that Kogan.com may be unable to continue to source products or services from existing suppliers or service providers, and in the future, to source products from new suppliers or services from new service providers, at favourable prices, on favourable terms, in a timely manner or in sufficient volume.
Manufacturing and product quality	Kogan.com currently uses a wide range of third-party suppliers to produce its Exclusive Brands products. While Kogan.com employs dedicated engineers to assess product samples, and uses third-party inspection agencies for quality control and inspections, there is no guarantee that every supplier will meet Kogan.com's cost, quality and volume requirements.
Marketplace operations	As the Kogan Marketplace continues to grow, Kogan.com must maintain the integrity of the platform by ensuring the quality of sellers and products being offered. Additionally, processes are in place to ensure fair competition on the website amongst all sellers.
Performance and reliability of Kogan.com's websites, databases and operating systems	Kogan.com's websites, Apps, databases, IT and management systems, including its ERP and security systems, are critically important to its success. The satisfactory performance, reliability and availability of Kogan.com's websites, Apps, databases, IT and management systems are integral to the operation of the Business.
Reputational product sourcing factors	The Kogan.com portfolio of Exclusive Brands names and related intellectual property are key assets of the Business. In addition, Kogan.com sells a range of Third-Party Branded products, where the intellectual property is owned by third-parties.
Exposure to litigation	Kogan.com may be subject to litigation, claims, disputes and regulatory investigations, including by customers, suppliers, government agencies, regulators or other third parties. These disputes may be related to advertising, consumer terms, warranties, product descriptions, personal injury, health, environmental, safety or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations.
Changes in GST and other equivalent taxes	Changes in local indirect tax, such as the goods and services tax in Australia ("GST"), and duty treatment of any of the markets in which Kogan.com operates, could have an impact on the sales of imported brands.

Operating & Financial Review continued

Retention of key team members	Kogan.com relies on the expertise, experience and strategic direction provided by its Executive Directors and key team members. These individuals have extensive experience in, and knowledge of, Kogan.com's business and the Australian online retail market. Additionally, successful operation of Kogan.com's business depends on its ability to attract and retain quality team members.
Reliance on third-party payment providers	Kogan.com is exposed to risks in relation to the methods of payment that it currently accepts, including credit card, PayPal and vouchers. Kogan.com may incur loss from fraud or erroneous transactions.

Reconciliation to Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT

Table 5 Reconciliation to Adjusted EBIT, Adjusted EBITDA and Adjusted NPAT

\$m	Unadjusted	Unrealised (loss)	Equity-based compensation	Non-cash DTA release	Non-cash depreciation & amortisation	Adjusted
Revenue	459.7					459.7
Cost of sales	(291.3)					(291.3)
Gross Profit	168.4					168.4
Gross Margin	36.6%					36.6%
Variable costs	(16.9)					(16.9)
Marketing costs	(48.0)					(48.0)
People costs	(49.1)		3.9			(45.2)
Other costs	(18.3)					(18.3)
Total operating costs	(132.3)					(128.4)
Unrealised (loss)	(0.1)	0.1				0.0
EBITDA	36.0					40.0
Depreciation	(7.5)				0.2	(7.3)
Amortisation	(7.5)				3.2	(4.4)
EBIT	20.9					28.3
Interest	0.3					0.3
Profit before tax	21.2					28.6
Income tax expense	(21.1)	(0.0)	(1.2)	14.7		(7.6)
NPAT	0.1					21.0
EPS	0.00					0.20

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

Adjusted EBITDA, Adjusted EBIT, Adjusted NPAT and Adjusted EPS: are measures of the underlying performance of the Business, they remove non-cash items including the unrealised gain/(loss), equity-based compensation and one-off non-recurring items. In respect of FY24 the below items have been adjusted:

- **Unrealised FX gain/(loss):** unrealised loss at full-year end related to shares still held and open forward foreign exchange contracts.
- **Equity-based compensation:** relates to Performance Rights and Options granted to team members as a form of long-term incentive.
- **Non-cash DTA release:** The release has no impact on the tax payable in FY24 or in future years. The release was as a result of the tax impact difference between the value expensed for the 2020 AGM Executive Options (\$66.5 million – based on fair value at time of grant), and the actual cash payment that occurred upon exercise (\$17.6 million).
- **Non-cash depreciation & amortisation:** Included within the Mighty Ape assets purchased upon acquisition was:
 - the Mighty Ape and Gorilla brands (intangible assets) totalling \$40.0 million. The Group is amortising these brands over 15 and 10 years, respectively.
 - Software worth \$3.2 million. The Group is amortising this software over 7 years.
 - Right-of-use Assets (RoU Assets) and associated liabilities. Under the requirements of the financial reporting standards, the fair value of these RoU Assets and associated liabilities was remeasured, resulting in an increase of \$1.6 million to the RoU Assets and \$0.5 million for the lease liability.

The amortisation & depreciation associated with these is non-cash and therefore has been adjusted.

Directors' Report

The Directors of Kogan.com Ltd and its controlled entities ("The Group") present their report together with the consolidated financial report of the Group for the financial year ended 30 June 2024 and the audit report thereon.

DIRECTORS

The following persons were Directors of the Group at any time during the financial year and up to the date of signing this report.

Greg Ridder – Independent, Non-Executive Chairman

Janine Allis – Independent, Non-Executive Director

David Shafer – Chief Financial Officer, Chief Operating Officer and Executive Director

Harry Debney – Independent, Non-Executive Director

James Spenceley – Independent, Non-Executive Director

Ruslan Kogan – Founder, Chief Executive Officer and Executive Director

Particulars of each Director's experience and qualifications are set out later in this report.

COMPANY SECRETARY

Kogan.com engages Acclime Australia Pty Ltd to provide company secretarial services, with Mark Licciardo as Kogan.com's Company Secretary.

PRINCIPAL ACTIVITIES

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 Energy, Mighty Mobile, Dick Smith, Matt Blatt, Brosa and Mighty Ape during the year ended 30 June 2024.

Kogan.com earns the majority of its Revenue and profit through the sale of goods and services to Australian and New Zealand customers. Kogan.com's product offerings include a range of private label brands, such as Kogan, Ovela, Fortis, Vostok, and Komodo, alongside third-party brands like Apple, Canon, Swann, and Samsung. These products are managed under Kogan.com's Products Division.

In addition to product offerings, Kogan.com earned seller-fee based Revenue from Kogan Marketplace and commission-based Revenue from the Verticals including Kogan Mobile, Kogan Internet, Kogan Insurance, Kogan Money, Kogan Energy, Kogan Travel and Mighty Mobile.

The results of Kogan HK Limited, a Hong Kong registered entity and Mighty Ape Limited, a New Zealand registered entity, have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

An operating and financial review of the Group during the financial year and the results of these operations are contained on pages 06 to 19 of this report.

No significant change in the nature of other activities occurred during the year.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors have declared a final Dividend of 7.5 cents per Ordinary Share, fully franked. The final Dividend was not determined until after the Balance Sheet date and accordingly no provision has been recognised at 30 June 2024.

The Dividend Reinvestment Plan will apply to the final Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

There are no other subsequent events post reporting date 30 June 2024.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Kogan.com has entered into a deed of indemnity, insurance and access with each Director confirming the Director's right of access to Board papers and requires Kogan.com to indemnify the Director, on a full indemnity basis and to the full extent permitted by law against all losses or liabilities (including all reasonable legal costs) insured by the Director as an officer of Kogan.com or of a related body corporate.

Under the deeds of indemnity, insurance and access, Kogan.com must maintain a Directors' and Officers' insurance policy insuring a Director (among others) against liability as a Director and Officer of Kogan.com related to body corporate for a period of seven years (or the date any relevant proceedings commenced during the seven year period, have been finally resolved).

Disclosure of the total amount of the premiums paid under this renewed insurance policy is not permitted under the provisions of the insurance contract.

INDEMNIFICATION AND INSURANCE OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

DIVIDENDS

In respect of the financial year ended 30 June 2024, the Directors:

- Declared a fully franked Interim Dividend of 7.5 cents per Ordinary Share. The record date for the Interim Dividend was 15 April 2024 and was paid on 31 May 2024.
- Declared a fully franked Final Dividend of 7.5 cents per Ordinary Share. The record date for the Final Dividend was 12 September 2024 and will be paid on 29 November 2024.

Details with respect to the distribution paid during the year are provided in Note 3.4.

A Dividend Reinvestment Plan (DRP) was available for the FY24 interim Dividend and the DRP will also apply for the FY24 Final Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

Directors' Report continued

NON-AUDIT SERVICES

During the year KPMG, the Group's auditors, performed certain other services in addition to the audit and review of the financial statements.

The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise the auditor's independence requirements of the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit & Risk Management Committee to ensure they did not adversely affect the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

The following fees were paid or payable to KPMG for non-audit services provided during the year ended 30 June 2024:

	\$
Tax advisory and compliance	43,909
	43,909

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2024 can be found on page 46 of the financial report and forms part of the Directors Report.

THE BOARD OF DIRECTORS AND COMPANY SECRETARY



Greg Ridder
(BBus (Acc), Grad Dip (Mktg), GAICD, CPA)
Independent, Non-Executive Chairman

Mr Ridder was appointed to the Board of Kogan.com in May 2016 as Independent, Non-Executive Chairman.

Formerly Asia Pacific Regional President at NYSE listed Owens-Illinois, he is experienced in leading businesses in multiple countries, cultures, economic circumstances and market conditions. Mr Ridder also serves as Non-Executive Director at a number of not-for-profit and private entities.

Mr Ridder holds a Bachelor of Business in Accounting from RMIT, a Graduate Diploma in Marketing from Monash University, and has completed the Advanced Management Programme at INSEAD in France. He is a CPA and a graduate member of the Australian Institute of Company Directors.

Directorship of listed entities within the past three years

- Director of Spirit Technology Solutions Ltd (ceased August 2024)

Board Committee membership

- Member of the Audit and Risk Management Committee
- Member of the Remuneration and Nomination Committee


Janine Allis

Independent Non-Executive Director

Ms Allis was appointed to the Board of Kogan.com in April 2021, as an Independent,

Non-Executive Director and also serves as a member of the Remuneration and Nomination Committee and Audit and Risk Management Committee.

Ms Allis is the Founder of Boost Juice and Founder and Non-Executive Chair of Retail Zoo group of food retail brands. Ms Allis has been Telstra Businesswoman of the Year, Excellence in Women's Leadership, Amex Franchisor of the Year, ARA Retailer of the Year and was inducted into the Australian Franchise Hall of Fame.

Ms Allis was listed as one of BRW's top 15 people who have changed the way we do business in the last 20 years and is an ambassador for UNHCR.

Directorship of listed entities within the past three years

- Director of Australian Pharmaceuticals Industries (API) (ceased March 2022)

Board Committee membership

- Member of the Audit and Risk Management Committee
- Member of the Remuneration and Nomination Committee


David Shafer

(LLB (Hons), BCom, CFA)

Chief Financial Officer, Chief Operating Officer and Executive Director

Mr Shafer has worked with Kogan.com since 2006, moving to a full time role as Chief Financial Officer, Chief Operating Officer and Executive Director in November 2010.

Prior to joining Kogan.com, Mr Shafer was Senior Associate at Arnold Bloch Leibler.

Mr Shafer holds a Bachelor of Law (Honours) and Bachelor of Commerce from The University of Melbourne and is a Chartered Financial Analyst.


Harry Debney

(BAppSc (Hons))

Independent Non-Executive Director

Mr Debney was appointed to the Board of Kogan.com in May 2016, as an Independent, Non-Executive Director and also serves as Chairman of the Audit and Risk Management Committee.

Mr Debney previously served as Chief Executive Officer of Costa Group over two periods, from September 2010 to March 2021 and from September 2022 to February 2024. During his time at Costa Group he oversaw the business' transition from a privately-owned Company to a member of the S&P/ASX 200 Index.

Prior to joining the Costa Group, Mr Debney spent 24 years at Visy Industries, including eight years as Chief Executive Officer. During this time, he substantially grew the Visy business, both organically and through acquisitions and oversaw a progressive renewal of core manufacturing assets to ensure that Visy had the most advanced technology, and lowest cost manufacturing base in the industry.

Mr Debney holds a Bachelor of Applied Science (Honours) from the University of Queensland.

Directorship of listed entities within the past three years

- Non-Executive Director of Costa Group Holdings Ltd (appointed on 1 July 2021)

Board Committee membership

- Chairman of the Audit and Risk Management Committee
- Member of the Remuneration and Nomination Committee

Directors' Report continued



James Spenceley

Independent Non-Executive Director

Mr Spenceley was appointed to the Board of Kogan.com in March 2021, as an Independent, Non-Executive Director and also serves as Chairman of the Remuneration and Nomination Committee and as a member of the Audit and Risk Management Committee.

Mr Spenceley founded Vocus Communications (now Vocus Group, ASX:VOC) in 2007 and built it into an ASX100 company through organic growth and acquisitions. Mr Spenceley is Chairman at Swoop Telecom and up until May 2023, was Chairman of Airtasker.

Mr Spenceley was the former owner of Illawarra Hawks NBL team and has twice won Ernst & Young Australian Entrepreneur of the Year recognition. In 2018, he was inducted into the Telecommunications Hall of Fame.

Directorship of listed entities within the past three years

- Chairperson of Swoop Telecom (appointed in February 2019)
- Chairperson of Airtasker Limited (ceased in May 2023)
- Non-Executive Director at Think Childcare (ceased October 2021)

Board Committee membership

- Member of the Audit and Risk Management Committee
- Chairman of the Remuneration and Nomination Committee



Ruslan Kogan

(BBS)

Founder, Chief Executive Officer and Executive Director

Mr Kogan founded Kogan.com in 2006, and has been its CEO since inception, growing the Business into Australia's leading Pure Play Online Retailer in under a decade.

Prior to founding Kogan.com, Mr Kogan held roles in the IT departments of Bosch and GE, and as a consultant at Accenture.

Mr Kogan holds a Bachelor of Business Systems from Monash University.

Mark Licciardo (Acclime Australia Pty Ltd)

(B Bus (Acc), GradDip CSP, FGIA, GAICD)

Company Secretary

Mark is the founder of Mertons Corporate Services, now part of Acclime Australia, and is responsible for Acclime Australia's Listed Services Division.

He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign-controlled entities and private companies.

During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited.

Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

Directors' meetings held between 1 July 2023 and 30 June 2024:

	BOARD		AUDIT & RISK		REMUNERATION & NOMINATION	
	A	B	A	B	A	B
Greg Ridder	12	11	3	3	3	3
Janine Allis	12	12	3	2	3	3
David Shafer	12	12	3	3 ⁹	3	1 ⁹
Harry Debney	12	10	3	3	3	3
James Spenceley	12	12	3	3	3	3
Ruslan Kogan	12	12	3	3 ⁹	3	1 ⁹

A. Number of meetings held during the time the Director held office or was a member of the committee during the year.

B. Number of meetings attended.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interest of Shareholders.

The Company complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ('the ASX Principles'). Kogan.com's Corporate Governance Statement, which summarises the Company's Corporate Governance practices and incorporates the disclosures required by the ASX Principles, can be viewed at www.kogancorporate.com.

ENVIRONMENTAL REGULATIONS

The Group is not subject to any significant environmental regulations under Commonwealth or State legislation.

DIRECTORS INTERESTS

The following table sets out each Director's relevant interest in shares of the Company at the date of this report.

	Ordinary Shares
Ruslan Kogan	15,853,321
David Shafer	3,225,642
Greg Ridder	158,000
Harry Debney	98,099
Janine Allis	14,761
James Spenceley	10,000

9. Indicates that a Director is not a member of a specific committee and attended by invitation.

Directors' Report continued

SHARE RIGHTS

Unissued Shares under Rights

At 30 June 2024 the Group had 1,750,502 unissued shares under Rights which are expected to vest up until 31 December 2027, all unissued shares under Rights are Ordinary Shares of the Company.

Shares Issued on Exercise of Rights

During the financial year, the Group issued 253,225 Ordinary Shares as a result of the Rights vesting.

RETENTION OPTIONS

Unissued Shares under Options

At 30 June 2024 the Group had 670,632 unissued shares under Options which are expected to vest up until 27 February 2027, all unissued shares under Options are Ordinary Shares of the Company.

Remuneration Report

INTRODUCTION

The Directors are pleased to present the FY24 Remuneration Report, detailing the Board's approach to compensating Key Management Personnel (KMP).

The Board acknowledges that the Group's success relies on the quality and motivation of its team members. Consequently, the Group's remuneration strategy aims to effectively attract, reward, and retain employees at all levels, with a particular focus on management and key executives. To accomplish this, the Board has designed executive remuneration packages that combine fixed compensation, short-term incentives, and long-term incentives.

The audited Remuneration Report covers the following matters:

1. FY24 remuneration framework;
2. FY24 outcomes at a glance;
3. Details of Key Management Personnel;
4. Remuneration governance;
5. Remuneration policy;
6. Company's performance;
7. Details of remuneration;
8. Equity instruments;
9. Executive Directors and Other KMP Service Agreements; and
10. Key Management Personnel transactions.

Remuneration Report continued

FY24 REMUNERATION FRAMEWORK

For FY24, the Board engaged Godfrey Remuneration Group (GRG) as an independent remuneration advisor to help develop a new remuneration framework. As part of the process, the following areas were reviewed:

1. The overall remuneration governance framework;
2. Market and stakeholder feedback;
3. Current peer practices;
4. Variable remuneration design; and
5. Market benchmarking for top executives, using a comparator group of 20 ASX listed companies of comparable market value, with 10 larger and 10 smaller (balanced), and limited to a range of half to double the Company's market value.

GRG was paid \$55,000, inclusive of GST, for the remuneration recommendations in respect of the areas listed above, and was not engaged for any other service during the year. The engagement was conducted in isolation from Executive Management to ensure independence. The Board is satisfied that the remuneration recommendations made by GRG were free from undue influence by members of the key management personnel about whom the recommendations related.

1. The Board has adopted a policy for current and future equity grants, to limit the opportunity for major discrepancies between intended equity remuneration value, and the remuneration value shareholders will be asked to approve. The policy is based on a 20-day trading volume weighted average price (VWAP) commencing the day after release of the audited financial results. The VWAP is divided into the intended maximum/stretch grant dollar value, to determine the grant number;
2. Fixed remuneration has been reviewed to align with market peers as at the end of FY23, as indicated by independent benchmarking;
3. A short-term incentive (STI) plan and opportunity was introduced to ensure that there are separate components of remuneration, creating links between reward and performance over both the short and long term. The STI is an 'at risk' component of remuneration payable where Adjusted EBITDA of the Company exceeds at least 95% of the Board established forecast estimate for the full financial year. The amount of STI payable to Executive Management may range between 37.5% of base remuneration (if the company achieved at least 95% of forecast estimates) and up to a maximum of 112.5% of base remuneration (if the Company achieves at least 110% of forecast estimates);
4. The long-term incentive (LTI) program will continue and will be a significant and appropriate weighting in the remuneration mix. LTIs also represent an 'at risk' component of remuneration whereby Executive Management will be awarded Performance Rights which are subject to vesting conditions determined by the Board and approved by shareholders, in order to support the long-term growth of the Company.

See item 6 below for further details.

5. The Board has determined that grants of equity will be made annually, which is consistent with typical ASX market practices;
6. The grant of equity to Executive Management in FY24 included the following features:
 - a. Performance Rights will be used;
 - b. The measurement period over which performance service will be tested will be 3 years;
 - i. For the FY24 introductory/transitory grant there is a tranche (50%) that is eligible to vest after 2 financial years, to smooth the transition into annual granting processes.
 - ii. Grants made in future years are not intended to include a 2-year tranche, noting that long-term incentives are generally defined as having a 3-year minimum vesting period i.e. the FY24 grant is intended to be a one-off arrangement.

- c. The Performance Rights will be awarded based on achieving relative Total Shareholder Return (TSR) and is paid if Kogan.com's TSR outperforms the 50th percentile and 75th percentile as compared to the Peer Group TSR. The LTI is prorated between the two hurdles and is paid as 2% additional LTI per 1% of percentile achieved against the Peer Group. There is no LTI payment if the Kogan.com TSR is below the 50th percentile of the Peer Group TSR.

Measurement of the TSR is the comparison of the Peer Group's total return against the Company's total return for the period.

The Board determined a fixed group of more than 100 consumer companies listed on the ASX at 1 July 2023 to constitute the Peer Group, and this will remain static for the measurement period.

The conversion of LTI dollar value into the number of shares is performed using the 20-day VWAP of trading in Kogan.com Shares for the period starting the day after the FY23 financial results were released to the market, being 22 August 2023.

The performance test period is from 1 July to 30 June for the test period (being 2 and 3 years) with vesting (if appropriate) to be confirmed at the appropriate next Board Meeting after presentation of the audited results of the performance test. The LTI is split into two equal tranches. Tranche 1 has a two-year measurement (and vesting) period and Tranche 2 has a three-year measurement (and vesting) period.

- d. The Board may consider additional tranches and performance metrics in future years, as the business's circumstances change.

7. The total remuneration packages of Executive Management in FY24 are composed of fixed remuneration, short-term incentives and long-term incentives (the latter having been approved by Shareholders at the 2023 AGM), set relative to market benchmarks and assessments obtained by the Board. Fixed remuneration is intended to be positioned around P50, +20% to recognise the exceptional talent and performance of the incumbents and noting that a +/-20% range is a common policy adopted by ASX listed company boards to recognise individual differences and calibre of executives. The total remuneration packages, including target short-term and long-term incentives, are intended to fall in the high end of the range of observed relevant market practices, to also recognise the high performance and high calibre of the incumbents, and to recognise differences in the roles of the incumbents compared to typical ASX roles.

- a. The incumbent executives are deeply invested in the business; the success of the business has been driven by this team over many years and the Board and key stakeholders intend to continue to retain and incentivise the incumbents to make exceptional contributions. The business has significantly outperformed peers and typical ASX market returns in most years, due to the contributions of the incumbents;
- b. Both the ED/CEO and ED/CFO/COO roles are larger-than-typical roles, in terms of their scope, accountability, and impact on the business; where in most ASX listed companies these roles would be supported by a large team of highly experienced ASX executive veterans, Kogan runs-lean and seeks to retain loyal employees in supporting roles. As a result, many of the functions, responsibilities, accountabilities and key impacts that would usually be the responsibility of the executive team, are carried by or in large part guided by, the founders as the strategic drivers;
- c. The CFO/COO role is not typical, and cannot be directly compared to peers on the ASX; being a broader operational role, the incumbent is able to bring a level of strategy and engagement with the rest of the business that is exceptional, making the assessed job size largely than a typical CFO and/or COO role; and
- d. As a result of the foregoing, it is the Board's view that it is appropriate to position the remuneration of the executive team high in the market compared to peers, but with the majority of the package subject to the achievement of challenging performance conditions.

Remuneration Report continued

2024 OUTCOMES AT A GLANCE

Chief Executive Officer (CEO) remuneration	Chief Financial Officer (CFO) remuneration
In FY24, our CEO:	In FY24, our CFO:
<ul style="list-style-type: none"> Received total cash salary inclusive of superannuation of \$800,000; Earned a short-term incentive of \$900,000 based on achievement of over 110% of the Board established Adjusted EBITDA forecast estimates for FY24 at the commencement of the year; Earned unrealised remuneration from unvested Performance Rights of \$389,280; Received total statutory remuneration of \$2,161,605; Exercised Options granted during the November 2020 AGM, which were cash-settled by the Company for \$10,562,400; and Received total realised remuneration of \$11,362,400. 	<ul style="list-style-type: none"> Received total cash salary inclusive of superannuation of \$576,000; Earned a short-term incentive of \$648,000 based on achievement of over 110% of the Board established Adjusted EBITDA forecast estimates for FY24 at the commencement of the year; Earned unrealised remuneration from unvested Performance Rights of \$280,281; Received total statutory remuneration of \$1,555,638; Exercised Options granted during the November 2020 AGM, which were cash-settled by the Company for \$7,041,600; and Received total realised remuneration of \$7,617,600.
Non Executive Directors (NEDs) fees	
<p>During the year, James Spenceley was appointed as Chairman of the Remuneration & Nomination Committee, resulting in an additional \$15,000 in compensation to reflect the increased responsibilities of the role. There were no other changes in total fees for the Other Non-Executive Directors.</p>	

DETAIL OF KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are individuals who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and comprise the Directors and the Senior Executives of the Group, as listed below.

KMP	POSITION HELD	TERM AS KMP
Independent Non-Executive Directors		
Greg Ridder	Chairman, Independent Non-Executive Director	Full year
Janine Allis	Independent Non-Executive Director	Full year
Harry Debney	Independent Non-Executive Director	Full year
James Spenceley	Independent Non-Executive Director	Full year
Executive Directors		
David Shafer	CFO, COO & Executive Director	Full year
Ruslan Kogan	CEO & Executive Director	Full year
Other KMPs		
Daniel Balasoglou ¹⁰	Mighty Ape, CEO	Full year
Gracie MacKinlay ¹⁰	Mighty Ape, CEO	Part year

10. Daniel Balasoglou held the position of CFO – Mighty Ape between the period 1 July 2023 to 7 April 2024. On 8 April 2024 he was appointed CEO – Mighty Ape following Gracie MacKinlay's resignation on the same date.

REMUNERATION GOVERNANCE

The Board appointed the Remuneration and Nomination Committee (“the Committee”) whose objective is to assist the Board in relation to the Group remuneration strategy, policies and actions. In performing this responsibility, the Committee must give appropriate consideration to the Company’s performance and objectives, employment conditions and external remuneration relativities.

Remuneration and Nomination Committee

Kogan.com’s Remuneration and Nomination Committee is composed of Independent Non-Executive Directors. The responsibilities of the Committee include to:

- Develop criteria for Board membership and identify specific individuals for nomination;
- Establish processes for the review of the performance of individual Directors, Board Committees and the Board as a whole and implementation of such processes;
- Review and make recommendations to the Board on board succession planning generally;
- Review and make recommendations to the Board on the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board;
- Review and make recommendations to the Board on the Company’s remuneration framework, remuneration packages and policies applicable to the members of the executive management of the Company (“Senior Management”) and Directors;
- Review and make recommendations to the Board on equity-based remuneration plans for senior executives and other employees;
- Define levels at which the Chief Executive Officer must make recommendations to the Committee on proposed changes to remuneration and employee benefit policies;
- Ensure that remuneration packages and policies attract, retain and motivate high calibre executives; and
- Ensure that remuneration policies demonstrate a clear relationship between key executive performance and remuneration.

All Directors who are not members of the Committee are entitled to attend any meeting of the Committee. The Committee may invite any Director, including members of Senior Management.

A full Charter outlining the Committee’s responsibilities and the Process for Evaluation of Performance are available at www.kogancorporate.com.

Remuneration Report continued

REMUNERATION POLICY

The Group has established incentive arrangements to assist in the attraction, motivation and retention of the executive team and other selected team members. To align the interests of its team members and goals of the Group, the Directors have decided the remuneration packages of the executive team and other selected team members will consist of the following components:

- Fixed remuneration (inclusive of superannuation);
- Short-term cash-based incentives; and
- Long-term equity-based incentives.

The payment of any cash and award of equity under the incentive arrangement will be subject to the achievement of performance criteria or hurdles set by the Board. The remuneration packages of the senior management team are determined by the Committee and reported to the Board. The remuneration of senior management is reviewed annually by the Committee. At the absolute discretion of the Committee, Kogan.com may seek external advice on the appropriate level and structure of the remuneration packages of the senior management team from time to time.

Fixed remuneration

Fixed remuneration consists of the base salary and team members benefits which include superannuation, leave entitlements and other benefits.

Executive KMP received a change to their remuneration structure outlined earlier in this report.

	Year	Cash salary (\$)	Superannuation (\$)	AL & LSL (\$)	Total (\$)
Executive KMPs					
R. Kogan	2024	772,601	27,399	72,326	872,326
D. Shafer	2024	548,601	27,399	51,356	627,356
Other KMPs					
D. Balasoglou	2024	298,871	11,718	23,910	334,499
G. MacKinlay ¹¹	2024	190,398	9,021	34,431	233,850
Total		1,810,471	75,536	182,023	2,068,031
Executive KMPs					
R. Kogan	2023	423,500	25,292	39,645	488,437
D. Shafer	2023	363,000	25,292	33,982	422,274
Other KMPs					
G. MacKinlay	2023	228,879	6,866	30,040	265,785
S. Barton	2023	170,399	–	5,060	175,459
Total		1,185,778	57,451	108,726	1,351,955

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

11. Remuneration relates to the period 1 July 2023 to 7 April 2024.

Short-term incentives (STI) – Cash-based

The following table outlines the significant aspects of the STI for senior management excluding KMPs.

Purpose of STI plan	<p>Provide a link between remuneration and both short-term Company and individual performance.</p> <p>Create sustainable shareholder value.</p> <p>Reward individuals for their contribution to the success of the Group.</p> <p>Actively encourage team members to take more ownership over the Adjusted EBITDA¹².</p>
Eligibility	Offers of cash incentives may be made to any team member of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of cash incentive under the STI.
Calculation & target	<p>The Adjusted EBITDA¹² of Kogan.com shall exceed the Board established budget for the full financial year (after payment of the STI).</p> <p>25% of the outperformance will be allocated to a 'bonus pool'.</p> <p>The 'bonus pool' will then be shared in cash bonuses among a number of team members in fixed proportions.</p>
Maximum opportunity	The maximum payable is 25% of the outperformance and 35% of the team member's annual salary.
Performance conditions	<p>Outperformance of the budgeted Adjusted EBITDA¹². Adjusted EBITDA¹² represents the underlying performance of the business.</p> <p>Continuation of employment.</p>
Why were the performance conditions chosen	To achieve successful and sustainable financial business outcomes as well as any annual objectives that drive short-term and long-term business success and sustainability.
Performance period	1 July 2023 to 30 June 2024.
Time of assessment	August 2024, following completion of the 30 June 2024 accounts.
Form of payment	Paid in cash.
Board discretion	Targets are reviewed annually and the Board has discretion to adapt appropriately to take into account exceptional items.

12. Non-IFRS measure.

Remuneration Report continued

Senior Management did not receive a payment under the STI plan in the 2024 financial year (FY23: Nil). Ruslan Kogan and David Shafer were subject to this arrangement in FY23. In FY24, they were subject to the below outlined STI arrangement.

The following table outlines the significant aspects of the STI for Executive Management.

Purpose of the Executive Management STI plan	Create a link between reward and performance of the Group over both the short and long term, for the Executive Management.
Eligibility	Offers of cash incentives may be made to Executive Management, being Ruslan Kogan (CEO) and David Shafer (CFO & COO).
Calculation & target	A STI is payable if the Adjusted EBITDA ¹² of Kogan.com exceeds at least 95% of the Board established forecast estimate for the full financial year. The value of STI payable to Executive Management may range between 37.5% of base remuneration (if the Company achieved at least 95% of forecast estimates) and up to a maximum of 112.5% of base remuneration (if the Company achieved at least 110% of forecast estimates).
Maximum opportunity	The maximum payable is 112.5% of base remuneration if the Company achieves at least 110% of forecast estimates.
Performance conditions	Achievement of at least 95% of Board established forecast estimate of Adjusted EBITDA ¹² for the full financial year. Adjusted EBITDA ¹² represents the underlying performance of the business. Continuation of employment.
Why were the performance conditions chosen	To achieve successful and sustainable financial business outcomes as well as any annual objectives that drive short-term and long-term business success and sustainability.
Performance period	1 July 2023 to 30 June 2024.
Time of assessment	August 2024, following completion of the 30 June 2024 accounts.
Form of payment	Paid in cash.
Board discretion	Targets are reviewed annually and the Board has discretion to adapt appropriately to take into account exceptional items.

In FY24, Executive Management achieved the required targets to earn an STI. The following was accrued as at 30 June 2024, with payment occurring in FY25:

- Ruslan Kogan: \$900,000 (FY23: n/a¹³)
- David Shafer: \$648,000 (FY23: n/a¹³)

13. In FY23 Executive Management participated in the STI for Senior Management. No STI was earned in FY23 by Executive Management.

Long-term incentives (LTI) – Equity Incentive Plan (EIP)

The Group has established an Equity Incentive Plan (EIP), which is designed to align the interests of eligible team members more closely with the interests of Shareholders in the listed entity. Under the EIP, eligible team members may be offered Performance Rights or Options which may be subject to vesting conditions. The Group may offer additional long-term incentive schemes to senior management and other team members over time.

The following table outlines the significant aspects of the current EIP.

Purpose of LTI plan	Support the strategy and business plan of the Group. Align the interests of team members more closely with the interests of Shareholders. Reward individuals for their contribution to the success of the Group over the long-term.
Eligibility	Offers of Incentive Securities (Performance Rights or Options) may be made to any team member of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Incentive Securities under the EIP.
Service condition on vesting	Individuals must be employed by the Group at the time of vesting and not be in their notice period.
Form of award and payment	Performance Rights or Options.
Board discretion	The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the EIP.
Consideration	Nil.
Rights	Each Right confers on its holder an entitlement to a Share, subject to satisfaction of applicable conditions.
Restrictions on dealing	Shares allocated upon exercise of Performance Rights will rank equally with all existing Ordinary Shares from the date of issue (subject only to the requirements of Kogan.com's Securities Trading Policy). Upon vesting, there will be no disposal restrictions placed on the Ordinary Shares issued to participants (subject only to the requirements of Kogan.com's Securities Trading Policy).
Lapse of Rights	A Right will lapse upon the earliest to occur of: <ul style="list-style-type: none"> • Expiry date (relevant for Options); • Failure to meet vesting conditions; • Employment termination; • The participant electing to surrender the Right; and • Where, in the opinion of the Board, a participant deals with a Right in contravention of any dealing restrictions under the EIP.

Remuneration Report continued

Performance Rights awarded to KMPs

The statutory values below represent the expenses incurred through the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income Statement in accordance with AASB 2 *Share-Based Payments*.

	STATUTORY VALUE			
	Year	Value	Year	Value
Executive KMPs				
R. Kogan	2024	389,280	2023	–
D. Shafer	2024	280,281	2023	–
Other KMPs				
D. Balasoglou (from 1 July 2023)	2024	74,273	2023	–
G. MacKinlay (until 8 April 2024)	2024	(75,155)	2023	75,155
S. Barton (until 31 March 2023)	2024	–	2023	–
Total		668,679		75,155

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

The movement during the reporting period, by number of Performance Rights over Ordinary Shares in Kogan.com Ltd held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2023	Granted	Exercised	Lapsed	Forfeited	Held at 30 June 2024	Vested during FY24	Vested & Exercisa- ble at 30 June 2024
Executive KMP								
R. Kogan	–	303,504	–	–	–	303,504	–	–
D. Shafer	–	218,523	–	–	–	218,523	–	–
Other KMP								
G. MacKinlay	84,270	5,748	–	–	(90,018)	–	–	–
D. Balasoglou	40,000	57,498	–	(13,333)	–	84,165	–	–
Total	124,270	585,273	–	(13,333)	(90,018)	606,192	–	–

Performance Rights awarded to R. Kogan and D. Shafer were granted on 21 December 2023, following approval at the 2023 AGM. Details of the grant, including vesting conditions, have been outlined earlier in this report within the section FY24 Remuneration Framework.

Performance Rights awarded to D. Balasoglou were granted on 30 June 2024. Vesting of the FY24 granted Performance Rights is scheduled as 50% at the end of August 2026 and 50% at the end of August 2027. Vesting of the Performance Rights is subject to Adjusted EBITDA of Mighty Ape being at least 5% higher per annum compounded since FY24, and subject to his ongoing employment with the Group.

Lapsed Performance Rights for D. Balasoglou were a result of not meeting the relevant vesting conditions attached.

Forfeited Performance Rights for G. MacKinlay were a result of her resignation on 8 April 2024.

Options awarded to KMPs

The statutory values below represent the expenses incurred through the Consolidated Income Statement and Consolidated statement of Other Comprehensive Income Statement in accordance with AASB 2 *Share-Based Payments*.

	STATUTORY VALUE			
	Year	Value	Year	Value
Executive KMPs				
R. Kogan	2024	–	2023	16,691,237
D. Shafer	2024	–	2023	11,127,491
Other KMPs				
D. Balasoglou (from 1 July 2023)	2024	–	2023	–
G. MacKinlay (until 8 April 2024)	2024	–	2023	–
S. Barton (until 31 March 2023)	2024	–	2023	34,137
Total		–		27,852,865

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

The movement during the reporting period, by number of Options over Ordinary Shares in Kogan.com Ltd held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2023	Granted	Exercised	Lapsed	Forfeited	Held at 30 June 2024	Vested during FY24	Vested & Exercisa- ble at 30 June 2024
Executive KMP								
R. Kogan	3,600,000	–	(3,600,000)	–	–	–	–	–
D. Shafer	2,400,000	–	(2,400,000)	–	–	–	–	–
Other KMP								
G. MacKinlay	–	–	–	–	–	–	–	–
D. Balasoglou	–	–	–	–	–	–	–	–
Total	6,000,000	–	(6,000,000)	–	–	–	–	–

It was announced on 4 April 2024 that both Ruslan Kogan and David Shafer had collectively exercised 6,000,000 Options granted to them during the 2020 AGM.

The Deed associated with these Options allowed for either equity-settlement or cash-settlement, based on the Board's discretion. At the time of granting the Options, they were valued in-the-money and the intention was to equity-settle them upon vesting. The Options were fully vested by 30 June 2023, with the value of the share-based payment reserve amounting to \$66,536,098.

On 4 April 2024, the Board exercised their discretion to cash-settle the Options primarily to avoid dilution of other Shareholders' interest. This discretion was exercised following a review of the Company's Balance Sheet and current initiatives (no immediate merger & acquisition activity and available cash reserves following the commencement of a Buy Back).

At the time of exercise, the 20-day VWAP was \$8.224 per Option, and the strike price associated with the Options was \$5.29. This resulted in a cash payment of \$17,604,000, being [\$8.224 – \$5.29] x 6,000,000 Options, against the share-based payments reserve. The remaining value of the Options in the Share-based Payments reserve, of \$48,932,098, will remain indefinitely.

Remuneration Report continued

Independent Non-Executive Directors remuneration

Kogan.com's Independent Non-Executive Director remuneration policy is set up to attract and retain Directors with the experience, knowledge, expertise and acumen to manage the Company.

Each of the Independent Non-Executive Directors has entered into appointment letters with Kogan.com, confirming the terms of their appointment, their roles and responsibilities and Kogan.com's expectations of them as Directors.

Under the Constitution, the Board may decide the remuneration from Kogan.com to which each Director is entitled for their services as a Director. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed at Kogan.com's general meeting.

This amount has been fixed by Kogan.com at \$800,000 per annum (FY23: \$800,000 per annum). Any change to that aggregate annual sum needs to be approved by Shareholders.

The annual Independent Non-Executive Directors' fees paid or payable to Greg Ridder (as Chairman of the Board), Harry Debney (as Chairman of the Audit & Risk Management Committee), Janine Allis and James Spenceley (as Chairman of the Remuneration & Nomination Committee) for FY24 was \$185,000, \$110,000, \$95,000 and \$110,000, respectively.

Included within Harry Debney's and James Spenceley's fees is \$15,000 per annum to acknowledge the additional duties linked to chairing the Audit & Risk Management Committee and Remuneration & Nomination Committee.

Independent Non-Executive Directors are not eligible to participate in Kogan.com's short-term or long-term incentive programs.

All Directors' fees include superannuation payments, to the extent applicable.

COMPANY PERFORMANCE

Relationship to remuneration policy

In considering the consolidated entity's performance and the benefits of Shareholder wealth, the Committee considered a range of indicators in respect of senior executive remuneration and linked these to the previously described short and long term incentives.

At Kogan.com, we remunerate our KMP in a way which:

- Aims to align executive interests with Shareholders;
- Is sufficiently competitive in the marketplace to enable us to attract, retain, and motivate exceptional talent; and
- Encourages and rewards the behaviours and outcomes that will deliver business success and a good return for our Shareholders.

To achieve this, we set challenging targets and monitor performance against them closely.

We have strengthened the connection between our key reward metrics and our business strategy by adapting the performance conditions used for our STI.

We remain committed to the use of stretch performance metrics, and recognise the importance of having performance conditions that are linked to customer engagement.

Shareholder wealth

The following table presents these indicators showing the impact of the Company's performance on Shareholder wealth, during the financial years:

	FY20	FY21	FY22	FY23	FY24
Revenue (\$m)	497.9	780.7	718.5	489.5	459.7
Net Profit/(Loss) after income tax (NPAT)	26.8	3.5	(35.5)	(25.9)	0.1
Adjusted NPAT ¹⁴	30.0	44.9	0.5	(6.4)	21.0
Earnings per Share (EPS)	0.29	0.03	(0.33)	(0.24)	0.00
Adjusted EPS	0.32	0.42	0.00	(0.04)	0.20
EBITDA ¹² (\$m)	46.5	22.5	(21.8)	(20.8)	36.0
Adjusted EBITDA ¹⁴ (\$m)	49.7	61.8	18.9	6.8	40.0
Dividends paid (\$m)	14.8	31.3	–	–	7.5
Share price at 30 June	14.72	11.58	2.78	4.85	4.17

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

Profit amounts have been calculated in accordance with Australian Accounting Standards (AASB).

EBITDA¹² is calculated based on the operating profit before interest, tax, depreciation and amortisation.

DETAILS OF REMUNERATION

KMP realised remuneration

The table below is a voluntary non-statutory disclosure that displays actual cash remuneration ("realised remuneration") that the KMPs received in FY24 and FY23. It includes cash salary, amounts paid out upon resignation, superannuation contributions, STI received, LTI that vested during the period and cash from the exercise of Options.

This information differs from the statutory remuneration table found on the following page, which includes the expense from vested & unvested awards, along with other long-term benefits, in accordance with Australian Accounting Standards.

	Year	Fixed Remuneration ¹⁵	Payment upon resignation	Received on exercise of Options	Mighty Ape – acquisition related remuneration	Total realised remuneration
Executive KMPs						
R. Kogan	2024	800,000	–	10,562,400	–	11,362,400
D. Shafer	2024	576,000	–	7,041,600	–	7,617,600
Other KMPs						
D. Balasoglou	2024	310,589	–	–	–	310,589
G. MacKinlay	2024	199,419	179,216	–	–	378,635
Total		1,886,008	179,216	17,604,000¹⁶	–	19,669,224
Executive KMPs						
R. Kogan	2023	448,792	–	–	–	448,792
D. Shafer	2023	388,292	–	–	–	388,292
Other KMPs						
G. MacKinlay	2023	235,745	–	–	–	235,745
S. Barton	2023	170,399	–	–	14,242,881	14,413,280
Total		1,243,229	–	–	14,242,881	15,486,109

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

14. Non-IFRS measure. Adjusted EBITDA and Adjusted NPAT excludes non-cash items such as unrealised gains/(losses), equity-based compensation, and one-off non-recurring items.

15. Includes cash salary and superannuation consistent with statutory remuneration table in the next section, excluding accrued annual leave entitlements.

16. As at 30 June 2024, a final outstanding payment in relation to PAYG was owing to the ATO of \$4,184,827. Amounts owing directly to R. Kogan and D. Shafer were fully paid as at 30 June 2024.

Remuneration Report continued

KMP statutory remuneration

Details of the statutory remuneration to the executive Key Management Personnel is set out below.

	Year	SHORT-TERM		POST-EMPLOYMENT	LONG-TERM BENEFITS	EQUITY-BASED COMPENSATION	OTHER LONG-TERM BENEFITS		Total (\$)	
		Cash Salary (\$)	Short-Term Incentives (\$)	Super-annuation (\$)	Payment upon resignation (\$)	Annual & Long Service Leave (\$)	Share-Based Payments (\$)	Total (\$)		Mighty Ape – acquisition related remuneration (\$)
Executive KMPs										
R. Kogan	2024	772,601	900,000	27,399	–	72,326	389,280	2,161,605	–	2,161,605
D. Shafer	2024	548,601	648,000	27,399	–	51,356	280,281	1,555,638	–	1,555,638
Other KMPs										
D. Balasoglou	2024	298,871	–	11,718	–	23,910	74,273	408,772	–	408,772
G. MacKinlay	2024	190,398	–	9,021	179,216	34,431	(75,155)	337,911	–	337,911
Total		1,810,471	1,548,000	75,536	179,216	182,023	668,679	4,463,926	–	4,463,926
Executive KMPs										
R. Kogan	2023	423,500	–	25,292	–	39,645	16,691,237	17,179,675	–	17,179,675
D. Shafer	2023	363,000	–	25,292	–	33,982	11,127,491	11,549,765	–	11,549,765
Other KMPs										
G. MacKinlay	2023	228,879	–	6,866	–	30,040	75,155	340,940	–	340,940
S. Barton	2023	170,399	–	–	–	5,060	34,137	209,596	(3,885,469)	(3,675,873)
Total		1,185,778	–	57,451	–	108,726	27,928,021	29,279,976	(3,885,469)	25,394,507

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

Mighty Ape – acquisition-related remuneration

Mighty Ape acquisition related remuneration refers to the payment of Mighty Ape Tranche 4 purchase price instalment as a part of the Sale Agreement. Tranche 4 was contingent on the Mighty Ape Founder, Simon Barton, remaining with the business until the delivery of the financial year 2023 result. In line with accounting standards, the Tranche 4 payment was considered as compensation for post-combination services, and as such, treated as employee remuneration for accounting purposes. The company accounted for these expenses up until 31 March 2023.

The negative statutory value of \$3,885,469 in FY23 relates to a reversal of the over provision for Tranche 4 payment of the Mighty Ape Acquisition in prior years.

Non-Executive Directors' remuneration

The table below sets out the remuneration paid to Non-Executive Directors:

	Year	SHORT-TERM	POST-	Total
		BENEFITS	EMPLOYMENT-	
		Total fees (\$)	Superannuation (\$)	
Greg Ridder	2024	185,000	–	185,000
Harry Debney	2024	110,000	–	110,000
Janine Allis	2024	95,000	–	95,000
James Spenceley	2024	110,000	–	110,000
Total		500,000	–	500,000
Greg Ridder	2023	185,000	–	185,000
Harry Debney	2023	110,000	–	110,000
Janine Allis	2023	95,000	–	95,000
James Spenceley	2023	95,000	–	95,000
Total		485,000	–	485,000

Any discrepancies between totals, sums of components and percentage variances in this table are due to rounding.

EQUITY INSTRUMENTS

Kogan.com successfully listed on the ASX on 7 July 2016. The following table presents the interests of each Director/Key Management Personnel held directly, indirectly or beneficially, including their related parties.

	No. Shares held 2024	% ownership 2024	No. shares held 2023	% ownerships 2023
Ruslan Kogan	15,853,321	15.76%	15,853,321	15.08%
David Shafer	3,225,642	3.21%	5,225,642	4.97%
Greg Ridder	158,000	0.16%	158,000	0.15%
Harry Debney	98,099	0.10%	98,099	0.09%
Janine Allis	14,761	0.01%	14,761	0.01%
James Spenceley	10,000	0.01%	10,000	0.01%
Gracie MacKinlay	500	0.00%	500	0.00%
Daniel Balasoglou	–	–%	–	–%
Simon Barton	–	–%	–	–%

Remuneration Report continued

EXECUTIVE DIRECTORS AND OTHER KMP SERVICE AGREEMENTS

Notice and termination payments

Executives are on contracts with no fixed end date.

The following table captures the notice periods applicable to the termination of the Executive KMP and Other KMP employment:

	Termination notice by Kogan.com	Termination notice by employee	Termination payments provided for under contract
Executive KMP			
CEO	12 months	12 months	12 months
CFO, COO	6 months	6 months	6 months
Other KMP			
CEO – Mighty Ape	6 months	6 months	6 months
CFO – Mighty Ape	6 months	6 months	6 months

Executive and Other KMP Service Agreements

Prior to the Company's ASX Listing on 7 July 2016, Ruslan Kogan and David Shafer were not subject to employment arrangements and instead received profit distributions proportional to their shareholding in the Group.

Subsequent to Listing, Ruslan Kogan and David Shafer entered into employment contracts.

Gracie MacKinlay was determined to be a KMP following her promotion to Chief Executive Officer – Mighty Ape on 6 June 2022, until her resignation on 8 April 2024.

Daniel Balasoglou was determined to be a KMP as of 1 July 2023, in his capacity as CFO, having joined the business in May 2023. He continues to be considered a KMP, as CEO of Mighty Ape since 8 April 2024.

Chief Executive Officer

Mr. Kogan is employed in the position of Chief Executive Officer of Kogan.com.

Kogan.com has entered into an employment contract with Mr. Kogan to govern his employment with Kogan.com.

Mr. Kogan or Kogan.com may terminate Mr. Kogan's employment by giving 12 months' notice. Kogan.com may elect to make payment in lieu of notice. Kogan.com may terminate Mr. Kogan's employment without notice in circumstances warranting summary dismissal.

Upon termination of Mr. Kogan's employment, Mr. Kogan will be subject to a restraint of trade period of 12 months during which time Mr. Kogan cannot compete with Kogan.com or provide services in any capacity to a competitor of Kogan.com or solicit suppliers, clients or employees of Kogan.com. The enforceability of the restraint clause is subject to all usual legal requirements.

The Board may invite Mr. Kogan to participate in Kogan.com's incentive programs.

Chief Financial Officer and Chief Operating Officer

Mr. Shafer is employed in the position of Chief Financial Officer and Chief Operating Officer of Kogan.com.

Kogan.com has entered into an employment contract with Mr. Shafer to govern his employment with Kogan.com.

Mr. Shafer and Kogan.com may terminate Mr. Shafer's employment by giving 6 months' notice. Kogan.com may elect to make payment in lieu of notice. Kogan.com may terminate Mr. Shafer's employment without notice in circumstances warranting summary dismissal.

Upon termination of Mr. Shafer's employment, Mr. Shafer will be subject to a restraint of trade period of 6 months during which time Mr. Shafer cannot compete with Kogan.com or provide services in any capacity to a competitor of Kogan.com or solicit suppliers, clients or employees of Kogan.com. The enforceability of the restraint clause is subject to all usual legal requirements.

The Board may invite Mr. Shafer to participate in Kogan.com's incentive programs.

Chief Executive Officer – Mighty Ape

Mrs. MacKinlay resigned on 8 April 2024 from her position as Chief Executive Officer of Mighty Ape. Upon her resignation, no restraint of trade period was applied.

Mr. Balasoglou has been employed in the position of Chief Executive Officer of Mighty Ape since 8 April 2024.

Kogan.com has entered into an employment contract with Mr. Balasoglou to govern his employment with Mighty Ape.

Mr. Balasoglou or Mighty Ape may terminate Mr. Balasoglou's employment by giving 6 months' notice. Mighty Ape may elect to make payment in lieu of notice. Mighty Ape may terminate Mr. Balasoglou's employment without notice in circumstances warranting summary dismissal.

Upon termination of Mr. Balasoglou's employment, Mr. Balasoglou will be subject to a restraint of trade period of 6 months during which time Mr. Balasoglou cannot compete with Mighty Ape or provide services in any capacity to a competitor of Mighty Ape or solicit suppliers, clients or employees of Mighty Ape. The enforceability of the restraint clause is subject to all usual legal requirements.

The Board may invite Mr. Balasoglou to participate in Kogan.com's incentive programs.

KEY MANAGEMENT PERSONNEL TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Kogan Australia Pty Ltd entered into a logistics 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 Pty Ltd. Mr Kogan is a minority shareholder and Director of eStore. The agreement was entered into on arm's length terms.

		CONSOLIDATED GROUP	
KMP	Transaction type	2024 \$000	2023 \$000
Ruslan Kogan	Purchases from eStore warehousing	1,852	3,851

As at 30 June 2024, the total liability to eStore Logistics Pty Ltd was \$117,994 (30 June 2023: \$253,873).

The Directors' report is signed on behalf of the Board in accordance with a resolution of the Directors.

Environmental, Social and Governance

GOVERNANCE

At Kogan.com, the Board of Directors and senior management prioritise strong corporate governance and transparency. Our Board operates with a majority of independent members and is supported by the independent Audit & Risk Committee and the Remuneration & Nomination Committee. Both the Audit & Risk Management Committee and the Remuneration & Nomination Committee meet at least 3 times per year to carry out their responsibilities.

Kogan.com is committed to upholding the ASX Listing Rules and the *Corporations Act 2001* (Cth) through our Continuous Disclosure Policy. We ensure that key information, including financial reports and continuous disclosure announcements, is filed with the ASX and is readily accessible on our Corporate Website.

MODERN SLAVERY AND ETHICAL SOURCING

Kogan.com is dedicated to adhering to the *Australian Modern Slavery Act 2018* and continuously improving our efforts to uphold human rights. Our Modern Slavery Statement, aligned with the *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities*, details the measures we take to mitigate modern slavery risks in our operations and supply chain. This statement is available on our Corporate Website.

With a complex global supply chain, Kogan.com is committed to ethical sourcing. We partner exclusively with suppliers who meet the stringent requirements of our Ethical & Sustainable Sourcing Policy and prefer those with internationally recognised accreditations, such as BSCI. Our risk-based approach identifies areas prone to modern slavery, and we detail our risk assessments and mitigation strategies in our Modern Slavery Statement.

OUR TEAM

Our success is driven by a dynamic, high-performing team. Central to our business, our team embodies a culture of innovation and efficiency, helping us deliver remarkable value for our customers.

Our training initiatives, such as Lunch & Learns and hackathons, are designed to enhance engagement, foster career development, and create growth opportunities for our team members. Additionally, our highly skilled Software Engineering team hosts "Tech Talks" and industry Meetups to share insights and connect with other professionals in their field.

At Kogan.com, we are committed to nurturing talent from within. We support the professional growth of our team members and frequently promote internally, reflecting our dedication to their career advancement.

We believe that a diverse workplace is built through merit-based decision-making, which is essential for fostering equal opportunity, diversity, and inclusion. Our Equal Opportunity, Merit, and Diversity Policy, available on our Corporate Website, guides our approach to creating an inclusive culture.

We remain steadfast in our commitment to gender and cultural diversity, ensuring that all team members have equal opportunities based on merit. Our learning and development budget is allocated to further enhance the skills of our team members in their respective fields.

Our people and culture are the core of our business operations and crucial to our success.

SAFETY, HEALTH AND WELLBEING

The safety, health, and wellbeing of our team are top priorities. We have implemented a flexible work model for our team members as well as providing all the necessary facilities to offer a productive and safe office environment.

The health and wellbeing, including mental health, of our team members is imperative. There are various health and wellbeing related activities the team are encouraged to participate in including yoga, pilates, meditation, Kogan.com Fitness Squad activities including marathons, fun runs, Corporate Games, team group social activities and team event celebrations (onsite and virtual) to keep the team connected. In addition, all team members have access to the Company's independent and confidential Employee Assistance Program (EAP).

OUR VALUES

Each team member is encouraged to work according to the Company's core values, which ensure that we individually and collectively maintain focus on putting our customers first, being honest with ourselves and each other and being the pioneers of our industry to deliver on the Company's long term growth strategy.

Put our customer first

Deliver on promises and delight customers. Win customers for life. Use your creativity, imagination and energy to deliver value.

Have fun

Don't take yourself too seriously. Be positive and work as a team. Treat others as you'd like to be treated.

Be honest

With yourself, customers & co-workers. Confront the facts, even the hard ones. Think from first principles.

Pioneer

Experiment, fail fast, learn quickly, fix things quickly, and repeat. Embrace technology and change. Have an open mind and don't be afraid of a challenge. We're changing the way people shop. There is always a better way – challenge the status quo.

Do more with less

Do things in the most efficient way possible. Being frugal allows us to keep prices low for customers.

Keep it real

Focus on doing good, not looking good. Ensure merit-based decisions by placing facts at the heart of your processes. Concentrate on real life results and being objective. Always put health and safety first; nothing is more important.

Have high expectations

Work collaboratively, give your best in your work, and expect the same of the team.

Think long term

We're creating customers for life and a company that's built to last. Take the short term pain for a long term gain.

Step up

Do what it takes. Solve problems that need to be solved. Be a doer.

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Kogan.com Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Kogan.com Ltd for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Suzanne Bell', written in a cursive style.

Suzanne Bell

Partner

Melbourne

26 September 2024

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Financial Report

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Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income

For the Year Ended 30 June 2024

CONSOLIDATED GROUP			
	Note	2024 \$000's	2023 \$000's
Revenue	1.1	459,703	489,494
Cost of sales	1.2a	(291,266)	(352,931)
Gross profit		168,437	136,563
Selling and distribution expenses		(57,528)	(54,215)
Warehouse expenses		(7,376)	(13,549)
Administrative expenses		(81,140)	(103,073)
Other expenses		(2,135)	(2,072)
Results from operating activities		20,258	(36,346)
Finance income		1,614	853
Finance costs	1.2b	(545)	(2,660)
Unrealised (loss)/gain		(107)	96
Net finance income/(cost)		962	(1,711)
Profit/(Loss) before income tax		21,220	(38,057)
Tax (expense)/benefit	1.3	(21,137)	12,205
Profit/(Loss) after income tax		83	(25,852)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange (loss)/gain on translation of foreign operations		(181)	451
Other comprehensive (loss)/income for the year		(181)	451
Total comprehensive (loss) for the year		(98)	(25,401)
Basic earnings/(losses) per Ordinary Share	3.5a	0.00	(0.24)
Diluted earnings/(losses) per Ordinary Share	3.5b	0.00	(0.23)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

		CONSOLIDATED GROUP	
	Note	2024 \$'000's	2023 \$'000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		41,183	65,438
Trade and other receivables	2.1.2a	6,770	5,432
Inventories	2.1.1	73,391	68,158
Other financial assets		152	146
Prepayments and other assets	2.1.2b	3,467	2,928
Current tax assets	1.3	217	755
TOTAL CURRENT ASSETS		125,180	142,857
NON-CURRENT ASSETS			
Property, plant and equipment	2.3	24,693	17,214
Intangible assets	2.2	84,243	88,153
Deferred tax assets	1.3	9,314	25,834
TOTAL NON-CURRENT ASSETS		118,250	131,201
TOTAL ASSETS		243,430	274,058
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2.1.3a	72,886	61,429
Acquisition payables	2.1.3a	–	10,957
Lease liabilities	2.1.3b	7,553	7,532
Current tax liabilities	1.3	1,353	–
Employee benefits		1,958	1,743
Provisions		3,012	2,862
Deferred income	2.1.3c	17,167	13,155
TOTAL CURRENT LIABILITIES		103,929	97,678
NON-CURRENT LIABILITIES			
Lease liabilities	2.1.3b	15,482	8,200
Employee benefits		416	462
TOTAL NON-CURRENT LIABILITIES		15,898	8,662
TOTAL LIABILITIES		119,827	106,340
NET ASSETS		123,603	167,718
EQUITY			
Issued capital	3.3a	270,012	291,014
Merger reserve	3.3c	(131,816)	(131,816)
Other reserves		55,776	71,431
Accumulated losses		(70,369)	(62,911)
TOTAL EQUITY		123,603	167,718

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

CONSOLIDATED GROUP

	Note	Share Capital \$000	Accumulated losses \$000	Merger reserve \$000	Translation reserve \$000	Share-based payments reserve \$000	Total Equity \$000
Balance at 1 July 2022		301,082	(37,059)	(131,816)	(828)	41,257	172,636
Comprehensive income							
Net loss after tax		–	(25,852)	–	–	–	(25,852)
Other comprehensive income		–	–	–	451	–	451
Total net loss and other comprehensive income/(expense) for the year		–	(25,852)	–	451	–	(25,401)
Transactions with owners, in their capacity as owners							
Issue of Ordinary Shares under performance plans	3.3b	716	–	–	–	(716)	–
Tax deduction for difference between accounting expense and funds paid to issue incentive plans		3	–	–	–	–	3
Equity-settled share-based payments	5.2c	–	–	–	–	31,267	31,267
Share buy-back	3.3b	(10,787)	–	–	–	–	(10,787)
Total transactions with owners and other transfers		(10,068)	–	–	–	30,551	20,483
Balance at 30 June 2023		291,014	(62,911)	(131,816)	(377)	71,808	167,718
Balance at 1 July 2023		291,014	(62,911)	(131,816)	(377)	71,808	167,718
Comprehensive income							
Net profit after tax		–	83	–	–	–	83
Other comprehensive expense		–	–	–	(181)	–	(181)
Total net profit and other comprehensive income/(expense) for the year		–	83	–	(181)	–	(98)
Transactions with owners, in their capacity as owners							
Issue of Ordinary Shares under performance plans	3.3b	1,809	–	–	–	(1,809)	–
Equity-settled share-based payments	5.2c	–	–	–	–	3,939	3,939
Share buy-back ¹⁷	3.3b	(23,849)	–	–	–	–	(23,849)
Repurchase of equity ¹⁸		–	–	–	–	(17,604)	(17,604)
Dividend reinvestment plan	3.3b	1,038	(1,038)	–	–	–	–
Dividends paid	3.4	–	(6,504)	–	–	–	(6,504)
Total transactions with owners and other transfers		(21,002)	(7,542)	–	–	(15,474)	(44,018)
Balance at 30 June 2024		270,012	(70,369)	(131,816)	(558)	56,334	123,603

The accompanying notes form part of the financial statements.

17. Out of \$23,849 thousand of share buy-back, \$23,799 thousand was paid during FY24, leaving \$50 thousand payables as at 30.06.2024.

18. Refer to the ASX announcement dated 4 April 2024 for details regarding the Exercise of Options for Cash Settlements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

		CONSOLIDATED GROUP	
	Note	2024 \$000's	2023 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		519,229	509,930
Payments to suppliers and employees ¹⁹		(488,724)	(432,295)
Interest received		1,614	853
Finance costs paid		(1,210)	(2,040)
Income tax paid		(2,723)	(5,591)
Net cash provided by operating activities	1.4	28,186	70,857
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,563)	(404)
Purchase of intangible assets		(3,452)	(3,756)
Disposal of financial assets		-	351
Business acquisition net of acquired cash ²⁰		(10,943)	(14,243)
Net cash (used in) investing activities		(15,958)	(18,052)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid net of dividend reinvestment plan		(6,504)	-
Repayment of loans & borrowings		(10,000)	(36,033)
Draw down on debt facility		10,000	1,033
Payments for shares bought back		(23,799)	(10,787)
Repayment of lease liabilities		(6,089)	(8,004)
Net cash (used in) financing activities		(36,392)	(53,791)
Net (decrease) in cash held		(24,164)	(986)
Cash and cash equivalents at beginning of financial year		65,438	66,230
Effects of exchange rate changes on cash		(91)	194
Cash and cash equivalents at end of financial year	3.2	41,183	65,438

The accompanying notes form part of the financial statements

19. Payments to suppliers and employees FY24 includes a \$13,419 thousand payment for cash-settlement of the 2020 AGM Executive Options. The total settlement value was \$17,604 thousand, with the outstanding value relating to PAYG withholding payable to the ATO, which was settled in August 2024 (FY25). Refer to the ASX announcement dated 4 April 2024 for details regarding the Exercise of Options for Cash Settlements.
20. FY24 related to the Mighty Ape acquisition Tranche 4 payment. FY23 related to the Mighty Ape acquisition Tranche 3 payment and the Brosa acquisition.

Notes to the Financial Statements

For the Year Ended 30 June 2024

BASIS OF PREPARATION

The financial report of Kogan.com Ltd and its controlled entities ("the Group"; "Kogan.com") for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 26 September 2024.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards and the nature of its operations and principal activities are described in the Director's Report on page 20.

These General Purpose Financial Statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, and Interpretations issued by the Australian Accounting Standards Board, as well as International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

Accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2023.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets and financial liabilities.

Kogan.com is a Company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars, except where otherwise indicated.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Group, in line with AASB 10 *Consolidated Financial Statements*. Subsidiaries are entities the parent controls. The parent controls an entity when it's exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 4.1.a.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that the control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Uses of Judgements and Estimates

In preparing the financial report, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimates that have the most significant effect on the amounts recognised in the financial statements are:

- the valuation of Goodwill, which is based on value in use calculations.
- the assessment of the carrying value of non-current assets, including intangible assets, which is based on management's assessment of the nature of the capitalised costs and their expected continued contribution of economic benefit to the Group, having regard to actual and forecast performance and profitability.
- the provision for slow moving and obsolete inventory, which is based on estimates of net realisable value.

Key estimates and judgements have not changed from those disclosed in the Group financial report for the year ended 30 June 2023.

c. Common Control Transaction

On 6 July 2016 Kogan.com Ltd acquired control of Kogan Operations Holdings Pty Ltd and subsidiaries at book value for consideration in preparation for the Initial Public Offering and the Group's admission to the ASX on 7 July 2016 pursuant to a replacement prospectus dated 24 June 2016.

d. Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Parent's functional currency.

e. Adoption of new or amended accounting standards and future accounting developments

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Their adoption has not had any material impact on the disclosures or on amounts reported in these financial statements.

Additionally, the Group has incorporated a consolidated entity disclosure statement, a new mandatory annual disclosure for public companies required under Section 295(3A) of the *Corporations Act 2001* (Cth), effective from 1 July 2023.

The following Standards and Interpretations are issued but not yet effective. The effects of adopting these in the following financial years are not expected to be material:

- (i) AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* and AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (effective 1 January 2024);
- (ii) AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (effective 1 January 2024);
- (iii) AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements* (effective 1 January 2024);
- (iv) AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability* (effective 1 January 2025); and
- (v) AASB 18 *Presentation and Disclosure in Financial Statements* (effective 1 January 2027).

Notes to the Financial Statements continued

SEGMENT INFORMATION

a. Basis of segmentation

The Group has the following two operating divisions, Kogan.com and Mighty Ape. These operating divisions offer different products and services and are managed separately because they require different product sourcing and marketing strategies.

The Board considers the business primarily from an operating divisions perspective, and receives monthly reports that allow them to make strategic decisions about resource allocation to each. On this basis, management has identified the operating divisions as the Group's two reporting segments.

The Board monitors the performance of these two segments separately. The Group does not operate under any other operating division.

REPORTABLE SEGMENTS	OPERATIONS
Kogan.com	Online retailer selling in-house and third-party brand products, providing premium memberships, generating Platform-based revenue including seller fees for marketplace sellers, commission-based telecommunication, internet, insurance, utilities, and travel as well as advertising fees on Advertising platform.
Mighty Ape	Online specialist retailer of gaming and entertainment products, also providing premium subscriptions and commission-based telecommunication services to customers.

b. Segment information provided to the Board

Information related to each reportable segment, split by primary geographical market, is set out below. Segment Adjusted EBITDA is used to measure performance as management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same sectors.

REPORTABLE SEGMENT	KOGAN.COM		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
30 June 2024					\$000's
Segment revenue	277,816	35,354	11,197	135,336	459,703
Adjusted EBITDA	28,961	3,686	462	6,925	40,034
EBITDA	25,334	3,224	464	6,965	35,987
Depreciation and amortisation	(9,403)	–	–	(5,651)	(15,054)
EBIT	15,931	3,224	464	1,314	20,933
Interest expense	(680)	–	–	(647)	(1,327)
Interest income	1,302	–	–	312	1,614
Profit before income tax	16,553	3,224	464	979	21,220
Capital expenditure	(3,925)	–	–	(1,090)	(5,015)
Other segment information					
Segment Assets	200,681	2,727	351	39,671	243,430
Non-current Segment Assets ²¹	96,538	–	–	12,398	108,936
Segment liabilities	94,466	1,872	–	23,489	119,827

21. Non-current segment assets do not include deferred tax assets in accordance with AASB 8 Operating Segments 33(b).

REPORTABLE SEGMENT	KOGAN.COM		MIGHTY APE		TOTAL
	(Australia) \$000's	(New Zealand) \$000's	(Australia) \$000's	(New Zealand) \$000's	
30 June 2023					\$000's
Segment revenue	300,816	33,882	14,845	139,951	489,494
Adjusted EBITDA	(2,003)	(226)	603	8,439	6,813
EBITDA	(26,470)	(2,982)	577	8,080	(20,795)
Depreciation and amortisation	(11,412)	–	–	(5,172)	(16,584)
EBIT	(37,882)	(2,982)	577	2,908	(37,379)
Interest expense	(1,133)	–	–	(398)	(1,531)
Interest income	751	–	–	102	853
Profit before income tax	(38,264)	(2,982)	577	2,612	(38,057)
Capital expenditure	(3,850)	–	–	(310)	(4,160)
Other segment information					
Segment Assets	204,178	23,836	1,536	44,508	274,058
Non-current Segment Assets ²²	92,869	–	–	12,498	105,367
Segment liabilities	78,638	2,726	–	24,976	106,340

SECTION 1: BUSINESS PERFORMANCE

1.1 Revenue

Sale of goods

Revenue is recognised when the Group satisfies its performance obligation by transferring a promised good to a customer. When a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price which excludes the associated costs and possible return of goods. Prior to these conditions being met, receipts from the sale of the goods are recorded in deferred income. Revenue is measured net of returns, trade discounts and volume rebates.

The majority of sales undertaken by Kogan.com are through the website, where payment is received upfront.

Kogan.com is an online-only retailer. Each sale represents a separate identified contract with a customer for which generally two performance obligations are expected: sales of goods and delivery revenue.

The timing of transfer of control varies depending on the individual terms of the sales agreement. For sale of goods, transfer usually occurs upon dispatch of the goods, where control is contractually transferred to the customer. For delivery income, the Company utilises various data points, including reports from Australia Post, to estimate delivery completion times. Delivery fees are recognised from deferred income based on these estimates, typically 3 to 4 business days after dispatch.

22. Non-current segment assets do not include deferred tax assets in accordance with AASB 8 Operating Segments 33(b).

Notes to the Financial Statements continued

Rendering of services

Revenue from the rendering of services is recognised when management has fulfilled its service obligations to the Group's customers, recovery of the consideration is probable, and the amount of revenue can be measured reliably. Revenue is measured net of returns and trade discounts.

The timing of revenue recognition varies depending on the individual terms of the services agreement and the contractual obligations of the Group.

Revenue from the rendering of services is deferred when a customer has paid up front but the Group has not yet fulfilled its obligations to the customer, in line with the terms and conditions of sale.

Kogan FIRST Subscriptions

Revenue from Kogan FIRST Subscriptions is recognised when management has fulfilled its membership service obligations to the Group's customers, noting collection of consideration is performed at the commencement of the membership and is therefore able to be reliably measured. Revenue is measured net of returns.

There are two types of Kogan FIRST Subscriptions:

- 1 month subscription: revenue is recognised in the month when the Group received the membership fee;
- 12 month subscription: revenue is recognised over the 12-month subscription period in line with usage of the subscription.

Advertising

Revenue from Advertising is recognised when management has fulfilled its advertising service obligations, recovery of the consideration is probable, and the amount of revenue can be measured reliably. Revenue is measured net of refunds.

The timing of revenue recognition varies depending on the individual terms of the advertising services agreement and the contractual obligations of the Group.

Revenue from Advertising is deferred when a customer has paid up front but the Group has not yet fulfilled its obligations to the customer, in line with the terms and conditions of advertising.

	2024 \$000	2023 \$000
Revenue		
Sales revenue:		
Sale of goods ²³	370,193	419,992
Rendering of services	41,941	40,474
Kogan FIRST Subscriptions	43,667	26,283
	455,801	486,749
Advertising & Other revenue:		
Advertising	3,474	1,627
Other	428	1,118
	3,902	2,745
Total revenue	459,703	489,494

23. Includes associated delivery fee income.

1.2 Expenses

1.2a Operating activities

	2024 \$000	2023 \$000
Cost of sales	291,266	352,931
Employee benefit expense		
Share based payments expense	3,939	31,267
Defined contribution superannuation expense	2,054	1,976
Other employee benefit expense	43,145	33,808
	49,138	67,051
Depreciation and amortisation expense	15,054	16,584

1.2b Finance costs

	2024 \$000	2023 \$000
Realised foreign exchange (gains)/losses	(1,270)	305
Finance costs on debt facilities	107	921
Interest expense– lease liabilities	1,219	609
Interest expense – other	1	1
Bank fees	488	824
Total finance costs	545	2,660

1.3 Tax Balances

Income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related assets or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liability are expected to be recovered or settled.

Notes to the Financial Statements continued

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
The components of tax expense/(benefit) comprise:		
Current Tax	4,620	3,702
Deferred Tax	16,520	(17,761)
(Over)/Under provision in respect of prior year	(3)	1,854
Income tax expense/(benefit) attributable to the Group	21,137	(12,205)
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to income tax as follows:		
Profit/(loss) before tax from continuing operations	21,220	(38,057)
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30% (2023: 30%):	6,366	(11,417)
• Effect of expenses that are not deductible in determining taxable profit ²⁴	14,843	119
• Effect of revaluations that are not deductible in determining taxable profit	–	(569)
• Effect of other deductibles in determining taxable profit	(142)	95
• Effect of other non-allowable items (Mighty Ape Tranche 3 & 4)	(4)	(1,166)
• Effect of capital loss on disposal of Wonderfi shares	–	623
• Effect of prior year losses recognised in current tax	–	(1,842)
• Effect of variations in tax rates of foreign controlled entities	(99)	(134)
• (Over)/Under provision in respect of prior year	(3)	1,854
• Other	176	232
Income tax expense/(benefit) attributable to the Group	21,137	(12,205)
The applicable weighted average effective tax rates are as follows:	100%	32%

Effective tax is impacted by the differences between when an amount of revenue or expense is recognised for accounting purposes and when income and deductions are recognised under the tax laws. The Group's consolidated effective tax rate for the 12 months ended 30 June 2024 was 100% (for the 12 months ended 30 June 2023: 32%).

The FY24 income tax expense includes the release of a Deferred Tax Asset (DTA) that has no impact on the tax payable in FY24 or in future years. The release was as a result of the difference between the value expensed for the 2020 AGM Executive Options (\$66,536 thousand – based on fair value at time of grant), and the actual cash payment that occurred upon exercise (\$17,604 thousand). Removing this non-cash adjustment, the Group's effective tax rate in FY24 was 30%.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
Current and deferred tax balances		
Assets		
Current tax asset	217	755
Deferred tax asset	9,314	25,834
Total	9,531	26,589
Liabilities		
Current tax liabilities	1,353	–
Total	1,353	–

24. Includes \$14,680 thousand non-cash deferred tax asset (DTA) adjustment, with corresponding impact to Income Tax Expense, arising from cash-settlement of the 2020 AGM Executive Options.

Movements in deferred tax balances

2024										
BALANCE AT 30 JUNE										
\$000	Net balance at 1 July	Under/Over	Recognised in profit or loss	Recognised in OCI	Recognised directly to equity	Acquisitions	Other	Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(3,491)	–	(408)	–	–	–	–	(3,899)	–	(3,899)
Intangible assets	(9,625)	–	1,292	–	–	–	–	(8,333)	657	(8,990)
Financial assets	(29)	–	29	–	–	–	–	–	–	–
Employee benefits	811	–	41	–	–	–	–	852	852	–
Provisions	2,066	–	(1,119)	–	–	–	–	947	947	–
Deferred Income	–	–	–	–	–	–	–	–	–	–
Lease Liability	2,518	–	1,241	–	–	–	–	3,759	3,759	–
Other items	493	–	(141)	–	–	–	–	352	358	(6)
Share-based payments reserve	21,542	–	(19,321)	–	–	–	–	2,221	2,221	–
Tax losses carried forward	11,549	–	1,866	–	–	–	–	13,415	13,415	–
Tax assets/(liabilities) before set-off	25,834	–	(16,520)	–	–	–	–	9,314	22,209	(12,895)
Set-off of tax								–	(12,895)	12,895
Net tax assets/(liabilities)								9,314	9,314	–

2023										
BALANCE AT 30 JUNE										
\$000	Net balance at 1 July	Under/Over	Recognised in profit or loss	Recognised in OCI	Recognised directly to equity	Acquisitions	Other	Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(5,256)	–	1,765	–	–	–	–	(3,491)	55	(3,546)
Intangible assets	(10,832)	–	1,207	–	–	–	–	(9,625)	256	(9,880)
Financial assets	–	–	(29)	–	–	–	–	(29)	–	(29)
Employee benefits	828	–	(17)	–	–	–	–	811	811	–
Provisions	3,001	–	(935)	–	–	–	–	2,066	2,066	–
Deferred Income	86	–	(86)	–	–	–	–	–	–	–
Lease Liability	4,419	–	(1,901)	–	–	–	–	2,518	2,518	–
Other items	825	–	(332)	–	–	–	–	493	493	–
Share-based payments reserve	12,377	–	9,165	–	–	–	–	21,542	21,542	–
Tax losses carried forward	2,625	–	8,924	–	–	–	–	11,549	11,549	–
Tax assets/(liabilities) before set-off	8,073	–	17,761	–	–	–	–	25,834	39,290	(13,456)
Set-off of tax								–	(13,456)	13,456
Net tax assets/(liabilities)								25,834	25,834	–

Notes to the Financial Statements continued

1.4 Notes to the Cash Flow Statement

	2024 \$000's	2023 \$000's
Reconciliation of Cash Flows from Operating Activities with Profit/(Loss) after Income Tax		
Profit/(Loss) after income tax	83	(25,852)
Non-cash flows in profit:		
• depreciation & amortisation	15,054	16,584
• provision for aged and slow-moving stock	(2,617)	(3,632)
• issue of Performance Rights and Shares	3,939	31,267
• income tax expense/(benefit)	21,137	(12,205)
• unrealised loss/(gain)	107	(96)
• Realised foreign exchange gain on Mighty Ape Tranche 4 payment	(14)	-
• Mighty Ape Tranche 3 & 4 Accrual	-	(3,885)
• Accrued short-term incentive payment	1,548	-
• other	(121)	101
Changes in assets and liabilities:		
• (increase) in trade and term receivables	(1,363)	(1,063)
• (increase) in prepayments and other assets	(645)	(139)
• (increase)/decrease in inventories	(2,698)	95,919
• (decrease) in trade payables and accruals	(7,847)	(20,709)
• increase/(decrease) in deferred income	4,022	(647)
• increase in provisions	324	805
• tax paid	(2,723)	(5,591)
Cash flows from operating activities	28,186	70,857

SECTION 2: OPERATING ASSETS AND LIABILITIES

2.1 Working Capital

2.1.1 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle and includes all direct costs attributable to purchase, such as freight and insurance.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
CURRENT		
Inventory in transit	5,487	7,553
Inventory on hand	67,904	60,605
Total inventories	73,391	68,158

In 2024, inventories of \$291,266 thousand (2023: \$352,931 thousand) were recognised as an expense during the year and included in 'cost of sales'.

In addition, inventories were reduced by \$1,258 thousand (2023: \$3,876 thousand) as a result of the write-down to net realisable value, which was recognised as an expense during the year.

2.1.2a Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
CURRENT		
Trade receivables	3,468	4,422
Other receivables	3,302	1,010
Total trade and other receivables	6,770	5,432

Notes to the Financial Statements continued

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 3.2.

The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia given the substantial operations in this region. The Group’s exposure to credit risk for receivables at the end of the reporting period in those regions is as follows:

AUD	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
Australia	6,329	4,834
New Zealand	441	598
	6,770	5,432

The following table details the Group’s trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counterparty to the transactions. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balance of receivables that remain within initial trade terms (as detailed in the table) is considered to be of high credit quality.

	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)					
	Gross Amount \$000	Past Due and Impaired \$000	< 30 \$000	31-60 \$000	61-90 \$000	> 90 \$000
2024						
Trade and term receivables	4,977	–	2,569	1,998	82	328
Other receivables	1,793	–	1,793	–	–	–
Total	6,770	–	4,362	1,998	82	328
2023						
Trade and term receivables	4,422	–	3,962	165	68	227
Other receivables	1,010	–	1,010	–	–	–
Total	5,432	–	4,972	165	68	227

2.1.2b Prepayments and Other Current Assets

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
CURRENT		
Prepayments	3,220	2,681
Rental bond	247	247
Total prepayments and other assets	3,467	2,928

2.1.3a Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 45 days of recognition of the liability.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
CURRENT		
Trade payables	47,174	40,924
Other payables	25,712	20,505
Total Trade and other payables	72,886	61,429
CURRENT		
Mighty Ape Tranche 4	–	10,957
Total Acquisition payables	–	10,957

Mighty Ape – acquisition-related remuneration

Mighty Ape acquisition related remuneration refers to the provision for the likely payment of Mighty Ape Tranche 4 purchase price instalments as part of the Sale Agreement. Tranche 4 was contingent on the Mighty Ape Founder & former CFO, Simon Barton, remaining with the Business until the delivery of the financial year 2023 results.

In line with accounting standards, in FY23 Tranches 4 payment was considered as compensation for post-combination services, and as such, treated as employee remuneration for accounting purposes. The Group proportionately accounted for these expenses up until the payment date in Oct 2023.

In FY24, Tranche 4 of the Mighty Ape acquisition was paid to Simon Barton, totalling \$10,957 thousand, completing the final Mighty Ape acquisition tranche payment.

Notes to the Financial Statements continued

2.1.3b Lease liability

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease liability contracts of the Group relate to warehouse space commitments, office premises and logistics equipment, including forklifts. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly, and should be physically, or represent substantially, all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of asset. The Group has this right when it has the decision-making rights that are most relevant to determining how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
 - The Group has the right to operate the asset; or
 - The Group designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual guarantee; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the statement of financial position. As at 30 June 2024, the net carrying amount of the right-of-use asset is \$21,695 thousand (2023: \$15,130 thousand), please refer to note 2.3.

The lease liability as of 30 June 2024 is presented below:

Lease liability – Maturity analysis

	2024 \$000	2023 \$000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	8,737	8,644
One to five years	16,400	8,070
More than five years	1,052	–
Total undiscounted lease liabilities as at 30 June	26,189	16,714
Lease liabilities included in the statement of financial position as at 30 June	23,035	15,732
Current	7,553	7,532
Non-current	15,482	8,200

2.1.3c Deferred Income

Deferred Income relates to receipts from the sale of the goods which have not been dispatched, unfulfilled services to be performed under the Group's Kogan FIRST and Mighty Ape PRIMATE loyalty programs and advertising fees received upfront with the obligation to be fulfilled in a future period as per the agreement.

Recognition of the deferred income balance from 30 June 2023 was recognised in its entirety in FY24, subject to any subsequent refunds processed.

	2024 \$000	2023 \$000
CURRENT		
Deferred Income	17,167	13,155
Total Deferred Income	17,167	13,155

2.2 Intangible Assets

(i) Patents and Trademarks

Patents and Trademarks relate to the Company's private label exclusive products as well as brand names and associated images across the various brands including Mighty Ape, Brosa, Matt Blatt, Dick Smith and Kogan.com. They are measured at cost less any accumulated amortisation and accumulated impairment losses.

(ii) Website development and software costs

Website development and software costs are measured at cost less any accumulated amortisation and accumulated impairment losses. Such development costs are only capitalised if they can be reliably measured, the process is technically and commercially feasible, future economic benefits are probable, and the Group has sufficient resources to complete development.

(iii) Intellectual property

Acquired intellectual property, including customer lists, which enable direct marketing of products and services, are capitalised to the extent it is probable that expected future economic benefits attributable to the asset will flow to the entity, and the cost can be reliably measured.

Notes to the Financial Statements continued

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the Statement of Comprehensive Income.

Intangibles that are considered to have indefinite useful lives are not subject to amortisation.

The estimated useful lives for the current and comparative periods are as follows:

Patents and trademarks – general	2.5 years
Patents and trademarks – Matt Blatt	10.0 years
Website development costs	2.0 years
Software costs	2.5 years
Intellectual property	2.0 years
Brand Names	10.0 – 15.0 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

(vi) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. They are allocated to reduce the carrying amount of assets in the CGU on a pro-rata basis only if Goodwill has been fully impaired. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

(vii) Impairment testing for Goodwill

Goodwill arising on the acquisition of Mighty Ape in New Zealand of \$46,311 thousand, has been allocated to the Mighty Ape Cash Generating Unit ("CGU") based on its expected earnings contribution to the Group arising from the acquisition.

The recoverable amount of the Mighty Ape CGU has been determined based on a value in use calculation using cash flow projections over a 5-year period based on financial budgets approved by the Group's Board for FY25 together with projected growth in future years. The projected cash flows have been updated to reflect current economic forecasts and business growth opportunities.

The Group performed its annual impairment test applying the following key assumptions:

In percent	FY24	FY23
Discount rate (post-tax)*	13.9	14.8
Terminal growth rate	2.0	2.0
Revenue growth rate – 5 year CAGR ²⁵	9.9	14.0
EBITDA growth rate – 5 year CAGR ²⁵	29.2	28.7

* The equivalent pre-tax discount rates are 17.2% for FY24 and 19.3% for FY23.

The increase in the EBITDA growth rate is a result of the expected impact of the Mighty Ape PRIMATE loyalty program and launch of new Verticals in New Zealand in FY25, in addition to a number of other initiatives. EBITDA growth is expected to outpace Revenue as these are largely Platform-based sales with high margin earnings.

The calculation of value in use for the Mighty Ape CGU is most sensitive to the following assumptions:

- Discount rates – based on Mighty Ape’s weighted average costs of capital (WACC). The discount rate is a post-tax measure estimated based on the average rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cashflow, weighted in the proportion to the market value of the debt and equity capital provided.
- Revenue and EBITDA 5-year CAGR – reflects Mighty Ape’s forecasted operating and financial performance based on past experience, a number of initiatives, improvements from efficiencies and market factors such as forecast growth in the New Zealand online retail industry.

Sensitivity Analysis

The estimated recoverable amount of the Mighty Ape CGU exceeded its carrying amount by \$22,653 thousand (2023: \$19,544 thousand). A reasonable possible change to the financial performance, including key assumptions, could lead to an impairment. The following outlines the amount by which the key assumptions would need to change for the estimated recoverable amount to equal the carrying amount.

- The discount rate would be required to increase by 2.5pp before goodwill would need to be impaired, with all other key assumptions remaining constant.
- The 5-year Revenue CAGR would need to decrease by 2.5pp, before goodwill would need to be impaired. In this sensitivity analysis, the same reduction is applied to COGS and variable operating costs, with a flow on impact to EBITDA 5-year CAGR. Other key assumptions remain constant.
- The 5-year EBITDA CAGR would need to decrease by 4.7pp before goodwill would need to be impaired. Other key assumptions remain constant.

25. Compound Annual Growth Rate.

Notes to the Financial Statements continued

	CONSOLIDATED GROUP	
	2024	2023
	\$000	\$000
Patents and trademarks:		
Cost	45,695	45,595
Accumulated amortisation	(12,801)	(9,580)
Net carrying amount	32,894	36,015
Website development costs:		
Cost	20,287	16,935
Accumulated amortisation	(15,480)	(11,861)
Net carrying amount	4,807	5,074
Software costs:		
Cost	1,288	1,288
Accumulated amortisation	(1,287)	(1,236)
Net carrying amount	1	52
Intellectual property:		
Cost	23,770	23,770
Accumulated amortisation	(23,540)	(23,069)
Net carrying amount	230	701
Goodwill:		
Cost	46,311	46,311
Accumulated amortisation	–	–
Net carrying amount	46,311	46,311
Total intangibles	84,243	88,153

	Patents and trademarks \$000	Website develop- ment costs \$000	Software costs \$000	Intellectual property \$000	Goodwill \$000	Total \$000
Consolidated Group:						
Year ended 30 June 2023						
Balance at the beginning of the year	39,191	5,001	188	1,386	46,311	92,077
Additions	73	3,142	4	537	–	3,756
Disposals	–	–	–	–	–	–
Amortisation	(3,247)	(3,069)	(140)	(1,222)	–	(7,678)
Foreign Currency exchange differences	(2)	–	–	–	–	(2)
Closing value at 30 June 2023	36,015	5,074	52	701	46,311	88,153
Year ended 30 June 2024						
Balance at the beginning of the year	36,015	5,074	52	701	46,311	88,153
Additions	100	3,352	–	–	–	3,452
Disposals	–	–	–	–	–	–
Amortisation	(3,221)	(3,619)	(51)	(471)	–	(7,362)
Foreign Currency exchange differences	–	–	–	–	–	–
Closing value at 30 June 2024	32,894	4,807	1	230	46,311	84,243

2.3 Property, Plant and Equipment

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment is measured on a cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Comprehensive Income during the financial period in which they are incurred.

Notes to the Financial Statements continued

Depreciation

The depreciable amount of all fixed assets purchased is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rates
Equipment & Vehicles (straight-line basis)	6%-67%
Leasehold improvements	20%

Class of Fixed Asset	Lease Term
Right of use asset	2-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Comprehensive Income in the period in which they arise.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
Equipment & Vehicles:		
Cost	6,639	5,089
Accumulated depreciation	(3,641)	(3,006)
Net carrying amount	2,998	2,083
Leasehold improvements:		
Cost	39	40
Accumulated depreciation	(39)	(39)
Net carrying amount	–	1
Right-of-use asset:		
Cost	54,305	40,778
Accumulated depreciation	(32,610)	(25,648)
Net carrying amount	21,695	15,130
Total property, plant and equipment	24,693	17,214

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Equipment & Vehicles \$000	Leasehold improve- ments \$000	Right-of-use asset \$000	Total \$000
Consolidated Group:				
Year ended 30 June 2023				
Balance at the beginning of the year	2,551	4	22,087	24,642
Additions	404	–	1,363	1,767
Disposals	(277)	–	–	(277)
Depreciation Expense	(601)	(3)	(8,220)	(8,824)
Foreign Currency exchange differences	6	–	(100)	(94)
Closing value at 30 June 2023	2,083	1	15,130	17,214
Year ended 30 June 2024				
Balance at the beginning of the year	2,083	1	15,130	17,214
Additions	1,563	–	13,527	15,090
Disposals	(13)	–	–	(13)
Depreciation Expense	(630)	(1)	(7,009)	(7,640)
Foreign Currency exchange differences	(5)	–	47	42
Closing value at 30 June 2024	2,998	–	21,695	24,693

SECTION 3: CAPITAL STRUCTURE AND FINANCING

3.1 Loans and Borrowings

Debt Facilities

The group has multiple debt facilities, referred to as loans and borrowings in the balance sheet. The tables below set out the various structures of the debt facilities for Kogan.com and Mighty Ape as at balance dates.

Debt Facility	KOGAN		MIGHTY APE	
	2024 \$000 AUD	2023 \$000 AUD	2024 \$000 NZD	2023 \$000 NZD
Multi-option facility	35,000	35,000	Overdraft facility	1,500
Total Debt Facility	35,000	35,000	Trade finance facility	–
			Total Debt Facility	1,500
				7,500

Mighty Ape trade finance account was closed in December 2023.

Notes to the Financial Statements continued

For details relating to the amounts drawn down against these facilities, please refer to the table below. Mighty Ape drawn down amount is \$Nil for the financial year ended 30 June 2024 (FY23: Nil).

	CONSOLIDATED GROUP	
	2024 \$000 AUD	2023 \$000 AUD
Reconciliation of liabilities arising from financing activities		
Opening loans & borrowings	–	34,869
Drawdown of loans & borrowings	10,000	1,033
Repayment of loans & borrowings	(10,000)	(36,033)
Amortisation of borrowing costs	–	131
Balance at 30 June	–	–

3.2 Capital and Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and payable derivatives.

Financial risk management policies

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. This includes the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk and foreign currency risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through internal procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties' security liabilities of certain subsidiaries.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties.

However, the Group has significant credit risk exposures to Australia given the substantial operations in this region. Details with respect to credit risk of trade and other receivables are provided in Note 2.1.2a. The Group's exposure to credit risk is minimised given a significant portion of sales are paid for at the time purchase.

Management has assessed that trade and other receivables are either not past due or are considered to be of good credit rating. Aggregates of such amounts are detailed in Note 2.1.2a.

Cash and cash equivalents

Credit and risk related to balances with banks and other financial institutions is managed by management.

The Group held cash and cash equivalents of \$41,183 thousand as at 30 June 2024 and \$65,438 thousand as at the end of 30 June 2023. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A to AA-, based on S&P Global Ratings.

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of expected credit losses (ECLs) for cash and cash equivalents to those used for debt securities.

No impairment allowance was recognised during FY24 (FY23: Nil).

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Notes to the Financial Statements continued

Financial liability and financial asset maturity analysis

Consolidated Group	Note	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial liabilities due for payment									
Trade and other payables	2.1.3a	(72,886)	(61,429)	–	–	–	–	(72,886)	(61,429)
Acquisition payables		–	(10,957)	–	–	–	–	–	(10,957)
Lease liabilities	2.1.3b	(7,553)	(7,532)	(14,501)	(7,934)	(981)	(266)	(23,035)	(15,732)
Loan & borrowings	3.1	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–
Total expected outflows		(80,439)	(79,918)	(14,501)	(7,934)	(981)	(266)	(95,921)	(88,118)
Financial assets – cash flows realisable									
Cash and cash equivalents		41,183	65,438	–	–	–	–	41,183	65,438
Trade and other receivables	2.1.2a	6,770	5,432	–	–	–	–	6,770	5,432
Other financial assets		152	146	–	–	–	–	152	146
Total anticipated inflows		48,105	71,016	–	–	–	–	48,105	71,016
Net (Outflow)/inflow on financial instruments		(32,334)	(8,902)	(14,501)	(7,934)	(981)	(266)	(47,816)	(17,102)

Market risk

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

b. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US dollar may impact on the Group's financial results unless those exposures are appropriately hedged.

Foreign currency transactions

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Foreign exchange forward contracts

The Group has open foreign exchange forward contracts at the end of the reporting period relating to highly probable forecast transactions and recognised financial assets and financial liabilities. These contracts commit the Group to buy and sell specified amounts of foreign currencies in the future at specified exchange rates. It is the Group's policy to manage pricing of its products (with exception of ageing and obsolete inventory) according to specified target Gross Margins, rather than to sacrifice Gross Margin to drive sales volumes. In an environment where the Australian dollar may be declining, in particular, relative to the United States dollar, the Group's ability to price Third-Party branded international products competitively in comparison with other Australian retailers deteriorates (to the extent that those retailers have not adjusted retail prices). As a result, lower volumes of Third-Party branded international products are generally sold during periods of sharp decline in the Australian dollar, leading to lower revenues in that product segment. The reverse occurs in periods in which there is a sharp increase in the Australian dollar, while there has historically been a neutral revenue impact in periods in which the currency is relatively stable, whether that is at high or low levels.

The following table summarises the notional amounts of the Group's commitments in relation to foreign exchange forward contracts. The notional amounts do not represent amounts exchanged by the transaction counterparties and are therefore not a measure of the exposure of the Group through the use of the contracts.

	NOTIONAL AMOUNTS		AVERAGE EXCHANGE RATE	
	2024 \$000	2023 \$000	2024 \$	2023 \$
Consolidated Group				
Buy USD/sell AUD				
Settlement				
• less than 6 months	151	16,373	0.67	0.67
• 6 months to 1 year	–	–	–	–

The fair value of foreign exchange contracts at 30 June 2024 totalled \$386 (2023: \$96,476).

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in exchange rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	CONSOLIDATED GROUP	
	Profit \$000	Equity \$000
Year ended 30 June 2024		
+/-10bps in foreign exchange rates	–	–
Year ended 30 June 2023		
+/-10bps in foreign exchange rates	16	16

The Group, through its hedging of foreign exchange using forward contracts, reduces its exposure to foreign exchange risk by locking in the exchange rate with the bank on deal date. Any movement in interest rates has been deemed to be immaterial.

Notes to the Financial Statements continued

Fair values

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

Fair value estimation

The carrying value of financial assets and financial liabilities are not materially different to their fair values.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Financial assets and financial liabilities at fair value through profit or loss (FVTPL) are initially recognised at fair value and thereafter carried at fair value.

a. Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

b. Financial assets/financial liabilities at fair value through profit or loss

Financial assets/financial liabilities relating to foreign exchange forward contracts are measured at fair value and fair value changes are recognised in profit or loss.

c. Financial liabilities at amortised cost

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss when the financial liability is derecognised.

Derivative instruments

The Group enters into forward contracts to manage the cash flow risk attached to inventory purchased in foreign currency. The Group has elected not to adopt hedge accounting, with any period movements in the fair value of the derivative contract taken to the income statement.

Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost; and
- financial assets measured at FVTPL.

The Group measured loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and financial assets at FVTPL are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for security because of financial difficulties.

Notes to the Financial Statements continued

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For financial assets at FVTPL, the loss allowance is charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group holds the following financial assets and financial liabilities at reporting date:

	CONSOLIDATED GROUP		
	Note	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents		41,183	65,438
Trade and other receivables		6,770	5,432
Foreign exchange forward contracts		–	96
Other financial assets		152	50
Total financial assets		48,105	71,016
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables		72,886	61,429
Acquisitions payable – current		–	10,957
Lease liability – current		7,553	7,532
Lease liability – non-current		15,482	8,200
Total financial liabilities		95,921	88,118

Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- cash and cash equivalents; and
- foreign exchange forward contracts.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. Fair value hierarchy

AASB 9 *Financial Instruments* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Cash & cash equivalents and shares are Level 1 measurements, whilst foreign exchange contracts are Level 2. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The table below sets out the fair value of foreign exchange contracts and the shares as at 30 June 2024. This represented the amount 'in/(out) of the money' on financial instruments as at the reporting dates.

Fair Value	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
Foreign exchange contracts	–	96

b. Disclosed fair value measurements

The carrying amounts of assets and liabilities are the same as their carrying values.

The Group enters into forward exchange contracts to manage the foreign exchange risk attached to inventory purchased in foreign currency. The Group has elected not to adopt hedge accounting, with any period movements in the fair value of the derivative contract taken to the income statement.

The fair value of forward exchange contracts is determined based on an external valuation report using forward exchange rates at the balance sheet date.

Notes to the Financial Statements continued

3.3 Issued Capital and Reserves

a. Ordinary Shares

	CONSOLIDATED GROUP			
	2024 \$	2023 \$	2024 No.	2023 No.
Fully paid ordinary shares	270,011,699	291,013,771	100,616,298	104,690,203

Ordinary Shares participate in dividends and the distribution of proceeds upon the winding-up of the parent entity, in proportion to the number of shares held. They carry one vote per share, with each shareholder entitled to one vote on a show of hands or one vote per share in a poll. The Company does not have authorised capital or par value for its issued shares.

b. Movement in Ordinary Shares

Details	Date	Shares No.	Issue price	\$
Balance	30 June 2022	106,927,603		301,081,639
Shares issued to eligible employees under an incentive plan	23 August 2022	116,495	\$3.99	464,945
Tax deduction for difference between accounting expense and funds paid to issue incentive plans	31 December 2022	–	–	2,757
Shares issued to eligible employees under an incentive plan	27 February 2023	32,445	\$7.74	251,018
On-market share buy-back	30 June 2023	(1,563,000)	\$4.44	(6,944,159)
On-market share buy-back	30 June 2023	(823,340)	\$4.67	(3,842,429)
Balance	30 June 2023	104,690,203		291,013,771
Shares issued to eligible employees under an incentive plan	22 August 2023	174,928	\$8.11	1,418,103
On-market share buy-back	15 September 2023	(1,521,734)	\$5.24	(7,980,869)
On-market share buy-back	6 October 2023	(309,119)	\$5.14	(1,590,249)
On-market share buy-back	10 November 2023	(580,239)	\$4.75	(2,757,631)
Shares issued to eligible employees under an incentive plan	29 November 2023	3,307	\$5.21	17,229
On-market share buy-back	29 December 2023	(1,033,964)	\$5.22	(5,393,199)
On-market share buy-back	12 January 2024	(447,076)	\$4.95	(2,211,185)
Shares issued to eligible employees under an incentive plan	26 February 2024	78,297	\$4.77	373,497
On-market share buy-back	15 March 2024	(367,010)	\$8.22	(3,015,605)
Dividend reinvestment plan	31 May 2024	135,077	\$7.68	1,037,797
On-market share buy-back	28 June 2024	(206,372)	\$4.36	(899,960)
Balance	30 June 2024	100,616,298		270,011,699

c. Merger reserve

The acquisition of Kogan Operations Holdings Pty Ltd by Kogan.com Ltd has been treated as a common control transaction at book value for accounting purposes, and no fair value adjustments have been made. Consequently, the difference between the fair value of issued capital and the book value of net assets acquired was recorded within a merger reserve of \$131,816,250.

d. Share-based payments reserve

The reserve of \$56,334,373 (FY23: \$71,808,120) has been used to recognise the value of equity-based compensation provided to employees as part of their remuneration. The Group measured the cost of equity-based compensation with employees by reference to the fair value of the Ordinary Shares at the date at which they were granted. The fair value has been determined using a discounted cash flow valuation model, taking into account the terms and conditions upon which the equity instruments were granted, as discussed in Note 5.2.

It was announced on 4 April 2024 that Ruslan Kogan and David Shafer had collectively exercised 6,000,000 Options granted to them during the 2020 AGM.

The Deed associated with these Options allowed for either equity-settlement or cash-settlement, based on the Board's discretion. At the time of granting the Options, they were valued in-the-money and the intention was to equity-settle them upon vesting. The Options were fully vested by 30 June 2023, with the value of share-based payments reserve amounting to \$66,536,098.

On 4 April 2024, the Board exercised their discretion to cash-settle the Options primarily to avoid dilution of other Shareholders' interest. This discretion was exercised following a review of the Company's Balance Sheet and current initiatives (no immediate merger & acquisition activity and available cash reserves following the commencement of a Buy Back).

At the time of exercise, the 20-day VWAP was \$8.224 per Option, and the strike price associated with the Options was \$5.29. This resulted in a cash payment of \$17,604,000, being $[\$8.224 - \$5.29] \times 6,000,000$ Options, against the share-based payments reserve. The remaining value of the Options in the Share-based Payments reserve, of \$48,932,098, will remain indefinitely.

e. Share buy-back

The Group commenced an on-market share buy-back program in May 2023, anticipated to remain ongoing until May 2025. The Group purchased \$23,849 thousand of shares during the year (FY23: \$10,878 thousand), resulting in a reduction of Issued Capital.

f. Capital management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Notes to the Financial Statements continued

3.4 Dividends

During FY24, The Board declared and paid an Interim Dividend at 7.5 cents per Ordinary Shares. The Dividend Reinvestment Plan (DRP) applied to the Interim Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

Details of the Interim Dividend along with the DRP applicable is below.

	CONSOLIDATED GROUP	
	2024 \$000	2023 \$000
Dividends paid during the year	7,542	–
Dividend reinvestment plan	(1,038)	–
Dividends paid net of dividend reinvestment plan	6,504	–

a. Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity before or at the end of the financial year but not distributed at balance date.

The final 2024 Dividend has not been declared at the reporting date and therefore is not reflected in the consolidated financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial reports.

Dividends	2024 Final	2024 Interim	2023 Final	2023 Interim
Dividends per Share (in cents)	7.5	7.5	–	–
Franking percentage	100%	100%	–	–
Payment date	29 Nov 2024	31 May 2024	–	–
Dividend record date	12 Sep 2024	15 Apr 2024	–	–

b. Franking credits

The franking account balance as at 30 June 2024 is \$10,383,084 (2023: \$10,528,182).

3.5 Earnings per Share

a. Basic earnings per share

	CONSOLIDATED GROUP	
	2024	2023
Net profit/(loss) for the reporting period	83,347	(25,852,194)
Net profit/(loss) for the reporting period used in calculating EPS	83,347	(25,852,194)
Weighted average number of ordinary shares of the entity	102,522,369	107,613,697
Basic Earnings per Share	0.00	(0.24)

b. Diluted earnings per share

	CONSOLIDATED GROUP	
	2024	2023
Profit/(Loss) for the reporting period	83,347	(25,852,194)
Weighted average number of ordinary shares of the entity on issue	102,522,369	107,613,697
Adjustments to reflect potential dilution for Performance Rights & Options	1,498,488	6,174,935
Diluted weighted average number of Ordinary Shares of the entity	104,020,857	113,788,632
Diluted Earnings per Share	0.00	(0.23)

SECTION 4: GROUP STRUCTURE**4.1 Controlled Entities****a. Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of Ordinary Shares or, in the case of Kogan Technologies Unit Trust, Ordinary Units, which are held directly by the Group. Kogan.com Holdings Pty Ltd is the Trustee of the Kogan Technologies Unit Trust. The Trustee and the Trust are wholly-owned entities within the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	OWNERSHIP INTEREST HELD BY THE GROUP	
		2024 %	2023 %
Kogan Mobile Operations Pty Ltd (formerly Kogan Mobile Australia Pty Ltd)	Australia	100	100
Kogan Mobile Pty Ltd	Australia	100	100
Kogan Australia Pty Ltd	Australia	100	100
Kogan International Holdings Pty Ltd	Australia	100	100
Kogan HK Limited	Hong Kong	100	100
Kogan HR Pty Ltd	Australia	100	100
Kogan Travel Pty Ltd	Australia	100	100
Dick Smith IP Holdings Pty Ltd (formerly Kogan Technologies UK Pty Ltd)	Australia	100	100
Online Business Number 1 Pty Ltd	Australia	100	100
Kogan Technologies Unit Trust	Australia	100	100
Kogan.com Holdings Pty Ltd	Australia	100	100
Kogan Operations Holdings Pty Ltd	Australia	100	100
Kogan Superannuation Pty Ltd	Australia	100	100
Matt Blatt Pty Ltd	Australia	100	100
Mighty Ape Limited	New Zealand	100	100
Mighty Ape Australia Pty Ltd	Australia	100	100

Notes to the Financial Statements continued

b. Significant restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

4.2 Deed of Cross Guarantee

A deed of cross guarantee between Kogan.com Ltd and its entities listed above was enacted during FY22 and relief was obtained from preparing individual financial statements for the Group under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Under the deed, Kogan.com Ltd guarantees to support the liabilities and obligations of its subsidiaries listed above. As its entities are a party to the deed the income statement and balance sheet information of the combined class-ordered group is equivalent to the consolidated information presented in this financial report.

4.3 Parent Entity Disclosures

The following information has been extracted from the books and records of the parent (Kogan.com Ltd) and has been prepared in accordance with Australian Accounting Standards.

	2024 \$000	2023 \$000
Statement of Financial Position		
ASSETS		
Current assets	3,718	23,248
Non-current assets	182,009	178,675
TOTAL ASSETS	185,727	201,923
LIABILITIES		
Current liabilities	1,854	392
Non-current liabilities	22,508	–
TOTAL LIABILITIES	24,362	392
NET ASSETS	161,365	201,531
EQUITY		
Share capital	270,012	291,014
Merger reserve	(131,816)	(131,816)
Performance Rights reserve	56,334	71,808
Dividends	–	–
Retained earnings	(33,165)	(29,475)
TOTAL EQUITY	161,365	201,531
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(4,195)	(21,247)
Total comprehensive income	(4,195)	(21,247)

There are no contingent liabilities or contractual commitments by the parent entity as at 30 June 2024 (2023: nil).

4.4 Related Parties

a. The Group's main related parties are as follows:

(i) Entities exercising control over the Group:

The ultimate parent entity that exercised control over the Group at year-end was Kogan.com Ltd, which is incorporated in Australia.

(ii) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the entity, are considered Key Management Personnel (refer to 5.1).

(iii) Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement. There are no such entities at year end (2023: nil).

(iv) Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which Key Management Personnel have joint control.

b. Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

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.

	CONSOLIDATED GROUP	
	2024	2023
	\$	\$
Services provided by eStore warehousing	1,851,851	3,851,485
Amounts payable to eStore as at 30 June	117,994	253,873

Notes to the Financial Statements continued

SECTION 5: EMPLOYEE REWARD AND RECOGNITION

5.1 Key Management Personnel Compensation

As deemed under AASB 124 *Related Party Disclosures*, Key Management Personnel (KMP) include each of the Directors, both Executive and Non-Executive, and those members who have authority and responsibility for planning, directing and controlling activities within the business.

A summary of the KMP compensation is set out in the following table. Refer to the Remuneration Report for full details.

	CONSOLIDATED GROUP	
	2024 \$	2023 \$
Cash Salary	2,310,471	1,670,778
Short-term incentives	1,548,000	–
Post-employment	75,536	57,451
Payment upon resignation	179,216	–
Long-term benefits	182,023	108,726
Equity-based compensation	668,679	27,928,021
Other long-term benefits	–	(3,885,469)
	4,963,925	25,879,507

Movement in shares

The movement during the reporting period in the number of Ordinary Shares in Kogan.com held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Executive KMP

	Held at 1 July 2023	Received on exercise of rights	Shares purchased	Shares Sold	Held at 30 June 2024
Ruslan Kogan	15,853,321	–	–	–	15,853,321
David Shafer	5,225,642	–	–	(2,000,000)	3,225,642

Other Non-Executive KMP

	Held at 1 July 2023	Received on exercise of rights	Shares purchased	Shares Sold	Held at 30 June 2024
Gracie MacKinlay ²⁶	500	–	–	–	500
Daniel Balasoglou	–	–	–	–	–

Non-Executive Directors

	Held at 1 July 2023	Received on exercise of rights	Shares purchased	Shares Sold	Held at 30 June 2024
Greg Ridder	158,000	–	–	–	158,000
Harry Debney	98,099	–	–	–	98,099
Janine Allis	14,761	–	–	–	14,761
James Spenceley	10,000	–	–	–	10,000

26. Gracie Mackinlay was a Non-Executive KMP from 01 July 2023 to 8 April 2024.

5.2 Incentive Plans

Kogan.com Ltd has adopted an Equity Incentive Plan (EIP) to assist in the motivation and retention of management and selected team members.

The Group has established incentive arrangements subsequent to listing on the ASX to assist in the attraction, motivation and retention of the executive team and other selected team members. To align the interests of its employees and the goals of the Group, the Directors have decided the remuneration packages of the executive team and other selected team members will consist of the following components:

- fixed remuneration (inclusive of superannuation);
- short-term cash-based incentives; and
- equity based long-term incentives.

The Group has established the EIP, which is designed to align the interests of eligible employees more closely with the interests of Shareholders in the listed entity post 7 July 2016. Under the EIP, eligible employees may be offered Restricted Shares, Options or Rights which may be subject to vesting conditions. The Group may offer additional long-term incentive schemes to senior management and other employees over time.

Short-term incentives – Cash-based

The following table outlines the significant aspects of the STI for senior management excluding KMPs.

Purpose of STI plan	Provide a link between remuneration and both short-term Company and individual performance. Create sustainable Shareholder value. Reward individual for their contribution to the success of the Group. Actively encourage team members to take more ownership over the Adjusted EBITDA ²⁷ .
Eligibility	Offers of cash incentives may be made to any team members of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of cash incentive under the STI.
Calculation & Target	The actual Adjusted EBITDA ²⁷ of Kogan.com shall exceed the Board established budget for the full financial year (after payment of the STI). 25% of the outperformance will be allocated to a 'bonus pool'. The 'bonus pool' will then be shared in cash bonuses among a number of team members in fixed proportions.
Maximum opportunity	The maximum payable is 25% of the outperformance and 35% of the team member's annual salary.
Performance conditions	Outperformance of the Adjusted EBITDA ²⁷ . Adjusted EBITDA ²⁷ represents the underlying performance of the business Continuation of employment.
Why were the performance condition chosen	To achieve successful and sustainable financial business outcomes as well as any annual objectives that drive short-term and long-term business success and sustainability.
Performance period	1 July 2023 to 30 June 2024.
Timing of assessment	August 2024, following the completion of the 30 June 2024 accounts.
Form of payment	Paid in cash.
Board discretion	Targets are reviewed annually and the Board has discretion to adapt appropriately to take into account exceptional items.

27. Non-IFRS measure.

Notes to the Financial Statements continued

The following table outlines the significant aspects of the STI for Executive Management.

Purpose of the Executive Management STI plan	Create a link between reward and performance of the Group over both the short and long term, for the Executive Management.
Eligibility	Offers of cash incentives may be made to Executive Management, being Ruslan Kogan (CEO) and David Shafer (CFO & COO).
Calculation & target	A STI is payable if the Adjusted EBITDA ²⁸ of Kogan.com exceeds at least 95% of the Board established forecast estimate for the full financial year. The value of STI payable to Executive Management may range between 37.5% of base remuneration (if the Company achieved at least 95% of forecast estimates) and up to a maximum of 112.5% of base remuneration (if the Company achieved at least 110% of forecast estimates).
Maximum opportunity	The maximum payable is 112.5% of base remuneration if the Company achieves at least 110% of forecast estimates.
Performance conditions	Achievement of at least 95% of Board established forecast estimate of Adjusted EBITDA ²⁸ for the full financial year. Continuation of employment.
Why were the performance conditions chosen	To achieve successful and sustainable financial business outcomes as well as any annual objectives that drive short-term and long-term business success and sustainability.
Performance period	1 July 2023 to 30 June 2024.
Time of assessment	August 2024, following completion of the 30 June 2024 accounts.
Form of payment	Paid in cash.
Board discretion	Targets are reviewed annually and the Board has discretion to adapt appropriately to take into account exceptional items.

Long-term incentives – Equity Incentive Plan

The Group has established an Equity Incentive Plan (EIP), which is designed to align the interests of eligible team members more closely with the interests of Shareholders in the listed entity. Under the EIP, eligible team members may be offered Performance Rights or Options which may be subject to vesting conditions. The Group may offer additional long-term incentive schemes to senior management and other team members over time.

The following table outlines the significant aspects of the current EIP.

Purpose of LTI plan	Support the strategy and business plan of the Group. Align the interests of team members more closely with the interests of Shareholders. Reward individuals for their contribution to the success of the Group over the long-term.
Eligibility	Offers of Incentive Securities (Performance Rights or Options) may be made to any team member of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Incentive Securities under the EIP.
Service condition on vesting	Individuals must be employed by the Group at the time of vesting and not be in their notice period.
Form of award and payment	Performance Rights or Options.
Board discretion	The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the EIP.
Consideration	Nil.

28. Non-IFRS measure.

Rights	Each Right confers on its holder an entitlement to a Share, subject to satisfaction of applicable conditions.
Restrictions on dealing	<p>Shares allocated upon exercise of Performance Rights will rank equally with all existing Ordinary Shares from the date of issue (subject only to the requirements of Kogan.com's Securities Trading Policy).</p> <p>Upon vesting, there will be no disposal restrictions placed on the Ordinary Shares issued to participants (subject only to the requirements of Kogan.com's Securities Trading Policy).</p>
Lapse of Rights	<p>A Right will lapse upon the earliest to occur of:</p> <ul style="list-style-type: none"> • Expiry date (relevant for Options); • Failure to meet vesting conditions; • Employment termination; • The participant electing to surrender the Right; and • Where, in the opinion of the Board, a participant deals with a Right in contravention of any dealing restrictions under the EIP.

Recognition and measurement

a. Equity-settled transactions

The charge related to equity-settled transactions with team members is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. The fair value is determined using a discounted cash flow valuation model. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Third-party experts are engaged to advise in this area where necessary. Judgements are also applied in relation to estimations of the number of rights which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions.

The Group issues equity-settled share-based payments to certain team members, whereby team members render services in exchange for Shares or Rights over Shares of the Parent Company.

Equity-settled awards are measured at fair value at the date of grant. The cost of these transactions is recognised in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and credited to equity on a straight-line basis over the vesting period after allowing for an estimate of shares that will eventually vest. The level of vesting is reviewed annually and the charge adjusted to reflect actual and estimated levels of vesting.

Where an equity-settled share-based payment scheme is modified during the vesting period, an additional charge is recognised over the remainder of that vesting period to the extent that the fair value of the revised scheme at the modification date exceeds the fair value of the original scheme at the modification date. Where the fair value of the revised scheme does not exceed the fair value of the original scheme, the Group continues to recognise the charge required under the conditions of the original scheme. Individuals must be employed by the Group at the time of vesting, and not in their notice period, to be entitled to the equity incentives.

b. Cash-settled transactions

The amount payable to team members in respect of cash-settled share-based payments is recognised as an expense, with a corresponding increase in liabilities, over the period which the team members become unconditionally entitled to the payment. The liability is measured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in profit or loss.

Notes to the Financial Statements continued

c. Expense recognised in profit or loss

During the period the Group recognised a share-based payment expense of \$3,939,081 (2023: \$31,267,008) which relates to Performance Rights and Options granted during the year or in previous years.

The Group has recognised an expense of \$1,548 thousand in relation to cash-based short-term incentives in 2024 (2023: nil).

Long-term incentives – Equity

Disclosure of outstanding Options

Grant date	Vesting date	Expiry date	Exercise price	No. of shares
3 Dec 2020	1 Apr 2023	1 Apr 2025	\$16.38	61,632
7 Oct 2021	29 Feb 2024	31 Aug 2024	\$9.88	280,000
30 Jun 2022	27 Feb 2024	27 Feb 2026	\$3.78	15,000
30 Jun 2022	27 Feb 2025	27 Feb 2027	\$3.78	15,000
30 Jun 2022	27 Feb 2026	28 Feb 2028	\$3.78	15,000
30 Jun 2022	27 Feb 2027	28 Feb 2029	\$3.78	15,000
4 Oct 2022	1 Sep 2024	1 Sep 2026	\$3.68	178,773
4 Oct 2022	31 Dec 2024	31 Dec 2026	\$3.68	72,233
13 Jan 2023	30 Jun 2024	30 Jun 2026	\$3.68	1,359
26 Sep 2023	30 Jun 2025	30 Jun 2027	\$4.35	16,635
Total share options				670,632

Disclosure of outstanding Performance rights

Grant date	Vesting date	Share price at grant date	No. of shares
17 Aug 2020	31 Dec 2024	\$20.51	170
29 Jan 2021	30 Jun 2024	\$17.99	34,273
16 Apr 2021	30 Jun 2024	\$13.31	3,133
30 Jun 2021	30 Jun 2024	\$11.58	90,349
25 Aug 2021	30 Jun 2024	\$10.80	2,245
25 Aug 2021	30 Jun 2025	\$10.80	1,768
7 Oct 2021	30 Jun 2024	\$9.74	1,000
6 Apr 2022	30 Jun 2024	\$5.59	164,980
6 Apr 2022	30 Jun 2025	\$5.59	155,200
30 Jun 2022	30 Jun 2024	\$2.78	23,147
23 Aug 2022	30 Jun 2024	\$3.55	3,686
23 Aug 2022	30 Jun 2025	\$3.55	9,828
3 Oct 2022	30 Jun 2024	\$2.93	94,391
3 Oct 2022	31 Dec 2024	\$2.93	9,511
3 Oct 2022	30 Jun 2025	\$2.93	29,887
3 Oct 2022	30 Jun 2026	\$2.93	4,077
12 Jan 2023	30 Jun 2024	\$4.02	5,468
12 Jan 2023	31 Dec 2024	\$4.02	11,951
31 Jan 2023	30 Jun 2024	\$4.50	5,935

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Grant date	Vesting date	Share price at grant date	No. of shares
31 Jan 2023	30 Jun 2025	\$4.50	5,935
14 Apr 2023	30 Jun 2024	\$3.61	13,333
14 Apr 2023	31 Dec 2024	\$3.61	19,126
14 Apr 2023	30 Jun 2025	\$3.61	13,333
14 Apr 2023	31 Dec 2025	\$3.61	12,317
14 Apr 2023	30 Jun 2026	\$3.61	13,334
14 Apr 2023	31 Dec 2026	\$3.61	9,756
22 Aug 2023	30 Jun 2025	\$5.07	7,500
22 Aug 2023	30 Jun 2026	\$5.07	7,500
26 Sep 2023	30 Jun 2024	\$5.10	50,722
26 Sep 2023	31 Dec 2024	\$5.10	14,292
26 Sep 2023	30 Jun 2025	\$5.10	14,943
26 Sep 2023	31 Dec 2025	\$5.10	29,884
26 Sep 2023	30 Jun 2026	\$5.10	4,598
26 Sep 2023	31 Dec 2026	\$5.10	29,890
29 Nov 2023	29 Nov 2023	\$5.21	3,307
29 Nov 2023	30 Jun 2024	\$5.21	3,307
21 Dec 2023	31 Dec 2024	\$5.10	65,242
21 Dec 2023	30 Jun 2025	\$5.10	261,013
21 Dec 2023	30 Jun 2026	\$5.10	322,179
26 Feb 2024	31 Dec 2024	\$7.57	10,195
1 Apr 2024	31 Dec 2024	\$8.00	2,250
1 Apr 2024	31 Dec 2025	\$8.00	2,250
1 Apr 2024	31 Dec 2026	\$8.00	2,250
6 May 2024	30 Jun 2025	\$4.71	13,000
6 May 2024	30 Jun 2026	\$4.71	13,000
28 Jun 2024	30 Jun 2025	\$4.17	4,271
28 Jun 2024	30 Jun 2026	\$4.17	3,023
28 Jun 2024	31 Dec 2026	\$4.17	1,898
28 Jun 2024	31 Dec 2027	\$4.17	1,898
30 Jun 2024	30 Jun 2025	\$4.17	1,708
30 Jun 2024	31 Dec 2025	\$4.17	2,000
30 Jun 2024	30 Jun 2026	\$4.17	32,165
30 Jun 2024	31 Dec 2026	\$4.17	39,667
30 Jun 2024	30 Jun 2027	\$4.17	28,749
30 Jun 2024	31 Dec 2027	\$4.17	39,668
Total shares			1,750,502

Notes to the Financial Statements continued

Incentive Plans inputs

Disclosure of fair value measurement for Options granted this financial year

The fair value of the share-based payment plan has been measured using the Black-Scholes formula.

The expected volatility for options granted during the year ended 30 June 2024 is based on the daily closing share prices for the years leading up to the options' vesting, as they are anticipated to be exercised immediately upon vesting.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plan were as follows:

	2024	2023
Fair value at grant date	\$1.73	\$1.30
Share price at grant date	\$4.85	\$3.47
Exercise price	\$4.35	\$3.68
Expected volatility (weighted average)	60.36%	69.18%
Expected life (weighted average)	3.80	4.17
Expected dividend yield	0.00%	1.40%
Risk-free interest rate (based on government bonds)	3.37%	3.26%

Reconciliation of outstanding Long-term Incentive Plans

The following table details the total movement in Options issued by the Group during the year:

	LONG-TERM INCENTIVE PLANS			
	OPTIONS			
	2024		2023	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Outstanding at beginning of period	6,653,997	\$5.51	6,401,632	\$5.51
Granted during the period	16,635	\$4.35	274,035	\$3.68
Forfeited during the period	–	–	(21,670)	\$3.78
Exercised during the period	(6,000,000)	\$5.29	–	–
Expired during the period	–	–	–	–
Outstanding at the end of the period	670,632	\$7.46	6,653,997	\$5.51
Due to vest/exercisable at the end of the period	1,359	\$3.68	6,000,000	\$5.29

The following table details the total movement in Performance Rights issued by the Group during the year:

	LONG-TERM INCENTIVE PLANS	
	PERFORMANCE RIGHTS	
	2024	2023
	No. of shares	No. of shares
Outstanding at beginning of period	1,199,661	963,331
Granted during the period	1,033,631	452,618
Exercised during the period	(253,225)	(148,940)
Forfeited during the period	(229,565)	(67,348)
Expired during the period	–	–
Outstanding at the end of the period	1,750,502	1,199,661
Due to vest/exercisable at the end of the period	495,969	179,142

SECTION 6: OTHER

6.1 Subsequent Events

The Directors have declared a final Dividend of 7.5 cents per Ordinary Share, fully franked. The final Dividend was not determined until after the Balance Sheet date and accordingly no provision has been recognised at 30 June 2024.

The Dividend Reinvestment Plan will apply to the final Dividend at a 2.5% discount to the 5-day volume weighted average price of shares sold on the ASX from the trading day prior to the record date.

There are no other subsequent events post reporting date 30 June 2024.

6.2 Remuneration of Auditors

	CONSOLIDATED GROUP	
	2024 \$	2023 \$
Remuneration of the auditors for:		
Auditing or reviewing the financial statements	500,731	465,938
Non-audit services – Tax advisory and compliance	43,909	119,774
	544,640	585,712

6.3 Commitments

There were no Commitments as at 30 June 2024 (30 June 2023: \$2,139 thousand expense annually over a 2 year period for the lease of a Sydney warehouse).

6.4 Contingent Liabilities

As at 30 June 2024, the Group had bank guarantees of A\$1,200 thousand (30 June 2023: A\$1,200 thousand) and NZ\$2,600 thousand (30 June 2023: NZ\$8,600 thousand) with Westpac Banking Corporation in relation to its ordinary course of business. Additionally, the Group had a bank guarantee of NZ\$1,000 thousand with the Bank of New Zealand (BNZ).

6.5 Company Information

The registered office of the Company is:

Kogan.com Ltd
Level 7
330 Collins Street
Melbourne VIC 3000

The principal place of business is:

Kogan.com Ltd
139 Gladstone Street
South Melbourne VIC 3205

Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2024

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements as at the end of the financial year as required by the *Corporations Act 2001* (s. 295(3A)(a)).

Each entity is a tax resident in the jurisdiction it was formed or incorporated, other than Kogan HK Limited. Kogan HK Limited, though established in Hong Kong, is considered to be an Australian resident company for tax purposes because it carries on a business in Australia, it is centrally managed and controlled in Australia and it has a controlling shareholder that is an Australian resident.

Entity Name	Body corporate, partnership or trust	Place incorporated/formed	% of share capital held directly or indirectly by the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Kogan.com Ltd	Body Corporate	Australia		Australian	N/A
Kogan Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan Mobile Operations Pty Ltd (formerly Kogan Mobile Australia Pty Ltd)	Body Corporate	Australia	100%	Australian	N/A
Kogan Mobile Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan International Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan HK Limited	Body Corporate	Hong Kong	100%	Australian	N/A
Kogan HR Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan Travel Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Dick Smith IP Holdings Pty Ltd (formerly Kogan Technologies UK Pty Ltd)	Body Corporate	Australia	100%	Australian	N/A
Online Business Number 1 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan Technologies Unit Trust	Trust	Australia	N/A	Australian	N/A
Kogan.com Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan Operations Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Kogan Superannuation Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Matt Blatt Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Mighty Ape Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Mighty Ape Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

Directors' Declaration

- 1 In the opinion of the Directors of Kogan.com Ltd ('the Company'):
- (a) the consolidated financial statements and notes that are set out on pages 47 to 93 and the Remuneration report in sections 27 to 43 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) the Consolidated entity disclosure statement as at 30 June 2024 set out on page 94 is true and correct; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 There are reasonable grounds to believe that the Company and the group entities identified in Note 4.1 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
- 3 The Directors have been given the declarations required by Sections 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.
- 4 The Directors draw attention to the Basis of Preparation note to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.
- 5 This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ending 30 June 2024.

Signed in accordance with a resolution of the Directors:



David Shafer
Executive Director

Melbourne, 26 September 2024

Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Kogan.com Ltd

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Kogan.com Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated income statement and consolidated statement of other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Director's Declaration

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The **Key Audit Matters** we identified are:

- Revenue recognition
- Valuation of goodwill

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (\$459.7m)

Refer to Note 1.1 to the financial report

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition from sale of goods is a key audit matter due to the:</p> <ul style="list-style-type: none"> - relative size of sale of goods revenue (being 81% of total revenue) within the Group's consolidated income statement; - significant audit effort to test the high volume of sale of goods transactions recorded as revenue by the Group; - the Group has specific processes and controls they perform at year end to check revenue is recognised in the right period. This increases the risk of bias and our audit effort to check revenue transactions are recorded in the correct reporting period. <p>Revenue recognition from the Group's Kogan FIRST Subscriptions (Kogan</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluating the Group's accounting policies for revenue recognition against the requirements of the accounting standards and our understanding of the business; • Understanding processes and testing key controls relating to the sale of goods; • For a sample of sale of goods revenue recognised by the Group throughout the year, we checked the amount of revenue recorded by the Group to the customer sales invoice and cash receipts obtained from the Group's bank or payment gateway statements. We checked the date revenue was recognised by the Group to the underlying shipping documentation and against the terms of sale of goods; • Selecting a sample of revenue transactions before and after the year end due to the increased risk of potential bias. For each sample selected we: <ul style="list-style-type: none"> ○ checked the amount of revenue recorded by the Group to the amount of the sales invoice to the customer and cash receipts to the Group's bank or payment gateway statements; and ○ checked the date the revenue was recognised to shipping documents; and • Evaluating the adequacy of the disclosures made in the financial report against the requirements of the accounting standards. <p>Our procedures included:</p>

Independent Auditor's Report continued

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<p>FIRST) is a key audit matter due to the judgements made by the Group in the recognition and measurement of revenue and associated deferred income and the level of audit effort required by us in assessing the Group's assumptions underlying the timing of its recognition based on the usage trend of member benefits over the 12-month membership period.</p>	<ul style="list-style-type: none"> • Evaluating the Group's accounting policies for revenue recognition against the requirements of the accounting standards and our understanding of the business; • Understanding processes and key elements to the accounting estimate by management in determining Kogan FIRST revenue and deferred income; • For a sample of Kogan FIRST payments received during the year, we checked the amount of gross revenue recorded by the Group to the customer sales invoice and cash receipts; • Assessing the Group's deferred income assumptions, including evaluating the underlying deferral rate used in the Group's assessment of Kogan FIRST deferred income and assessing the deferral rate against historical usage; • Recalculating the deferred income recognised as at the end of the year; and • Evaluating the adequacy of the disclosures made in the financial report against the requirements of the accounting standards.
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Valuation of goodwill (AUD \$46.3m)

Refer to Note 2.2 to the financial report

The key audit matter	How the matter was addressed in our audit
<p>A key audit matter was the Group's annual testing of the recoverability of goodwill valuation associated with Mighty Ape given the size of the balance (being 19% of total assets) and the estimation uncertainty associated with current economic and market conditions.</p> <p>The Group assessed valuation of the Mighty Ape Cash Generating Unit via detailed value in use (VIU) discounted cash flow modelling, which contains a number of assumptions.</p> <p>The Mighty Ape VIU model is internally developed and uses a range of internal and external data as inputs. Forward looking estimates may be prone to greater risk for potential bias, error and</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's value in use (VIU) model for Mighty Ape and key assumptions by: <ul style="list-style-type: none"> ○ evaluating the appropriateness of the VIU method applied by the Group against accounting standard requirements; ○ assessing the integrity of the model used, including the accuracy of the underlying calculation formulas; ○ comparing significant inputs into the relevant cash flow forecasts to the Group's Board approved budget; ○ assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model ○ using our knowledge of the Group, its past performance, published studies on industry



inconsistent application. These conditions necessitate additional scrutiny by us, over key assumptions including forecast cash flows, forecast growth rates over the forecast period and discount rate.

trends and our industry knowledge to challenge and assess key assumptions including forecast cash flows, forecast growth rates over the forecast period and terminal growth rate; and

- o working with our valuation specialists, we independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to Mighty Ape;

- Considering the sensitivity of the model by varying key assumptions, such as forecast growth rates and discount rate within a reasonably possible range; and
- Assessing the disclosures in the financial report using our understanding of the recoverability assessment obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Kogan.com Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend

Independent Auditor's Report continued



to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Kogan.com Ltd for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 27 to 43 of the Directors' Report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

26 September 2024

Shareholder Information

The Shareholder information set out below was applicable as at 13 September 2024.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

A. NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary Share Capital

100,737,647 fully paid ordinary shares are held by 33,870 individual shareholders.

All issued ordinary shares carry one vote per share and the rights to dividends.

Performance Rights

1,512,299 performance rights are held by 107 individuals.

All performance rights are unvested and do not carry a right to vote.

B. DISTRIBUTION OF EQUITY SECURITY

	Total Ordinary share holders	Total Performance Rights holders	Total Options holders
1 – 1000	25,523	12	–
1,001 – 5,000	6,669	44	1
5,001 – 10,000	1,013	30	6
10,001 – 100,000	622	18	8
100,001 and over	43	3	2
	33,870	107	17
Holdings less than a marketable parcel	8,828		

Shareholder Information continued

C. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

Name	Units	% units
KOGAN MANAGEMENT PTY LTD <THE RUSLAN TECH A/C>	15,515,701	15.40%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,977,290	9.90%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,670,288	8.61%
CITICORP NOMINEES PTY LIMITED	6,494,073	6.45%
SHAFFER CORPORATION PTY LTD <THE SHAFFER FAMILY A/C>	3,075,642	3.05%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,629,424	1.62%
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	1,408,616	1.40%
NATIONAL NOMINEES LIMITED	1,390,756	1.38%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,020,614	1.01%
TOM HADLEY ENTERPRISES PTY LTD	600,000	0.60%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	572,713	0.57%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	535,641	0.53%
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	491,006	0.49%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	441,077	0.44%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	313,838	0.31%
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	297,841	0.30%
MR GORAN STEFKOVSKI	288,384	0.29%
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	257,567	0.26%
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	237,308	0.24%
UBS NOMINEES PTY LTD	234,997	0.23%
Total	53,452,776	53.06%
Total Remaining Holders Balance	47,284,871	46.94%

D. SUBSTANTIAL SECURITY HOLDERS

The Company has received no substantial holder notices from shareholders who hold relevant interest in the Company's Ordinary Shares as at 13 September 2024.

E. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

Ordinary Shares

Each Share is entitled to one vote when poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Performance Rights

All Performance Rights are unvested and do not carry a right to vote.

F. STOCK EXCHANGE LISTING

Quotation has been granted for all of the Ordinary Shares of the Company on all Member Exchanges of the ASX Limited.

G. UNQUOTED SECURITIES

1,512,299 Performance Rights held by 107 holders.

670,632 Options held by 17 holders.

H. SECURITIES SUBJECT TO VOLUNTARY ESCROW

There are no securities subject to voluntary escrow.

I. ON MARKET BUY-BACK

The Group commenced an on-market share buy-back program in May 2023, anticipated to remain ongoing until May 2025. The Group purchased \$34,635,287 of shares by 30 June 2024 (\$10,786,588 in FY23 and \$23,848,699 in FY24), resulting in a reduction of Issued Capital.

Corporate Directory

COMPANY SECRETARY

Mark Licciardo, Acclime Australia

PRINCIPAL REGISTERED OFFICE

KOGAN.COM LTD

C/- Acclime Australia
7/330 Collins Street
Melbourne VIC 3000

+61 3 8689 9997

PRINCIPAL PLACE OF BUSINESS

KOGAN.COM LTD

139 Gladstone Street
South Melbourne VIC 3205

+61 3 6285 8572

LOCATION OF SHARE REGISTRY

AUTOMIC GROUP

Suite 5 Level 12
530 Collins Street
Melbourne VIC 3000

1300 288 664

STOCK EXCHANGE LISTING

Kogan.com Ltd (KGN) shares are listed on the ASX.

AUDITORS

KPMG

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727 Collins Street
Docklands VIC 3008

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