

27 July 2021

ASX and Media Release

Q4 FY21 Activities Report and Appendix 4C¹

MYDEAL.COM.AU DELIVERS RECORD Q4 TO END FULL YEAR ON TEN-YEAR HIGH

Q4 FY21 Highlights:

- **Record Q4 Gross Sales² of \$46.6 million, up 12.4% on the pcp**
- **Record annual Gross Sales for FY21 of \$218.1 million, up 111.1%**
- **Record Q4 Revenue of \$8.7 million, up 40.3% on the pcp**
- **Record annual revenue of \$38.3 million, up 149.6%**
- **Active Customers³, up 83.1% on pcp to 894,225**
- **59.4% of all transactions from returning customers, up from 44.8%**
- **Q4 Private Label Gross Sales of \$2.3 million (Q4 FY20: \$0.3 million)**
- **Annual Private Label Gross Sales of \$8.8 million**
- **Successful launches of native mobile apps for iOS and Android; showing good early signs**
- **Strong cash balance of \$42.7 million as at 30 June 2021**

Online retail marketplace for home and lifestyle products, MyDeal.com.au Limited (**ASX: MYD**, '**MyDeal**' or the '**Company**'), is pleased to provide an update on its activities for the quarter ended 30 June 2021 ("Q4 FY21").

Commenting on the results, MyDeal CEO, Sean Senvirtne said:

"MyDeal continues to cement its position as one of Australia's leading online retail marketplaces for home and lifestyle products by again growing significantly faster than the industry average to deliver a record fourth quarter. We have positioned ourselves fairly and squarely on the shopping list of Australian consumers and are well placed to capture the increased demand for online shopping. This is evident in our growing customer base of almost one million active shoppers, and the proportion of shoppers that enjoy the MyDeal experience and return to shop with us. This year, our platform generated more than \$218 million in Gross Sales – the strongest result in the Company's ten-year history.

"It's exciting to see the growth in transactions from returning customers, which proves that MyDeal resonates with Australian shoppers searching for a quality experience when shopping online, and our strategy of offering great home and lifestyle products and brands at great value is delivering continued growth.

¹ All numbers quoted are unaudited. Audited results will be presented as part of the Company's full year results

² "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value (unaudited) of transactions processed by MyDeal (including marketplace and private label), on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

³ "Active Customers" are customers who have bought products through the MyDeal platform during the last 12 months.

“Our private label range continues to grow and is becoming an increasingly large margin driving component of our business, emphasising our strength in sourcing and delivering bulky household items.

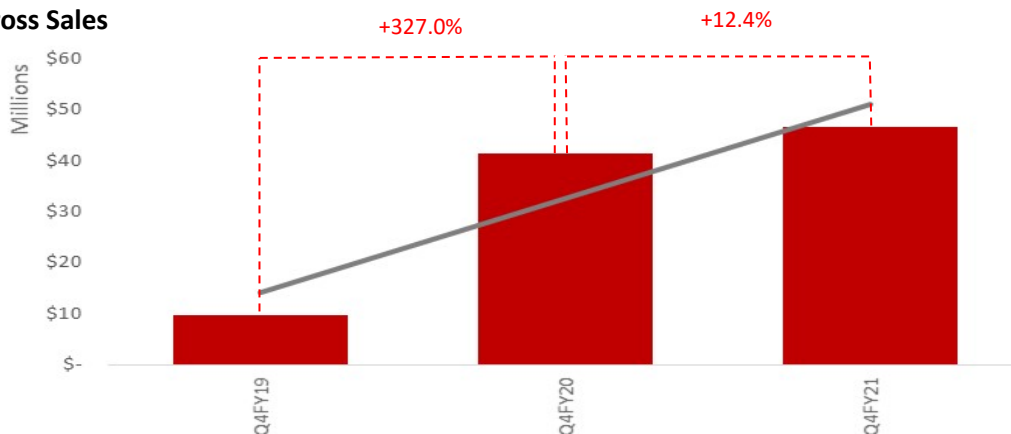
“Contributing to our success was the implementation of a key strategic milestone, the native iOS and Android MyDeal mobile apps. Since launching in May, we have seen a significant uplift in user experience and retention with ~7% of customers now shopping via the app. With high ratings, high utilisation and improved customer conversion, we will continue to further optimise the app for growth in the years ahead.

“We are well placed to grow MyDeal into Australia’s largest marketplace for home and lifestyle products with new additions to our leadership team, trends in Australian online retail that play to our online marketplace’s strengths, a healthy cash balance of \$42.7 million, and over six million products available to our growing customer base of almost one million Australians.”

Q4 FY21 Performance: continued growth in all key metrics

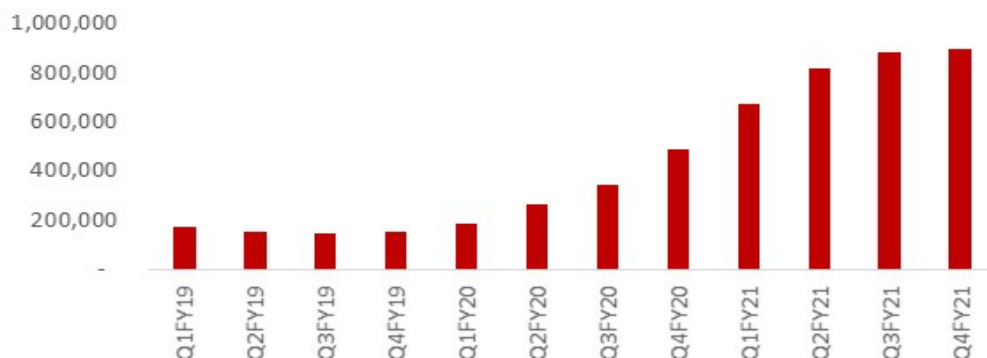
MyDeal achieved Gross Sales of \$46.6 million for Q4 FY21, delivering 12.4% growth on Q4 FY20, where the Company was cycling growth of 327.0%, as the first full quarter of COVID-19 effects in 2020. Gross Sales for FY21 ended at \$218.1 million, up 111.1%⁴ on the pcp.

Gross Sales



Active customers reached a new record level of 894,225 as at 30 June 2021, up from 488,350 as at 30 June 2020 and 883,397 as at March 2021. The company continues to experience favourable returns on customer acquisition with ROI on first purchase remaining positive.

Active Customers



⁴ Excluding face masks and sanitiser sales, Q4 FY21 Gross Sales grew 14.1% and annual Gross Sales grew 121.7%.

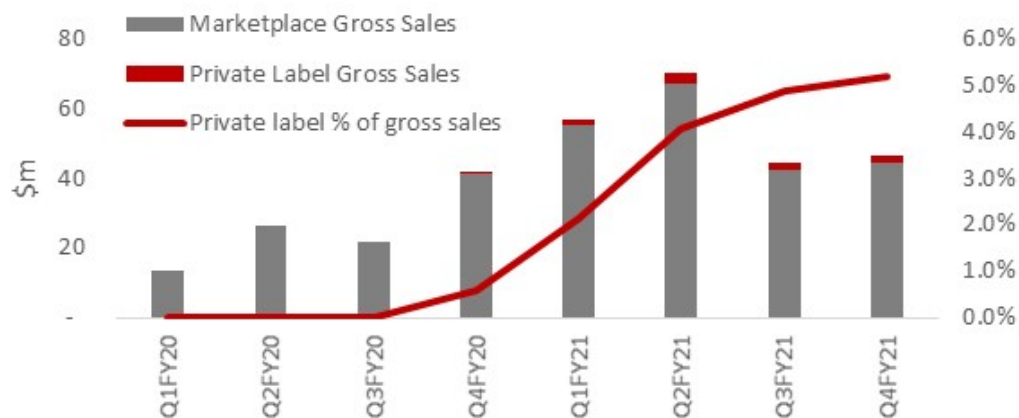
The positive trend in customer loyalty and repeat business continued during the quarter with 59.4% of all transactions coming from returning customers in Q4 FY21, improving on both the 44.8% in Q4 FY20 and the 56.1% in Q3 FY21.

Return Customer Orders



Momentum continues to grow with MyDeal's Private Label, generating \$2.3 million of Gross Sales in Q4 FY21 (Q4 FY20: \$0.3 million), and \$8.8 million for the full year representing 5.2% of total Gross Sales. This business represents a major growth opportunity for MYD to grow sales and margins, and the Company will continue to expand its product range opportunistically.

Private Label Gross Sales



Q4 FY21 Cashflow commentary

Customer receipts were \$49.6 million for the quarter and \$229.3 million for the year. Q4 FY21 revenue was \$8.7 million, up 40.3% on the pcp, and \$38.3 million for FY21.

Operating cash outflows of \$1.4 million for the quarter reflected:

- Private label inventory investment of \$1.7 million; and
- Investment in headcount in the areas of marketing, technology and customer service to support future growth

The Company remains well capitalised, with \$42.7 million cash at bank as at 30 June 2021. This strong balance sheet position provides MyDeal with the flexibility to pursue its growth strategy, which is focused on customer acquisition, customer loyalty and investment in the private label business.

Use of funds update from the IPO, under Listing Rule 4.7C, is as follows.

Use of Funds as per prospectus	Estimated expenditure (\$m)	Actual expenditure (\$m)	Comment
Payment to Selling Shareholders	5.0	5.0	Completed
Investment in Personnel	7.0	0.86	On Track
Advertising and branding expenditure	11.5	1.47	On Track
Inventory investment	11.25	4.79	On Track
Working capital	2.25	-	On Track
Costs of the Offer	3.0	3.33 ⁵	Completed
Total	40.0	15.45	

In reference to payments to related parties (Section 6 of the attached Appendix 4C report), Item 1 comprises payments for Directors and their associates during Q4 FY21 that amounted to \$209,332 which includes Director fees of \$63,542 and salaries of \$145,790.

Outlook

“The challenge of cycling a period of unprecedented growth for the industry cannot be underestimated, and the fact that MyDeal has been able to continue growth in active customers and sales is testament to what lies ahead for the business. As we invest in growing brand recognition and introduce MyDeal and our range of over six million marketplace products and quality private label offering to more and more Australian’s, we are confident these key metrics will continue to grow.

“E-commerce remains significantly underpenetrated in our core furniture, homewares and lifestyle categories, and we see strong opportunity to attract new customers to the platform as Australian’s transition to online shopping more often and become more aware of the MyDeal brand and proposition.

“With a best in class team now in place, a loyal base of nearly one million active customers and a strong level of repeat transactions, we are well positioned to continue to grow. The focus in FY22 will be on using our proprietary technology advantage to deliver further personalisation and app engagement.

⁵ “Costs of the Offer” include IPO related costs that were both deducted from equity or recorded as an expense in accordance with AASB 132 since July 2020.

Our customer base will also benefit from an expanded private label range plus a growing range of much loved brands, and we expect continued sales momentum.”

Authorised for release by the Board of MyDeal.com.au Limited.

-- ENDS --

For further information, please contact:

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About MyDeal

MyDeal is an online retail marketplace focused on home and lifestyle goods such as furniture and homewares. MyDeal currently has more than 1,800 sellers (of which close to 1,151 are considered Active Sellers⁶ as at 30 June 2021) on its platform with over 6 million product SKUs listed across over 2,000 categories (with the number of SKUs available for sale at any time determined by sellers).

<https://investors.mydeal.com.au/site/content/>

⁶ “Active Sellers” are sellers that have sold products through the platform within the last three months.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MYDEAL.COM.AU LIMITED

ABN

60 640 108 130

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	49,583	229,316
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(41,206)	(200,506)
(c) advertising and marketing	(5,768)	(21,996)
(d) leased assets	(19)	(81)
(e) staff costs	(1,733)	(4,209)
(f) administration and corporate costs	(517)	(1,448)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	42
1.5 Interest and other costs of finance paid		(10)
1.6 Income taxes paid	(33)	(33)
1.7 Government grants and tax incentives		
1.8 Other (increase in balance of inventory)	(1,730)	(4,942)
1.9 Net cash from / (used in) operating activities	(1,415)	(3,867)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(151)	(279)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) investments		
	(e) intellectual property	(655)	(2,283)
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(806)	(2,562)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		35,000
3.2	Proceeds from issue of convertible debt securities		300
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(112)	(2,843)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(48)	(164)
3.10	Net cash from / (used in) financing activities	(160)	32,293

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45,041	16,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,415)	(3,867)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(806)	(2,562)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(160)	32,293
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	42,660	42,660

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	40,700	13,054
5.2	Call deposits	45	45
5.3	Bank overdrafts	(14)	(9)
5.4	Other (term deposits)	1,929	31,951
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	42,660	45,041

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(209)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (credit card)	30	14
7.4 Total financing facilities	30	14
7.5 Unused financing facilities available at quarter end		16
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,415)
8.2 Cash and cash equivalents at quarter end (item 4.6)	42,660
8.3 Unused finance facilities available at quarter end (item 7.5)	16
8.4 Total available funding (item 8.2 + item 8.3)	42,676
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	30.2
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 27 July 2021

Authorised by:By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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