

Appendix 4E

Full year report

1. COMPANY DETAILS:

Name of entity:	MyDeal.com.au Limited
ABN:	60 640 108 130
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2022 \$	30 June 2021 \$	Change increase/ (decrease) \$	Change Increase/ (decrease) %
Gross Sales*	272,215,614	218,068,919	54,146,695	25%
Revenues from ordinary activities	65,382,251	38,271,998	27,110,253	71%
EBITDA**	(14,183,317)	(4,491,188)	(9,692,129)	(216%)
Adjusted EBITDA***	(11,908,218)	(4,067,797)	(7,840,421)	(193%)
BAU EBITDA****	(7,880,614)	(4,067,797)	(3,812,817)	(94%)
Loss before tax	(16,117,291)	(5,305,209)	(10,812,082)	(204%)
Loss after tax attributable to members	(15,512,916)	(5,855,329)	(9,657,587)	(165%)

* Gross Sales is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the total value 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.

** EBITDA is a financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

*** Adjusted EBITDA is EBITDA adjusted to exclude share-based payments expense and transaction costs associated with the Group's IPO in FY21 and proposed acquisition of MyDeal by Woolworths Group in FY22.

**** BAU EBITDA is earnings before interest, tax, depreciation and amortisation, non-recurring transaction costs associated with the Group's IPO in FY21 and proposed acquisition of MyDeal by Woolworths Group in FY22, share-based payments expense and specific investment in growth related initiatives.

The Directors consider that these metrics are useful in gaining an understanding of the performance of the Group, consistent with internal reporting.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Financial Report.

3. NET TANGIBLE ASSETS

	30 June 2022 (cents)	30 June 2021 (cents)
Net tangible assets per ordinary security	4.88	11.16

The net tangible assets per ordinary share amount is calculated based on 258,827,306 ordinary shares on issue as at 30 June 2022 for the reporting and comparative period.

Appendix 4E

continued

4. CONTROL GAINED OR LOST OVER ENTITIES

Not applicable

5. DIVIDENDS

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. DIVIDEND REINVESTMENT PLANS

Not applicable

7. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable

8. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report

Not applicable

9. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

10. ATTACHMENTS

Details of attachments (if any):

The Financial Report of MyDeal.com.au Limited for the year ended 30 June 2022 is attached.

11. SIGNED

Details of attachments (if any):

Signed on behalf of the Directors.



Paul Greenberg

Chairman

Date: 26 August 2022

Melbourne

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MjDeal

**Delivering
Growth.
Revenue up
70.8% YoY**

ANNUAL REPORT 2022

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**We make life more
affordable for all
Australians by offering
the best value on the
biggest range of home
and lifestyle products.**

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2022 Highlights



\$272.2m

Gross Sales

YoY growth

↑ **24.8%**



\$65.4m

Revenue

YoY growth

↑ **70.8%**



1,051,701

Active Customers

YoY growth

↑ **17.6%**



\$35.0m

In-stock Gross Sales

YoY growth

↑ **296.8%**



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645k¹

Mobile App Downloads

Amazed

Launch of Amazed.com

Another record year for MyDeal. Execution of key initiatives driving record results.



1. As at 3 July 2022.

Who we are

- 1 At MyDeal.com.au Limited ('MyDeal'), we make life more affordable for all Australians by offering the best value on the biggest range of home and lifestyle products.
- 2 Founded in 2011, MyDeal is an Australian e-commerce Group that has successfully established an Australian online retail marketplace specialising in home and lifestyle goods.
- 3 MyDeal operates a marketplace model that acts as an intermediary, facilitating transactions between consumers and sellers. MyDeal has developed proprietary technology which allows the marketplace to scale quickly whilst still retaining a low-cost operating model.
- 4 MyDeal has also established an in-stock offering comprising private label and third party branded stock.
- 5 MyDeal has over 1,051,701 Active Customers¹, 1,373 Active Sellers² and over 6 million product SKUs³ across 2,000 categories. Over 2.7 million products were sold in FY22 on the platform.
- 6 In 2022, MyDeal also launched Amazed.com, a marketplace of activities and experiences built for locals. Over 250 suppliers are already on the marketplace, including Melbourne Zoo, Liberty Balloon Flights and Experience Co.

WHO WE ARE AT A GLANCE

Online marketplace and retailer specialising in home and lifestyle goods



Attractive Business Model

- Flywheel in progress with network effects attracting both customers and sellers
- Capital-lite model
- Scalable business driven by proprietary technology model

Competitive Advantage

- Value – lowest prices on comparable goods
- Range – >6m products and growing
- Service – seamless customer experience delivered through proprietary technology


1.1m
Active Customers


1,373
Active Sellers


>6m
Products listed


5.7m
Average Monthly Website Visits

1. An "Active Customer" is a customer that has made a purchase in the last twelve months.

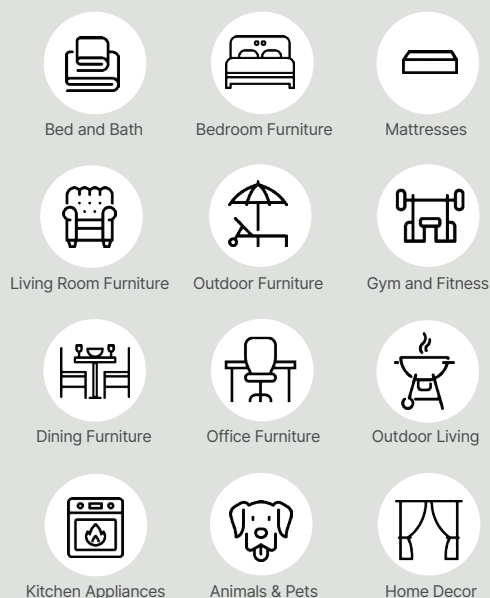
2. An "Active Seller" is a seller that has made a sale on the marketplace in the last three months.

3. With the number of SKUs available for sale at any time determined by sellers.

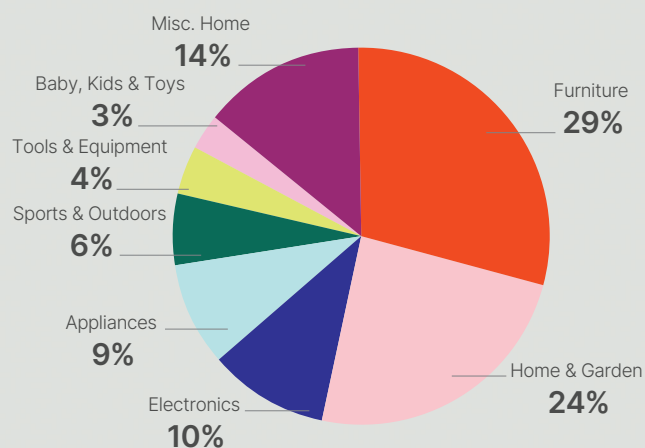
What we do

- 1 MyDeal's primary business model is an online retail marketplace that facilitates the sale of products and/or services between consumers and sellers via its proprietary technology platform.
- 2 MyDeal also offers an in-stock range which relates to the sale of home and lifestyle products where MyDeal remains responsible for inventory and distribution.
- 3 MyDeal generates revenue via the direct sale of in-stock products or a commission fee that it charges its sellers for every product and service sold on the marketplace. MyDeal also generates other ancillary revenue streams including online transaction fees, advertising fees, subscription fees and Seller onboarding fees.
- 4 MyDeal is strongest in products that are traditionally found in the home.

Top sub-categories include:



KEY CATEGORIES ON THE MARKETPLACE



How we do it

- 1 MyDeal's strategy comes down to winning on value, range and experience.
- 2 Execution of the strategy generates flywheel effects.
- 3 Leveraging its proprietary technology, MyDeal offers a seamless user experience allowing the Group to attract and grow its active customer base. To meet the resulting demand, MyDeal expands its low cost product range via increasing active sellers or the Group's in-stock range. At the same time a continued focus on the customer drives increased repeat purchases and through reinvestment, the flywheel repeats.
- 4 MyDeal also operates within an attractive industry where e-commerce remains significantly under-penetrated compared to the UK and USA. Significant growth expected over the next 5 years with further adoption of online shopping to be driven by improvements in technology and millennials entering the core demographic age for home and lifestyle goods and services.



1. Customer Acquisition Cost.
2. Return on investment.

Chairperson's Report

The strong FY22 performance was achieved through the execution of the consistent strategy that our management has had in place since the IPO.

On behalf of your Board of Directors, it is with great delight I present to you MyDeal's Annual Report for the 2022 financial year, which was another record year of growth for the Group.

MyDeal achieved \$272.2 million Gross Sales in FY22, exceeding guidance and delivering a growth rate of 24.8%. Gross Sales are now circa 2.6 times above pre-listing levels in FY20, and pleasingly from a Board perspective the Group has proven it can grow through wide range of macro backdrops from lockdowns to re-openings, and both buoyant and challenging retail conditions.

The strong FY22 performance was achieved through the execution of the consistent strategy that our management has had in place since the IPO. Customer acquisition remained a key focus with Active Customers surpassing the 1 million milestone in February and ending the year at 1,051,701, with customers attracted by the value on offer through MyDeal's increasingly curated range of over 6 million products.

Through relentless focus on optimising user experience and personalisation, we also achieved new heights in repeat purchasing, with 64.6% of all transactions coming from returning customers in Q4 FY22 (Q4 FY21: 59.4%). This reinforces that once a customer comes into the MyDeal ecosystem they are proving increasingly loyal and choosing to shop with us on a more frequent basis.

Another key highlight has been the performance of our in-stock business, where MyDeal complements the marketplace by offering third party brands and private label products. In-stock generated \$35.0 million in Gross Sales in FY22, up from \$8.8 million in the prior year. With continued range expansion, in-stock presents a tangible growth opportunity for the Group at attractive margins.

With the growth path the Group has been forging, the Board was comfortable in releasing, for the first time, MyDeal's medium term targets of \$500 million Gross Sales and positive EBITDA by FY25, and I am pleased to reaffirm these targets. MyDeal operates in the \$67 billion market for Australian household goods, and online penetration remains low by global standards. We see a considerable opportunity for growth through \$500 million Gross Sales and beyond.

On behalf of the Board, I would like to take the opportunity to thank the entire team at MyDeal for their hard work and significant contribution. FY22 was another busy year and their efforts have not gone unnoticed.

To our shareholders, I thank you for your ongoing support of the Group. Shareholders would note MyDeal has entered into a binding Scheme Implementation Agreement with Woolworths Group. Under the Scheme,



Woolworths Group proposes to acquire all of your shares by way of a scheme of arrangement between MyDeal and MyDeal shareholders.

While the MyDeal Board is confident that MyDeal is well positioned to continue to execute on a well formulated strategy and deliver significant growth into the future, the MyDeal Directors consider that the material premium implicit in Woolworths' offer and the opportunity to realise certain and immediate cash value represents an attractive outcome for MyDeal Shareholders.

As such, myself and the Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of MyDeal Shareholders. I encourage you to review the Scheme Booklet and I look forward to your participation at the Scheme Meeting and the EGM.

A handwritten signature in black ink, appearing to read 'P. Greenberg'. The signature is stylized with a large, looped 'P' and a long, sweeping underline.

Paul Greenberg
Chairperson

CEO Letter & Review of Operations

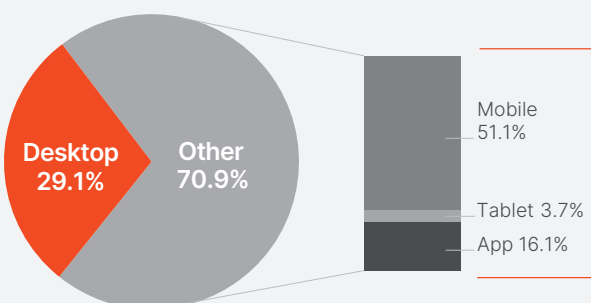
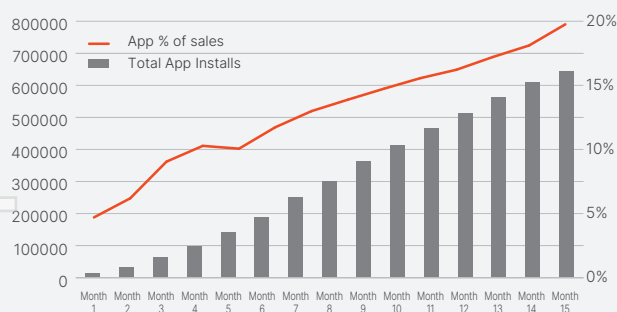
FY22 was another record year for MyDeal, with Gross Sales growing 24.8% to \$272.2 million, ahead of guidance. Results were achieved through focused execution of the MyDeal flywheel, which continued to propel the business forward.

LEVERAGING PROPRIETARY TECHNOLOGY

MyDeal's proprietary technology remains a key competitive advantage for the Group in supporting a seamless user experience for both customers and sellers. During the year we launched the Amazed.com marketplace to take the Group into the experiences and activities market. Through leveraging MyDeal's consumer goods marketplace experience and technology developed over 11 years, Amazed performed well from a functionality and seller onboarding perspective from day one of its operations.

A key focus from a technology adoption standpoint for FY22 was to drive customers to the MyDeal app, which was launched late in FY21. App traffic grew rapidly, representing 16.1% of total traffic by year end. The app has supported repeat purchasing given higher engagement through this channel is translating to customer loyalty. There remains a significant opportunity to convert web traffic to the app, given 54.8% of our web traffic comes through mobile devices.

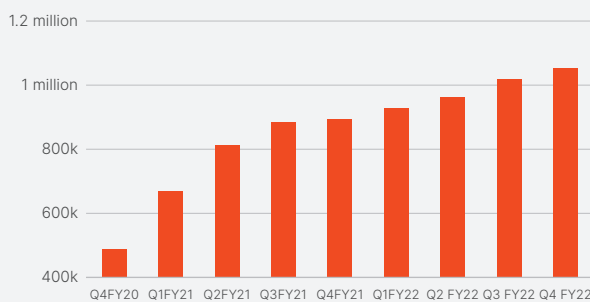
Weekly app performance since launch



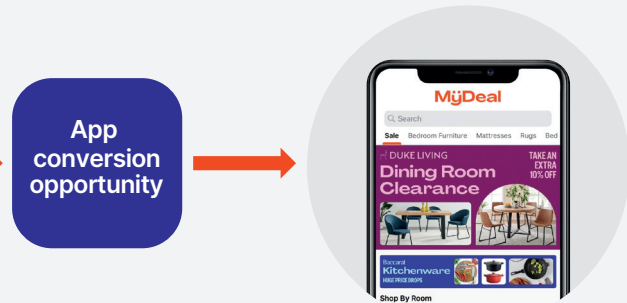
EFFICIENT CUSTOMER ACQUISITION

Strong growth in customer acquisition continued during the year, with 1,051,701 Active Customers as at 30 June 2022, up 17.6% year on year. 39.4 million unique visitors came through our optimised paid and organic channels during the year, attracted by our marketplace and in-stock ranges at highly attractive price points. Unique visitors converted at a rate of 4.6% to transaction in H2 FY22, a highly efficient conversion rate by industry standards.

Active customers



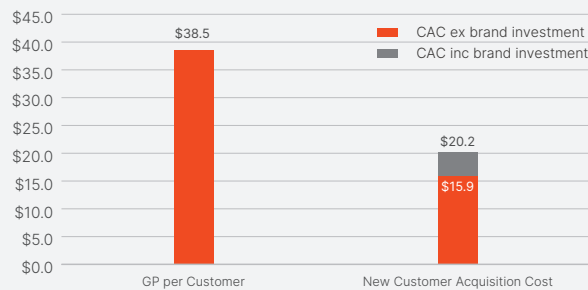
MyDeal introduced brand investment for the first time in FY22 with refreshed branding supported by above the line (ATL) marketing, with an ultimate goal of making MyDeal famous over the longer term in order to drive further efficiency in customer acquisition. Excluding ATL, last 12 month return on marketing investment (ROI) increased to 2.4 times on a customer acquisition cost (CAC) of \$15.9. Including ATL ROI was 1.9 times on a CAC of \$20.2. ROI also remains profitable on first purchase.





With the \$272.2 million Gross Sales delivered in FY22, we surpassed guidance of \$270 million which we had issued for the first time in February 2022.

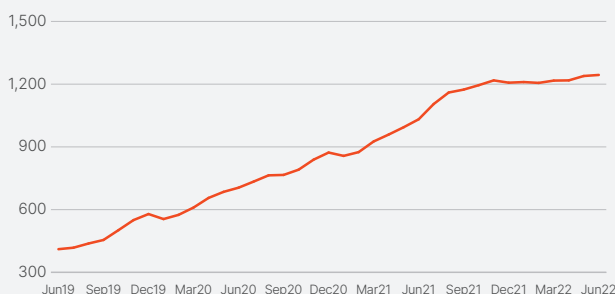
LTM ROI in Marketing



EXPANDING SUPPLY SIDE

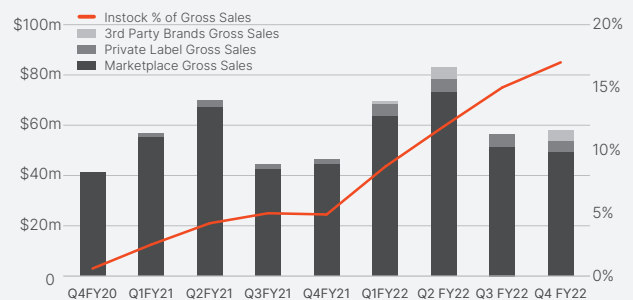
The MyDeal marketplace offers a range of over 6 million products at affordable prices through a growing network of sellers. As at 30 June 2022, MyDeal had 2,049 sellers on the platform, of which 1,373 were considered Active Sellers. Through turnkey integrations with the major e-commerce platforms and channel partners, sellers are seamlessly onboarded and new product is constantly being added to the MyDeal marketplace. At the same time, we have been actively curating content to ensure the best possible experience for our customers.

Number of Unique Monthly Sellers



The capital-lite marketplace model is complemented with an expanding range of higher margin in-stock (private label and third party branded), products in which our customers benefit from even sharper price points. Both the private label and third party brands are in their early stages, with private label having launched in FY21 and third party brands in FY22, and are a core part of our ongoing growth strategy. We now have over 1,946 products under the in-stock model, which generated \$35.0 million in Gross Sales in FY22.

Private label

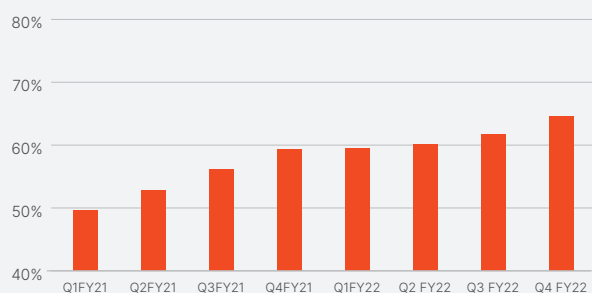


RISING CUSTOMER LOYALTY

With MyDeal's proprietary technology and extensive product range supporting customer experience, customers are proving increasingly loyal. By Q4 FY22 64.6% of all transactions came from returning customers, up from 59.4% in the pcp. Growing repeat business was also seen in average orders per customer increasing to 2.1 in FY22, from 1.7x in FY21. Pleasingly customer advocacy is also reflected in customer reviews with MyDeal scoring 4.3 on Trustpilot and 4.1 on Product Review.

CEO Letter & Review of Operations continued

Repeat Purchases



Average orders per customer



DRIVING SCALE

With the \$272.2 million Gross Sales delivered in FY22, we surpassed guidance of \$270 million which we had issued for the first time in February 2022. We also set a medium term target of \$500 million in Gross Sales by FY25, at which point we expect the Group will be at a scale to sustainability generate positive EBITDA.

Having entered into the Scheme with Woolworths Group and my commitment to remain with the Group, driving scale within the MyDeal business remains a key priority for the management team. Value creation for shareholders has been at the centre of our growth ambitions, and this remains the case going forward.

Sean Senvirtne

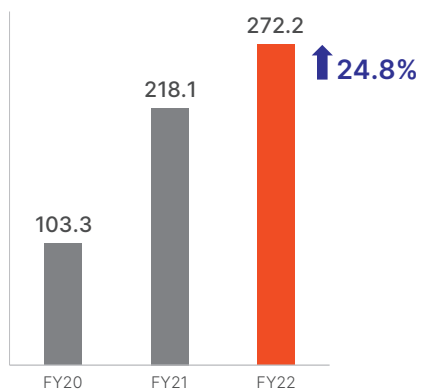
Founder & CEO

MyDeal introduced brand investment for the first time in FY22, with an ultimate goal of making MyDeal famous and driving further efficiency in customer acquisition over the longer term.

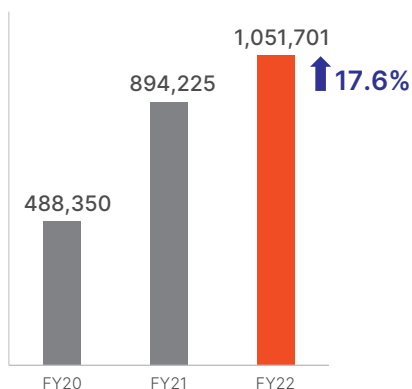


KPI Snapshot

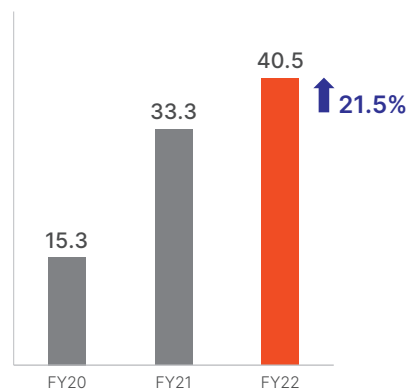
Gross Sales
\$m



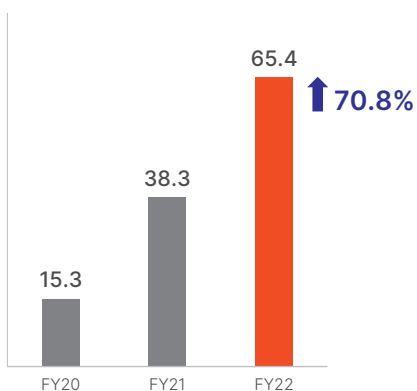
Active Customers



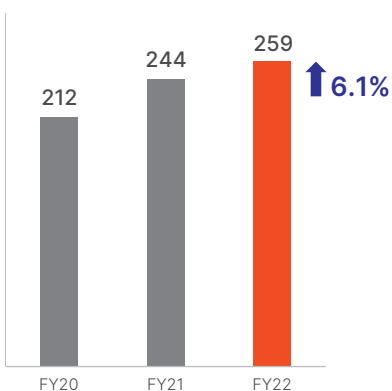
Gross Profit
\$m



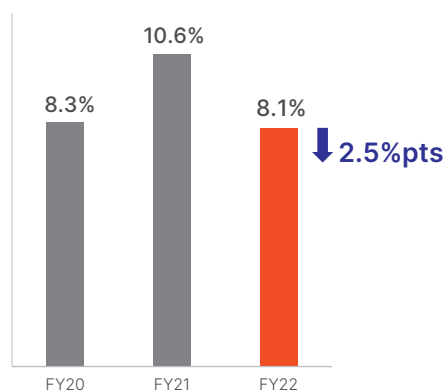
Revenue
\$m



Gross Sales per Active Customer¹



Advertising % of Gross Sales (excl ATL)



1. "Gross Sales per Active Customer" is calculated as Gross Sales for the relevant period divided by the number of Active Customers as at the end of the relevant period.



Strategic Priorities

ASPIRATION AND STRATEGY

We make life more affordable for all Australians by offering the best value on the biggest range of home and lifestyle products.

Build the biggest and best range of home and lifestyle products

- ✓ Continue to invest in in-stock ranging – both Private Label and Third Party Brands
- ✓ Invest in technology to accommodate all sell-side arrangements (e.g. dropship)

Invest in customer loyalty

- ✓ Mobile-first approach including increasing mobile app adoption
- ✓ Personalisation and customer lifecycle marketing
- ✓ Loyalty program

Make MyDeal famous

- ✓ Build on momentum following brand refresh
- ✓ Invest in 'above the line' marketing to support efficiency of customer acquisition
- ✓ Make MyDeal famous for the joy and positive emotion of shopping and the positive feeling of securing a 'MyDeal Deal'

Become the marketplace of choice for all stakeholders

- ✓ Build on strong enduring relationships with brands, sellers and suppliers
- ✓ Build tools and reporting to support our stakeholders
- ✓ Invest in people and culture
- ✓ Talk to our stakeholders and understand their needs



MüDeal



Consolidated Financial Report

FOR THE YEAR ENDED
30 JUNE 2022

CONSOLIDATED FINANCIAL REPORT

For the year ended 30 June 2022

MyDeal.com.au Limited
And controlled entities
ABN: 60 640 108 130

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Directors' Report

The Directors present their report together with the financial report of the consolidated entity consisting of MyDeal.com.au Limited ("the Company") and the entities it controlled ("the Group"), for the financial year ended 30 June 2022 and auditor's report thereon.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Paul Greenberg – Chairman

Sean Senvirtne – Chief Executive Officer and Executive Director

James Joughin

Christopher Tait

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year were the operation of an online retail marketplace.

There has been no significant change in the nature of these activities during the financial year.

RESULTS

The consolidated loss after income tax attributable to the members of the Group was \$15,512,916 (2021: loss after tax \$5,855,329).

REVIEW OF OPERATIONS

MyDeal.com.au Limited ("MyDeal.com.au") has delivered record Gross Sales of \$272.2 million (FY21: \$218.1 million), Net transaction value ("NTV") of \$255.2 million (FY21: \$204.6 million), Revenue of \$65.4 million (FY21: \$38.3 million) and Gross Profit of \$40.5 million (FY21: \$33.4 million) for the year ended 30 June 2022 representing growth over the prior corresponding period of 24.8%, 24.8%, 70.8% and 21.5% respectively.

The Group recorded an EBITDA loss of \$14.2 million in FY22 (FY21: \$4.5 million loss) primarily due to investment of IPO proceeds to drive long term growth.

Adjusted EBITDA which excludes the impact of share-based payments of \$1.8 million and transaction costs of \$0.5 million related to the proposed acquisition of MyDeal by Woolworths Group Ltd ('WOW') was negative \$11.9 million.

BAU EBITDA loss of \$7.9 million reflects the underlying performance of the Group calculated as Adjusted EBITDA excluding new growth investments including \$3.1 million in above the line 'ATL' brand activity¹ and \$0.9 million in a new marketplace offering ('Amazed.com').

MyDeal.com.au recorded a statutory loss before tax attributable to members of the Group of \$16.1 million (FY21: loss before tax \$5.3 million) and statutory loss after tax attributable to shareholders of \$15.5 million (FY21: loss after tax \$5.9 million).

The key drivers of performance in the year to 30 June 2022 were:

- Gross sales: the increase in Gross Sales was driven by continued growth in the Groups' active customer² base which reached 1,051,701 at 30 June 2022, representing growth in excess of 17.6% year on year. Additionally, orders from repeat customers increased to 64.6% in Q4 FY22 up from 59.4% for the same time last year.
- Gross profit: Gross profit as a percentage of net transaction value (NTV) was relatively stable at 15.9% (H1 FY22: 15.8%, FY21: 16.3%) after including the recognition of cost of sales relating to the In-stock range.
- In-stock³: The Group is executing on its strategy to increase in-stock as a percentage of Gross Sales (Q4 FY22: 17%) of Gross Sales⁴ supported by investment in inventory during the year of \$3.2 million and expansion of the range to over 1,946 SKUs. The Group remains very excited about the growth and margin expansion opportunities this product range presents.

1. Above the line marketing represents total marketing expense excluding digital performance marketing E.g. TV, Radio, Billboard.

2. An "Active Customer" is a customer that has made a purchase in the last twelve months.

3. In-stock refers to the MyDeal segment which comprises the private label and 3rd Party Brands ranges. Refer segment note 2 for further information.

4. Q4 In-stock revenue as a percentage of Q4 Group gross sales.

Directors' Report

continued

- Operating costs: Operating costs increased during the period driven by investment of IPO proceeds to drive long term growth including \$3.1 million in above the line brand activity and \$0.9 million in Amazed.com. Advertising expenses increased in dollar terms by \$2.1 million year on year to \$25.2 million however advertising efficiency improved with overall ROAS⁵ increasing from 9.5x to 10.8x during the year or 12.3x excluding the \$3.1 million investment in above the line brand activity. Employee benefits expense increased \$6.2 million (\$4.4 million excluding share based payments) reflecting investment in headcount with total employees increasing from 61 to 91 during the period. Other costs also increased following the Group's investment in offshore customer service and administrative support. Fixed costs⁶ as a percentage of NTV increased from 4.5% to 6.9% (6.5% excluding investment in new marketplace technology).
- From a balance sheet perspective, the Group remains well capitalised with a cash balance of \$32.4 million at 30 June 2022.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the Group's state of affairs that occurred during the financial period, except as otherwise noted in this report.

SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the Group.

LIKELY DEVELOPMENT

On 20 May 2022 MyDeal signed a Scheme Implementation Deed ('SID') with Woolworths Group Ltd ('WOW'). A scheme Booklet in relation to the Scheme was released to ASX on 4 August 2022 and copies were dispatched to shareholders on 5 August 2022. On 12 August 2022, the ACCC issued a notice that it would not oppose Woolworths Group proposed acquisition of online retailer MyDeal. The Scheme Meeting is currently scheduled for 6 September 2022 (date subject to change). Shareholders should consult the Scheme Booklet for information in relation to the Scheme and details on how to vote at the Scheme Meeting.

OUTLOOK

The Group will continue to pursue its financial objectives including its aspiration of achieving \$500 million Gross Sales in 3 years and remaining focused on customer acquisition, expanding its in-stock business and continued investment in talent, technology and innovation to build a sustainable position.

KEY BUSINESS RISKS

In the ordinary course of business, MyDeal's Board and senior management assess material risks associated with MyDeal's business and take appropriate steps to manage and mitigate those risks. The MyDeal Board considers, however, that it is appropriate for MyDeal Shareholders, to be aware that there are a number of risk factors, general and specific, which could impact the future operating and financial performance of MyDeal and the value of MyDeal Shares.

The risk factors set out below are existing risks that relate to MyDeal's business and the industry in which it operates. They do not take into account the individual investment objectives, financial situation, position or particular needs of MyDeal Shareholders. In addition they do not necessarily comprise all risks faced by MyDeal.

5. Overall return on advertising spend 'ROAS' calculated as Gross Sales divided by advertising expense.

6. Fixed costs include all costs excluding distribution, marketing, merchant fees, finance costs, tax and transaction costs.

Key Risks

Description

General risk factors

As with any entity with listed shares on ASX, the future prospects and operating and financial performance of MyDeal and the value of the MyDeal Shares may be affected by a variety of factors. These general risks may include:

- changes in general business cycles and economic and political factors in Australia and globally (including economic growth, interest rates, exchange rates, inflation, employment levels and consumer demand and preferences);
- changes to economic conditions, both domestic and global, including the effects of changes to fiscal, monetary and regulatory policies that affect consumer confidence and discretionary spending on products sold by MyDeal;
- changes in legislation and government, fiscal, monetary, regulatory policies including foreign investment, accounting or financial standards and taxation laws (or their interpretation);
- the general risks associated with an investment in financial products quoted on a stock exchange including movement in the local and international equity and bond markets and general investor sentiment in those markets, recommendations by brokers and analysts, changes in government, interest rates and exchange rates;
- the impacts of geopolitical uncertainty and local and global equity capital markets, announcement of new technologies and changes in the supply of and demand for relevant stocks and overall performance of the Australian and international stock market;
- the nature of competition in the markets in which MyDeal operates, including the operating and trading price performance of other comparable listed entities;
- natural disasters, catastrophes, pandemics or endemics, terrorism, outbreak of war or other general operational and business risks, further pandemic outbreaks;
- a change to the current taxation regime applying to MyDeal and its shareholders; and
- variations in MyDeal's operating results.

Key Person Risk

MyDeal has a lean business model and currently depends on the continued services and performance of a small number of key personnel. MyDeal requires staff to have a variety of skills and expertise, some of which may be considered niche specialities in which there are limited skilled personnel available for recruitment. The loss of key personnel, particularly members of the executive team, could disrupt operations and have a material adverse impact on MyDeal's business, financial performance and operations and the ability to execute MyDeal's growth strategy.

Internet and Data Security Breaches

There is a risk that, despite MyDeal's best efforts to combat potential security breaches, cyber-attacks and data protection issues (including firewalls, a privacy policy and policies to restrict unauthorised access to data), a cyberattack or a data breach may occur or a third party may otherwise gain access to the confidential information of MyDeal's customers or its internal systems. Any data security breaches or MyDeal's failure to protect private personal or confidential information could result in a significant disruption to MyDeal's systems, reputational damage, loss of system integrity and breaches of MyDeal's obligations under applicable laws and client agreements, each of which may materially and adversely impact MyDeal's business, results from operations, profitability, reputation and prospects. Any breach of this nature may have a material adverse effect on MyDeal's financial and operational performance in the future.

Directors' Report

continued

Key Risks	Description
Competition Risk	<p>MyDeal could be adversely affected by increased or new competition in the various market segments in which it operates, the furniture and homewares segment in particular. The Australian online retail market and the furniture and homewares category are highly competitive and subject to changing customer preferences.</p> <p>Competition can arise from a number of sources including traditional 'bricks and mortar' retailers, omni-channel retailers, marketplaces and online-only ecommerce competitors. Existing online competitors may strengthen their position through funding or industry consolidation, or through financial, technical or operational advantages which may allow them to compete more aggressively, including on price. Competition may also come from third-party suppliers establishing or improving their own online presence as opposed to using MyDeal. Existing competitors and new competitors both in Australia and elsewhere, may engage in aggressive customer and/or seller acquisition campaigns, develop superior technology offerings and online presence or consolidate with other entities to deliver enhanced benefits. These and other competitors may be bigger and better resourced than MyDeal. As a result, any increase in competition may increase the costs of customer acquisition and result in lower margins due to pricing pressure. The failure of MyDeal to successfully respond to changes in the competitive landscape may have a material adverse effect on its financial and operational performance in the future.</p>
Continued Growth of E-commerce	<p>There is no guarantee that the growth in the retail e-commerce market and the furniture and homewares segments will continue into the future. The emergence of COVID-19 has brought about changes in consumer behaviour, including an increased migration towards online shopping, however it is not yet known whether these changes will be long-lasting. The e-commerce market may be impacted by a variety of factors outside MyDeal's control which could cause a slowing or contraction in the market and as a consequence impact MyDeal directly.</p>
Change in Laws and Regulations	<p>MyDeal is subject to, and must comply with, a variety of laws and regulations in the ordinary course of its business. These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment and taxation. Changes to laws and regulations may adversely affect MyDeal, including by increasing its costs either directly or indirectly (including by increasing the cost to the business of complying with legal requirements). Additionally, there is a risk that MyDeal may inadvertently fail to comply with a law or regulation given the number and complexity of laws and regulations that MyDeal is required to comply with.</p>

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

DIVIDEND PAID, RECOMMENDED AND DECLARED

No dividends were paid, declared or recommended since the start of the financial year.

SHARE OPTIONS GRANTED TO DIRECTORS AND OFFICERS

Options over unissued ordinary shares granted by MyDeal.com.au Limited during or since the financial year end, including options granted to Directors and KMP of the Group, were as follows:

Total options granted	1,231,410
Directors	Options granted
Sean Senvirtne	375,000
Executives	Options granted
Joshua Mangan	178,571
Lachlan Freeman	167,857

Further details regarding options granted as remuneration to key management personnel are provided in the Remuneration Report.

SHARES UNDER OPTION

Unissued ordinary shares of MyDeal.com.au Limited under option at the date of this report are as follows:

Date options granted	Number of unissued ordinary shares under option	Issue price of shares	Expiry date of the options
29/06/2021	5,895,000	\$1.0	29/06/2026
29/06/2021	350,000	\$1.0	20/10/2027
29/06/2021	1,290,000	\$1.0	29/06/2031
29/06/2021	400,000	\$1.5	20/10/2028
29/06/2021	50,000	\$1.5	20/10/2029
29/06/2021	1,100,000	\$0.2	20/10/2027
29/06/2021	2,470,000	\$0.2	29/06/2028
29/06/2021	175,000	\$0.2	29/06/2031
23/12/2021	1,195,696	\$0.64	31/07/2029

No option holder has any right under the options to participate in any other share issue of the Group.

SHARES ISSUED ON EXERCISE OF OPTIONS

No shares were issued during the reporting period or up to the date of this report on exercise of options.

Directors' Report

continued

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a director of MyDeal.com.au Limited at any time during or since 1 July 2021 is provided below, together with details of the company secretary as at the year end.

Paul Greenberg

*Non-Executive
Chairman*

Paul is an entrepreneur, an online retail expert with over 35 years' experience in retail, technology and entrepreneurship. He is also a registered psychologist with a keen interest in consumer psychology.

Paul is widely regarded as the pioneer of online retail in Australia, having co-founded DealsDirect.com.au in 2004, which grew to become the single largest online retailer in Australia at the time. After the business was sold to private equity, he went on to establish NORA (National Online Retailers Association), a business network that supports online retail and e-commerce. Paul is also a Director of the National Retail Association and holds an international post as Vice President of FIRA (Federation of International Retail Associations).

Paul holds a Bachelor of Arts (Psych) and Bachelor of Business Administration (Honours) from the University of Cape Town and University of Stellenbosch respectively.

Paul is a member of the Australian Institute of Company Directors and Australian Psychological Society.

Board Committee membership:

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Other current Directorships:

Ceremonial Chair and Founder – National Online Retailers Association

Non Executive Director – InStitchu Limited

Director – Jam Pad Investments Pty Ltd

Vice Chair – Federation of International Retail Associations

Advisory Board Member to a portfolio of retail and retail tech companies

Directorships of other listed companies within the past three years:

N/A

James Joughin

*Non-Executive
Director*

James brings over 30 years of general corporate experience, having been a senior partner of Ernst & Young until 2013. He was a partner of that firm for 17 years and headed the Mergers and Acquisitions division in Melbourne.

James has been the Chairman of the ASX listed Spirit Telecom (ASX:STI) since 16 June 2016, and holds a number of other directorships including at Viridian Financial Group Ltd, and Melbourne Institute of Technology Pty Ltd.

James Joughin holds a Bachelor of Business from RMIT University and is a Certified Practicing Accountant (CPA). James is also a member of the Australian Institute of Company Directors (GAICD).

Board Committee membership:

Chair of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Other current Directorships:

Chairman of Spirit Telecom (ASX:STI) since 16 June 2016

Director of Bio-Gene Technology Limited (ASX: BGT) since 1 March 2021

Director of Viridian Financial Group Ltd

Director of Melbourne Institute of Technology Pty Ltd

Directorships of other listed companies within the past three years:

N/A

Chris Tait

*Non-Executive
Director*

Chris has over 25 years' experience advising both local and multinational companies. Chris became the head of Strategy and Acquisitions for WH Smith PLC, before moving to Melbourne to become the regional CFO for WH Smith Asia Pacific.

Chris then became a founder of Henslow, the Corporate Adviser to MyDeal. Chris' skills focus on general strategic advice, mergers and acquisitions, private capital raises and transaction structuring.

Chris is Chairman of Atomos Limited (ASX:AMS), and Henslow investee company, Credo Holdings Pty Ltd.

Chris holds a BSc in Economics and Accountancy from City, University of London and is qualified as a chartered accountant from the Institute of Chartered Accountants in England & Wales.

Board Committee membership:

Member of the Audit and Risk Committee

Chair of the Remuneration and Nomination Committee

Other current Directorships:

Director and Chairman of Atomos limited (ASX:AMS) since 13 May 2020

Chairman of Credo Holdings Pty Ltd

Non-executive Chair of OneStep Pty Ltd

Director of Henslow Pty Ltd

Director of Neo Products Pty Ltd

Director of Future Football Pty Ltd

Directorships of other listed companies within the past three years:

N/A

Sean Senvirtne

*Chief Executive
Officer*

Sean is the founder and CEO of MyDeal, and since inception has led the organisation to over \$272m Gross Sales in FY2022.

Prior to MyDeal, Sean ran several other online businesses including an online directory for restaurants, bars and nightclubs.

Sean was named Business Leader of the Year at the Optus My Business Awards in 2016, as well as being named a finalist for Young Executive of the Year by The CEO Magazine.

Board Committee membership:

None

Other current Directorships:

None

Directorships of other listed companies within the past three years:

N/A

Vanessa Chidrawi

Company secretary

Vanessa Chidrawi is a highly experienced governance professional, with a portfolio of domestic and international clients across various sectors. She had 12 years' private practice experience in commercial law and litigation, practicing for her own account in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for ASX200 and TSX-listed companies and has held senior executive positions in the mining industry across Australia and S-E Asia. Ms Chidrawi holds Bachelor of Law and Bachelor of Commerce qualifications and brings with her a wealth of experience in corporate governance, mergers and acquisitions, Board advisory and capital raising in the listed company space. She currently acts as company secretary and governance advisor to 4 ASX-listed companies across a range of industries.

Directors' Report

continued

DIRECTORS' MEETINGS

The number of meetings of the Board of Directors and of each Board committee held during the financial year and the numbers of meetings attended by each director were:

	Board of Directors		Audit Committee		Remuneration & Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Paul Greenberg	6	6	4	4	3	3
James Joughin	6	6	4	4	3	3
Chris Tait	6	6	4	4	3	3
Sean Senvirtne	6	6	–	–	–	–

DIRECTORS' INTERESTS IN SHARES OR OPTIONS

Directors' relevant interests in:	Ordinary shares of MyDeal.com.au Limited	Options over shares in MyDeal.com.au Limited
Paul Greenberg	1,687,855	400,000
James Joughin	128,261	210,000
Chris Tait	132,065	210,000
Sean Senvirtne	126,966,347 ⁷	5,939,286 ⁸

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Group has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Group has agreed to indemnify, to the extent permitted by the *Corporations Act 2001*, each Director in respect of certain liabilities which the Director may incur as a result of or by reason of (whether solely or in part), being or acting as an officer of the Group. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Group, including legal expenses. The Group has also agreed to maintain in favour of each officer a Directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of MyDeal.com.au Limited or any of its subsidiaries.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

NON-AUDIT SERVICES

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the Board of Directors. Non-audit services were provided by the auditors of entities in the consolidated Group during the year, namely Pitcher Partners Melbourne, network firms of Pitcher Partners, and other non-related audit firms, as detailed below.

7. Includes 4.47 million shares held or controlled by close family members.

8. Includes 1.56 million options held or controlled by close family members.

The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by MyDeal.com.au Limited and have been reviewed and approved to ensure they do not impact on 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 (including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for MyDeal.com.au Limited or any of its related entities, acting as an advocate for MyDeal.com.au Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of MyDeal.com.au Limited or any of its related entities.

	2022 \$	2021 \$
Amounts paid and payable to Pitcher Partners Melbourne for non-audit services:		
Taxation services	–	72,600
Total auditors' remuneration for non-audit services	–	72,600

NON-IFRS MEASURES

Throughout this report, MyDeal.com.au has included certain non-IFRS financial information, including Gross Sales, Net Transaction Value, EBITDA and adjusted EBITDA. MyDeal.com.au believes that these non-IFRS measures provide useful information to recipients for measuring the underlying operating performance of MyDeal.com.au Limited's business. Non-IFRS measures have not been subject to audit, or review.

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

Gross Sales	Gross transaction value, on a cash basis, of products and services sold.
Net Transaction Value (NTV)	Net transaction value represents Gross Sales after deducting refunds, chargebacks, discounts and coupons.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation, share-based payment expense and non-recurring transaction costs associated with the Group's IPO and the proposed acquisition of MyDeal by Woolworths Group Ltd.
BAU EBITDA	Earnings before interest, tax, depreciation and amortisation, share-based payment expense, non-recurring transaction costs associated with the Group's IPO and the proposed acquisition of MyDeal by Woolworths Group Ltd and specific investment in growth related initiatives.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Directors' Report

continued

REMUNERATION REPORT (AUDITED)

The Directors present the Group's 2022 remuneration report which details the remuneration information for MyDeal.com.au Limited's executive Directors, non-executive Directors and other key management personnel.

The report is structured as follows:

- (A) Key management personnel (KMP) covered in this report
- (B) Remuneration policy and link to performance
- (C) Remuneration expenses for KMP
- (D) Contractual arrangements for executive KMP
- (E) Non-executive Director arrangements
- (F) Other statutory information

A. Key management personnel (KMP) covered in this report

(i) Directors	Period of Responsibility	Position
Paul Greenberg	Appointed 10 August 2020	Chairman – Non-Executive
James Joughin	Appointed 10 August 2020	Director – Non-Executive
Chris Tait	Appointed 10 August 2020	Director – Non-Executive
Sean Senvirtne	Appointed 2 April 2020 ⁹	Director and Chief Executive Officer
(ii) Executives		
Josh Mangan	Appointed 16 September 2020 ¹⁰	Chief Operating Officer
Lachlan Freeman	Appointed 11 January 2021	Chief Financial Officer

There have been no changes to KMP after 30 June 2022 and the date the financial report was authorised for issue.

B. Remuneration policy and link to performance

Our Remuneration and Nomination committee is made up of non-executive Directors. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Group to attract and retain key talent;
- aligned to the Group's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

Remuneration Framework

Element	Purpose	Performance Metrics
Fixed Remuneration ('FR')	Provide competitive market salary including superannuation and non-monetary benefits	N/A.

9. Sean Senvirtne was previously employed by E-Com (AUS) Pty Ltd (appointed 5 April 2011), now a subsidiary of MyDeal.com.au Limited

10. Joshua Mangan was previously employed by E-Com (AUS) Pty Ltd (appointed 2 November 2017), now a subsidiary of MyDeal.com.au Limited.

Element	Purpose	Performance Metrics
Short Term Incentive 'STI'	Reward for in-year performance	<p>In FY22 STIs were in the form of cash.</p> <p>STIs were measured on the achievement of both financial and non-financial KPIs.</p> <p>FY22 STI goals included:</p> <ul style="list-style-type: none"> Group Gross Sales growth (60%) Various customer and employee operational goals (40%) <p>The Board also have discretion to grant additional bonuses for special projects or achievements that are not contemplated in the normal course of business or that have a particular strategic impact for the Group, such as acquisitions and divestments, refinancing or major capex projects.¹¹</p>
Long Term Incentive 'LTI'	Alignment to long term shareholder value	<p>In FY22 LTIs were in the form of options in the Group.</p> <p>The LTI is designed to assist in the motivation and retention of selected employees and to align the interest of eligible participants with those of the Group and its shareholders.</p> <p>Options were issued with vesting criteria including a relative Total Shareholder Return performance hurdle measured over a three-year period and continued employment.</p>

Assessing performance and claw-back of remuneration

The Remuneration and Nomination committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid.

In the event of serious misconduct or a material misstatement in the Group's financial statements, the remuneration committee can claw back performance-based remuneration paid in previous financial years.

Reliance on external remuneration consultants

The Group has not officially engaged external remuneration consultants. The Board has taken legal advice on remuneration practices.

Group performance

The following table summarises the Group's performance and key performance indicators:

	2022	2021	2020	2019	2018
Revenue	65,382,251	38,389,222	15,762,675	5,400,884	5,730,169
% increase/(decrease) in revenue	71%	144%	192%	(6%)	60%
Profit/(loss) before tax	(16,117,291)	(5,305,209)	331,632	(417,749)	(1,273,729)
% (Decrease)/increase in profit before tax	(204%)	(1700%)	179%	67%	40%
Change in share price (%)	172.3	–	–	–	–
Dividend paid to shareholders	–	–	–	–	–
Return of capital	–	–	–	–	–
Total remuneration of KMP	2,337,850	1,399,227	516,215	146,748	58,720
Total performance-based remuneration	1,124,205	275,960	104,662	–	–

11. Refer to note 23 contingent liabilities which includes a management and employee bonus payable in FY23 with respect to the proposed acquisition of MyDeal by Woolworths Group Ltd.

Directors' Report

continued

C. Remuneration expenses for key management personnel

(a) Directors' remuneration:

	Short-Term				Post-employment			Long-term		Share-based payments ¹²		Total performance-related		Options as % of total	
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other annuity \$	Superannuation \$	Retirement benefits \$	Termination benefits \$	Incentive plans \$	Options \$	TOTAL	\$	%	%	%	%
2022															
Paul Greenberg	91,324	-	-	-	9,132	-	-	-	-	31,976	132,432	24.14	24.14	24.14	24.14
James Joughin	54,795	-	-	-	5,479	-	-	-	-	17,375	77,649	22.46	22.46	22.46	22.46
Chris Tait	60,000	-	-	-	-	-	-	-	-	17,375	77,375	22.38	22.38	22.38	22.38
	206,119	-	-	-	14,611	-	-	-	-	66,726	287,456	23.21	23.21	23.21	23.21
2021															
Paul Greenberg	83,714	-	-	-	7,953	-	-	-	-	88	91,755	0.1	0.1	0.1	0.1
James Joughin	45,662	-	-	-	4,338	-	-	-	-	48	50,048	0.1	0.1	0.1	0.1
Chris Tait	50,000	-	-	-	-	-	-	-	-	48	50,048	0.1	0.1	0.1	0.1
	179,376	-	-	-	12,291	-	-	-	-	184	191,851	0.1	0.1	0.1	0.1

12. The value of options granted to Directors and key management personnel as part of their annual remuneration is calculated as at the grant date. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to the expected vesting date.

(b) Executives' remuneration:

	Short-Term			Post-employment				Long-term	Share-based payments ¹³	TOTAL	Total performance-related	Options as % of total
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other ¹⁴ \$	Superannuation \$	Retirement benefits \$	Termination benefits \$					
2022												
Sean Senvirtne	350,000	105,000	-	40,840	42,001	-	-	-	672,589	1,210,430	64.2	55.6
Josh Mangan	250,000	50,000	-	11,784	28,800	-	-	-	138,148	478,732	39.3	28.9
Lachlan Freeman	235,000	62,000	-	7,490	27,000	-	-	-	29,742	361,232	25.4	8.2
	835,000	217,000	-	60,114	97,801	-	-	-	840,479	2,050,394	51.6	41.0
2021												
Sean Senvirtne	360,870	157,879	10,322	117,667	42,631	-	-	-	1,768	691,137	23.1	0.3
Josh Mangan	227,500	80,738	-	13,051	25,673	-	-	-	343	347,305	23.3	0.1
Lachlan Freeman	111,474	35,000	-	11,822	10,590	-	-	-	48	168,934	20.7	0.0
	699,844	273,617	10,322	142,540	78,894	-	-	-	2,159	1,207,376	22.8	0.2

13. The value of options granted to Directors and key management personnel as part of their annual remuneration is calculated as at the grant date. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to the expected vesting date.

14. Other includes car parking benefits and the net increase in annual and long service leave entitlements.

Directors' Report

continued

D. Contractual arrangements for KMP

Executive employment agreements

Remuneration arrangements for executives are formalised in employment agreements. The following outlines the details of contracts with executives:

Chief Executive Officer (CEO) and Founder

Sean Senvirtne is the founder of the business and was contracted on a permanent basis from 2 April 2020 by MyDeal.com.au Limited¹⁵. His permanent contract was renewed on 16 September 2020.

Under the terms of the current contract:

- The CEO receives fixed remuneration of \$350,000 per annum, and in addition, 10% in superannuation entitlements.
- The CEO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The CEO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.

Chief Operating Officer (COO)

Josh Mangan was contracted by MyDeal.com.au Limited on a permanent basis from 16 September 2020¹⁶.

Under the terms of the current contract:

- The COO receives fixed remuneration of \$250,000 per annum, and in addition, 10% in superannuation entitlements.
- The COO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The COO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.
- The COO receives the provision of a free car parking space within the proximity of the Group's head office or reimbursement of same.

Chief Financial Officer (CFO)

Lachlan Freeman was employed on a permanent basis from 11 January 2021.

Under the terms of the current contract:

- The CFO receives fixed remuneration of \$235,000 per annum, and in addition, 10% in superannuation entitlements.
- The CFO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The CFO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.
- The CFO receives the provision of a free car parking space within the proximity of the Group's head office or reimbursement of same.

15. Sean Senvirtne was previously employed by E-Com (AUS) Pty Ltd (appointed 5 April 2011), now a subsidiary of MyDeal.com.au Limited.

16. Joshua Mangan was previously employed by E-Com (AUS) Pty Ltd (appointed 2 November 2017), now a subsidiary of MyDeal.com.au Limited.

Other key terms of the executive employment arrangements for the CEO, COO and CFO are summarised below:

	Contract term	Resignation	Notice Period Termination for cause	Termination payment
Sean Senvirtne	No fixed term	12 months	Nil	12 months
Josh Mangan	No fixed term	6 months	Nil	6 months
Lachlan Freeman	No fixed term	4 months	Nil	4 months

E. Non-executive Director arrangements

Non-executive Director fees are established relative to the size of the Group and the responsibilities skills and experience of the Directors.

In accordance with the Constitution of MyDeal.com.au Limited, the total amount provided to all non-executive Directors must not exceed in aggregate in any financial year \$750,000. Additional fees may be payable for consulting services provided by non-executive Directors. The Nomination and Remuneration Committee reviews the performance skills and experience of the Board, and the Directors' fees on an annual basis.

The current non-executive Directors' fee structure is set out below:

	Cash fee paid to chair	Cash fee paid to member(s)
Board	\$100,456	\$60,274

In addition to the above, as outlined in the Group's prospectus, the Group established a non-executive Directors equity plan to assist in motivation, retention and reward of non-executive Directors in the Group. Pursuant to the plan, non-executive Directors were entitled to receive options.

Refer below for details.

Directors' Report

continued

F. Other Statutory Information – Key management personnel's share-based compensation

(a) Details of compensation options

Terms and conditions for each grant														
2022	Grant date	Number granted	Fair value per option at grant date	Number vested during the year	Year in which option may be vested	Vested %	Fair value of exercised options during the year	Number lapsed during the year	Year lapsed options were granted	Amount paid or payable for exercised options	Exercise price \$	Expiry date	First exercise date	Last exercise date
Executives														
Sean Senvirtne	23/12/21	375,000	0.355	-	2024	-	-	-	-	-	0.64	31/07/2029	30/06/2024	31/07/2029
Josh Mangan	23/12/21	178,571	0.355	-	2024	-	-	-	-	-	0.64	31/07/2029	30/06/2024	31/07/2029
Lachlan Freeman	23/12/21	167,857	0.355	-	2024	-	-	-	-	-	0.64	31/07/2029	30/06/2024	31/07/2029
	-	721,428		-	-	-	-	-	-	-	-	-	-	-

Terms and conditions for each grant

2021	Grant date	Number granted	Fair value per option at grant date	Number vested during the year	Year in which option may be vested	Vested %	Fair value of options exercised during the year	Number lapsed during the year	Year lapsed options were granted	Amount paid or payable for exercised options	Exercise price \$	Expiry date	First exercise date	Last exercise date
Directors														
	Paul Greenberg	29/06/21	50,000	0.145	-	2022	-	-	-	-	1.0	29/06/2026	20/10/2022	29/06/2026
	Paul Greenberg	29/06/21	150,000	0.145	-	2022	-	-	-	-	1.0	20/10/2027	20/10/2022	20/10/2027
	Paul Greenberg	29/06/21	150,000	0.120	-	2023	-	-	-	-	1.5	20/10/2028	20/10/2023	20/10/2028
	Paul Greenberg	29/06/21	50,000	0.135	-	2024	-	-	-	-	1.5	20/10/2029	20/10/2024	20/10/2029
	James Joughin	29/06/21	10,000	0.145	-	2022	-	-	-	-	1.0	29/06/2026	20/10/2022	29/06/2026
	James Joughin	29/06/21	100,000	0.145	-	2022	-	-	-	-	1.0	20/10/2027	20/10/2022	20/10/2027
	James Joughin	29/06/21	100,000	0.120	-	2023	-	-	-	-	1.5	20/10/2028	20/10/2023	20/10/2028
	Chris Tait	29/06/21	10,000	0.145	-	2022	-	-	-	-	1.0	29/06/2026	20/10/2022	29/06/2026
	Chris Tait	29/06/21	100,000	0.145	-	2022	-	-	-	-	1.0	20/10/2027	20/10/2022	20/10/2027
	Chris Tait	29/06/21	100,000	0.120	-	2023	-	-	-	-	1.5	20/10/2028	20/10/2023	20/10/2028
Executives														
	Sean Senvirtne	29/06/21	3,000,000	0.145	-	2022	-	-	-	-	1.0	29/06/2026	20/10/2022	29/06/2026
	Sean Senvirtne	29/06/21	1,000,000	0.410	-	2022	-	-	-	-	0.2	20/10/2027	20/10/2022	20/10/2027
	Josh Mangan	29/06/21	350,000	0.175	-	2023	-	-	-	-	1.0	29/06/2026	29/06/2023	29/06/2026
	Josh Mangan	29/06/21	450,000	0.420	-	2023	-	-	-	-	0.2	29/06/2028	29/06/2023	29/06/2028
	Lachlan Freeman	29/06/21	200,000	0.175	-	2023	-	-	-	-	1.0	29/06/2031	29/06/2023	29/06/2031
		-	5,820,000	-	-	-	-	-	-	-	-	-	-	-

Directors' Report

continued

(b) Shares issued on exercise of compensation options

No shares have been issued on exercise of compensation options during the 2022 financial year.

G. Other Statutory Information – Key management personnel's equity holdings

(a) Number of options held by key management personnel

2022	Balance 01/07/21	Granted as remuner- ation	Options exercised*	Other changes (net)*	Balance 30/06/22	Total vested 30/06/22	Total vested and exercisable 30/06/22	Total vested and un- exercisable 30/06/22
Directors								
Paul Greenberg	400,000	–	–	–	400,000	–	–	–
James Joughin	210,000	–	–	–	210,000	–	–	–
Chris Tait	210,000	–	–	–	210,000	–	–	–
Executives								
Sean Senvirtne ¹⁷	5,450,000	489,286	–	–	5,939,286	–	–	–
Josh Mangan	800,000	178,571	–	–	978,571	–	–	–
Lachlan Freeman	200,000	167,857	–	–	367,857	–	–	–
	7,270,000	835,714	–	–	8,105,714	–	–	–

* Note: Net change includes options forfeit.

2021	Balance 01/07/20	Granted as remuner- ation	Options exercised*	Other changes (net)*	Balance 30/06/21	Total vested 30/06/21	Total vested and exercisable 30/06/21	Total vested and un- exercisable 30/06/21
Directors								
Paul Greenberg	–	400,000	–	–	400,000	–	–	–
James Joughin	–	210,000	–	–	210,000	–	–	–
Chris Tait	–	210,000	–	–	210,000	–	–	–
Executives								
Sean Senvirtne ¹⁸	–	5,450,000	–	–	5,450,000	–	–	–
Josh Mangan	–	800,000	–	–	800,000	–	–	–
Lachlan Freeman	–	200,000	–	–	200,000	–	–	–
	–	7,270,000	–	–	7,270,000	–	–	–

* Note: Net change includes options forfeit.

17. Includes holdings of close family members.

18. Includes holdings of close family members.

(b) Number of shares held by key management personnel (consolidated)

2022	Balance 1/07/21	Received as Remuneration	Received on the exercise of options	Other changes (net)	Total balance at 30/06/22	Number held nominally at 30/06/22
Directors						
Paul Greenberg	1,687,855	–	–	–	1,687,855	–
James Joughin	128,261	–	–	–	128,261	–
Chris Tait	132,065	–	–	–	132,065	–
Executives						
Sean Senvirtne ¹⁹	126,966,347	–	–	–	126,966,347	–
Josh Mangan	15,000	–	–	–	15,000	–
Lachlan Freeman	–	–	–	–	–	–
	128,929,528	–	–	–	128,929,528	–
2021	Balance 1/07/20	Received as Remuneration	Received on the exercise of options	Other changes (net)	Total balance at 30/06/21	Number held nominally at 30/06/21
Directors						
Paul Greenberg	–	–	–	1,687,855	1,687,855	–
James Joughin	–	–	–	128,261	128,261	–
Chris Tait	–	–	–	132,065	132,065	–
Executives						
Sean Senvirtne ²⁰	79,110,124	–	–	47,856,223	126,966,347	–
Josh Mangan	–	–	–	15,000	15,000	–
Lachlan Freeman	–	–	–	–	–	–
	79,110,124	–	–	49,819,404	128,929,528	–

19. Includes holdings of close family members.

20. Includes holdings of close family members.

Directors' Report

continued

H. Other transactions with key management personnel

During the year there were no other KMP transactions.

I. Voting and comments made at the Group's 2021 Annual General Meeting (AGM)

At the Group's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

_____ end of the remuneration report _____

Signed in accordance with a resolution of the Directors.



Paul Greenberg
Chairman

Melbourne
26 August 2022

Auditor's Independence Declaration



MYDEAL.COM.AU LIMITED
ABN 60 640 108 130

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MYDEAL.COM.AU LIMITED

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of MyDeal.com.au Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'B Powers'.

B POWERS
Partner

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
Melbourne

26 August 2022

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008
Pitcher Partners is an association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Continuing operations			
Revenue and other income			
Revenue from contracts with customers	4	65,382,251	38,271,998
Cost of sales	5	(24,863,200)	(4,926,100)
Gross profit		40,519,051	33,345,898
Other revenue	6	(99,907)	117,224
Less: Expenses			
Advertising expense		(25,154,936)	(23,032,201)
Depreciation and amortisation expense	7	(1,955,692)	(751,657)
Distribution expense		(7,501,572)	(2,789,787)
Employee benefits expense	7	(11,224,713)	(5,052,221)
Finance costs	7	(35,175)	(104,502)
Merchant fees		(4,068,322)	(3,236,011)
Occupancy expense		(97,905)	(80,993)
Professional fees		(2,621,456)	(843,799)
Software expenses		(3,031,396)	(1,984,092)
Other expenses		(845,268)	(893,068)
		(56,536,435)	(38,768,331)
Profit/(loss) before income tax expense		(16,117,291)	(5,305,209)
Income tax benefit/(expense)	8	604,375	(550,120)
Net Profit/(loss) from continuing operations		(15,512,916)	(5,855,329)
Other comprehensive income for the year		–	–
Total comprehensive income		(15,512,916)	(5,855,329)
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share	24	(0.060)	(0.025)
Diluted earnings per share	24	(0.060)	(0.025)

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	9	32,411,845	42,674,560
Receivables	10	400,674	351,967
Inventories	11	8,526,184	5,326,581
Other assets	12	918,996	922,099
Total current assets		42,257,699	49,275,207
Non-current assets			
Intangible assets	15	3,832,560	1,952,469
Lease assets	14	544,215	124,053
Deferred tax assets	8	604,375	–
Property, plant and equipment	13	708,370	261,222
Total non-current assets		5,689,520	2,337,744
Total assets		47,947,219	51,612,951
Current liabilities			
Payables	16	27,154,517	19,083,329
Lease liabilities	14	227,343	154,489
Provisions	17	1,088,233	554,092
Other liabilities	18	1,866,096	925,106
Total current liabilities		30,336,189	20,717,016
Non-current liabilities			
Lease liabilities	14	488,289	–
Provisions	17	61,402	67,377
Total non-current liabilities		549,691	67,377
Total liabilities		30,885,880	20,784,393
Net assets		17,061,339	30,828,558
Equity			
Share capital	19	40,771,727	40,771,727
Reserves	20	1,750,234	4,537
Accumulated losses	21	(25,460,622)	(9,947,706)
Total equity		17,061,339	30,828,558

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2020	5,150,102	–	(4,092,377)	1,057,725
Profit/(Loss) for the year	–	–	(5,855,329)	(5,855,329)
Total comprehensive income for the year	–	–	(5,855,329)	(5,855,329)
Proceeds and cost of raising capital	35,621,625	–	–	35,621,625
Employee Share Ownership Plan	–	4,537	–	4,537
Balance as at 30 June 2021	40,771,727	4,537	(9,947,706)	30,828,558
Balance as at 1 July 2021	40,771,727	4,537	(9,947,706)	30,828,558
Profit/(Loss) for the year	–	–	(15,512,916)	(15,512,916)
Total comprehensive income for the year	–	–	(15,512,916)	(15,512,916)
Employee Share Ownership Plan	–	1,745,697	–	1,745,697
Balance as at 30 June 2022	40,771,727	1,750,234	(25,460,622)	17,061,339

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flow from operating activities			
Receipts from customers		285,701,851	229,381,111
Payments to suppliers and employees		(291,840,253)	(233,245,212)
Interest received		56,893	42,139
Interest paid		(20)	(9,881)
Income tax paid		–	(32,520)
Net cash provided by/(used in) operating activities	22	(6,081,529)	(3,864,363)
Cash flow from investing activities			
Payment for property, plant and equipment		(700,032)	(279,087)
Payment for intangibles		(3,361,982)	(2,283,365)
Net cash provided by/(used in) investing activities		(4,062,014)	(2,562,452)
Cash flow from financing activities			
Proceeds from share issue		–	32,456,811
Repayment of borrowings		–	–
Repayment of lease principal		(84,018)	(152,319)
Repayment of lease interest		(35,155)	(12,072)
Net cash provided by/(used in) financing activities		(119,173)	32,292,420
Reconciliation of cash			
Cash and cash equivalents at beginning of year		42,674,560	16,808,955
Net (decrease)/increase in cash held		(10,262,715)	25,865,605
Cash and cash equivalents at end of the year	22	32,411,845	42,674,560

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Year ended 30 June 2022

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers MyDeal.com.au Limited and its controlled entities as a Group. MyDeal.com.au Limited is a company limited by shares, incorporated and domiciled in Australia. The address of MyDeal.com.au Limited's registered office and principal place of business is Level 1 446 Collins Street, Melbourne 3000. MyDeal.com.au Limited is a for-profit entity for the purpose of preparing the financial report.

The financial report was approved by the Directors as at the date of the Directors' report.

Compliance with IFRS

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the consolidated financial statements.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group recorded a loss before income tax of \$16,117,291 during the year ended 30 June 2022 (2021: loss before income tax \$5,305,209).

At 30 June 2022 the Group has net assets of \$17,061,339 (2021: \$30,828,558).

At 30 June 2022 the Group has cash and cash equivalents of \$32,411,845 (2021: \$42,674,560).

The Directors have concluded that the going concern basis is appropriate based on analysis of the Group's recent performance and financial forecasts for the next 12 months from the signing of the director's report. Forecasts indicate the Group will have sufficient cash to pay its debts as and when they fall due.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-Group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are derecognised from the date that control ceases.

Notes to the Financial Statements

continued

(d) Revenue from contracts with customers

The Group derives revenue from the commission on sale of goods, sale of goods, advertising services and subscription fees.

Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

Sales Commission comprises commission and transaction fees charged to sellers for every product sold on the marketplace. Transaction fees are recognised at the point of sale and commission fees are recognised upon dispatch of the goods.

In-stock reflects revenue from the sale of goods controlled by the Group prior to transfer and are recognised upon delivery of the goods to the customer.

Advertising revenue are fees charged to sellers with respect to promotional activity and are recognised over time when the promotional activity and the Group's service obligations have been performed.

Subscription fees comprise fees charged to sellers to list products on the marketplace and are recognised over time with respect to the period that products are listed.

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

Refund liabilities

A refund liability represents the Group's obligation to refund consideration received (or receivable) where a customer returns a product purchased. A refund liability is measured at the Group's estimate, based on historical experience, of the amount to be refunded in relation to goods transferred to customers. The recognition of a refund liability reduces the amount of revenue recognised for the reporting period. The Group updates the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds, with corresponding adjustments recognised as revenue (or a reduction of revenue).

Right to returned goods

A right to returned goods asset represents the Group's right to recover products from a customer on settling a refund liability. A right to returned goods asset is measured at the former carrying amount of the inventory (immediately prior to transfer to the customer), less any expected costs to recover those goods (including potential decreases in the value of returned goods). The recognition of a right to returned goods asset reduces the amount of cost of sales for the reporting period. The Group updates the measurement of the right to returned goods asset at the end of each reporting period for changes in expectations about goods to be returned, with corresponding adjustments recognised as cost of sales (or a reduction of cost of sales).

Warranty obligations

The Group provides a general warranty for all goods sold, as required by law. The Group does not provide customers with the option to purchase an additional or extended warranty. Warranty obligations are recognised as a provision, and are measured at the Group's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The Group updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

MyDeal.com.au Limited (the 'head entity') and its wholly-owned Australian subsidiaries formed an income tax consolidated Group ('tax Group') under the tax consolidation regime with effect from 1 July 2020. Each entity in the tax Group continues to account for their own current and deferred tax amounts. The tax Group has applied the 'Group allocation' approach in determining the appropriate amount of taxes to allocate to Group members. In addition to its own tax amounts, the head entity also recognises the tax arising from unused tax losses and tax credits from each subsidiary in the tax Group.

Assets or liabilities arising under tax funding agreements are recognised as amounts receivable from or payable to other entities in the tax Group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax Group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group 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 adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Notes to the Financial Statements

continued

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days. Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Trade and other payables

Trade and other payables represent liabilities for services and goods provided to the Group prior to the end of the reporting period which are unpaid. They include fees payable to Sellers for products sold on the Group's platform. They are measured at amortised cost, are unsecured and usually paid within 30 days of recognition.

Convertible notes

Convertible notes are debt instruments that can be converted into ordinary shares of the issuer, by the issuer, on maturity. The convertible notes are classified as financial liabilities in accordance with their contractual terms.

Impairment of financial assets

Receivables from contracts with customers are tested for impairment by applying the 'expected credit loss' impairment models.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

(i) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(j) Plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Motor vehicles at cost	20%	Straight line
Office equipment at cost	25%	Straight line
Computer equipment at cost	33%	Straight line
Leasehold improvements	33%	Straight line

(k) Intangible assets

Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

Internally generated intangible assets

Software development 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. Development costs are amortised over the useful life of the asset.

Software development costs are amortised on a straight line basis over the period of their expected benefit being their finite life of 3-5 years.

(l) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

Notes to the Financial Statements

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(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

(iii) Retirement benefit obligations defined contribution superannuation plan

The Group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

(iv) Share-based payments

The Group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(v) Bonus plan

The Group recognises a provision when a bonus is payable in accordance with the discretion and determination of the Remuneration and Nomination Committee, and the amount can be reliably measured.

(m) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(o) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Transactions and balances

Transactions undertaken in foreign currencies are recognised in the Group's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

All exchange gains or losses are recognised in profit or loss for the period in which they arise.

(p) Impairment of non-financial 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 an 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 to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current marketing assessments of the time value of money and the risks specific to the asset or CGU.

(q) Cashflow

Cashflows are recognised on a gross basis reflecting total cash balances transacted by the Group in accordance with AASB 107. From a revenue recognition perspective, the Group determines whether it is a principal or agent for each transaction entered into with its customers in accordance with AASB 15. In general, the Group acts as an agent with respect to transactions where external third party sellers control goods that are sold on the Group's marketplace and as principal where the Group controls goods before they are transferred to the customer.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(s) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial statements have been rounded to the nearest dollar.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. The fair value of LTI options is determined by using either the Trinomial, Monte Carlo or Black-Scholes models, as appropriate, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the Financial Statements

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(b) Deferred tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent it is probable that future taxable profits will be available to utilise those temporary differences and losses. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

(c) Impairment of non-financial assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether intangible and other non-financial assets have suffered any impairment, in accordance with the stated accounting policy. The recoverable amount of the cash generating unit has been determined based on a value in use calculation. The calculation requires the use of assumptions including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(d) Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or other events. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or impaired.

(e) Provision for warranty and refund

The Group has made judgements in respect of the expected return of damaged or faulty products. Historical experience and current knowledge of the performance of the products have been used in determining this provision.

(f) Provision for slow moving and obsolete inventory

The Group has made judgements in respect of the net realisable value of inventory. Historical experience and current knowledge of the performance of the products have been used in determining this provision.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Group is exposed to the following financial risks:

- Currency risk;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

The Board of Directors has overall responsibility for identifying and managing operational and financial risks.

(a) Currency risk

The Group undertakes transactions denominated in foreign currencies and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amounts of foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2022 AUD\$	2021 AUD\$	2022 AUD\$	2021 AUD\$
United States Dollar denominated	–	–	1,816,237	83,068
	–	–	1,816,237	83,068

If foreign exchange rates were to increase/decrease by 5% from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact on profit for the year and equity would be as follows:

	2022 \$	2021 \$
+/- 5%		
Impact on profit after tax	90,812	4,153
Impact on equity	–	–

Based on this position, the Group is not exposed to any significant foreign currency sensitivity from its existing liabilities.

(b) Interest rate risk

The Group has a credit card facility with an available balance of \$30,000. The Group is exposed to interest rate risk in relation to this facility. The Group is not materially exposed to any significant interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

(c) Credit risk

Credit risk is the risk that one counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is not materially exposed to any significant credit risk. All cash and cash equivalents are held by well established banks, hence the expected default rate for these institutions is highly unlikely based on both financial and non-financial data available.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date of recognised financial assets is the carrying amount of those assets, net of any allowance for credit losses, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows.

The following table outlines the Group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

	< 6 months \$	6-12 months \$	1-5 years \$	Total contractual cash flows \$	Carrying amount \$
30 June 2022					
Payables	27,154,517	–	–	27,154,517	27,154,517
Lease liabilities	61,416	198,548	502,682	762,646	715,632
Provisions	1,088,233	–	61,402	1,149,635	1,149,635
Other liabilities	1,866,096	–	–	1,866,096	1,866,096
	30,170,262	198,548	564,084	30,932,894	30,885,880
30 June 2021					
Payables	19,083,329	–	–	19,083,329	19,083,329
Lease liabilities	99,718	58,169	–	157,887	154,489
Provisions	554,092	–	67,377	621,469	621,469
Other liabilities	925,106	–	–	925,106	925,106
	20,662,245	58,169	67,377	20,787,791	20,784,393

Notes to the Financial Statements

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NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 \$	2021 \$
Revenue from contracts with customers from continuing operations		
Revenue recognised at a point in time:		
Sales commission	29,390,862	28,055,432
In-stock revenue	34,270,930	8,662,981
	63,661,792	36,718,413
Revenue recognised over time:		
Advertising income	1,039,923	1,240,772
Subscription fee income	680,536	312,813
	1,720,459	1,553,585
	65,382,251	38,271,998

NOTE 5: COST OF GOODS SOLD

	2022 \$	2021 \$
Cost of goods sold	24,863,200	4,926,100
	24,863,200	4,926,100

Cost of goods sold relates to the Group's in-stock business.

NOTE 6: OTHER REVENUE AND OTHER INCOME

	2022 \$	2021 \$
Other revenue		
Interest income	56,893	42,138
App support	50,000	30,000
Research and development tax incentive	–	8,844
COVID-19 – cash flow boost	–	50,000
Foreign exchange gain/(loss)	(206,800)	(33,347)
Profit on sale of assets	–	19,589
	(99,907)	117,224

NOTE 7: PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	2022 \$	2021 \$
Profit/(Loss) from continuing operations before income tax has been determined after the following specific expenses:		
<i>Transaction costs</i>		
IPO Transaction costs	–	493,422
Costs associated with proposed acquisition of MyDeal by Woolworths Group Ltd	529,402	–
	529,402	493,422
<i>Finance costs</i>		
Convertible notes	–	92,064
Lease liabilities	35,155	12,072
Other	20	366
	35,175	104,502
<i>Depreciation and amortisation</i>		
<i>Depreciation of non-current assets</i>		
Motor vehicles	–	1,203
Office furniture and equipment	6,666	4,035
Computer equipment	100,821	38,363
Leasehold improvement	141,315	497
	248,802	44,098
<i>Amortisation of non-current assets</i>		
Leased assets	224,999	156,696
Software	1,481,891	550,863
	1,706,890	707,559
<i>Total depreciation and amortisation</i>	1,955,692	751,657
<i>Bad debts</i>	(23,242)	64,948
<i>Employee benefits</i>	11,224,713	5,052,221
<i>Loss/(Gain) on disposal of plant and equipment</i>	–	43,162

In the current year FY22, the Group incurred transaction costs of \$529,402 in the statement of financial performance with respect to the proposed acquisition of MyDeal by WOW announced on 20 May 2022. If the Scheme is implemented, the costs incurred by MyDeal in relation to the Scheme will effectively be met by Woolworths Group as the ultimate controller of MyDeal following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, MyDeal expects to incur total costs of approximately \$1,386,150 (exclusive of GST) in connection with the Scheme.

In the prior year, FY21, the Group incurred transaction costs with respect to the \$40 million initial public offer and listing on the ASX on 22 October 2020.

In accordance with AASB 132, prior year total transaction costs of \$3,336,632 were recognised in either equity \$2,843,190 or the statement of financial performance \$493,442 during the period. Of the costs recognised in the statement of financial performance \$418,854 have been deemed non-recurring.

Notes to the Financial Statements

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NOTE 8: INCOME TAX

(a) Components of tax expense/(benefit):

	2022 \$	2021 \$
Current tax	–	–
Deferred tax	(604,375)	550,120
Under/(over) provision in prior years	–	–
	(604,375)	550,120

(b) Income tax reconciliation

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2022 \$	2021 \$
Prima facie income tax payable on profit before income tax at 30.0% (2021: 26%)	(4,835,187)	(1,379,354)
Add tax effect of:		
– Other non-allowable items	707,736	33,573
– Research and development expenditure	35,653	–
– Deferred tax assets previously recognised, derecognised	–	550,120
– Deferred tax assets not recognised	4,104,365	1,343,239
– Change in tax rate	–	28,942
– Other differences	7,689	19,520
	4,855,443	1,975,394
Less tax effect of:		
– Non-assessable income	–	17,900
– Research and development tax incentive	–	28,020
– Deferred tax assets, previously not recognised	624,631	–
	624,631	45,920
Income tax expense/(benefit) attributable to profit/(loss)	(604,375)	550,120

(c) Deferred tax

Deferred tax relates to the following:

	2022 \$	2021 \$
<i>Deferred tax assets</i>		
The balance comprises:		
Tax losses carried forward	–	–
Employee benefits	571,021	–
Leases	51,425	–
Accruals	45,956	–
Unrealised FX gains	21,115	–
Inventory	144,840	–
Un-deducted capital expenditure	702,270	–
	1,536,627	–
<i>Deferred tax liabilities</i>		
The balance comprises:		
Property, plant and equipment	97,297	–
Intangibles	834,955	–
	932,252	–
Net deferred tax assets/(liabilities)	604,375	–

(d) Deferred tax assets not brought to account

	2022 \$	2021 \$
Temporary differences	–	516,758
Tax losses	6,498,327	2,105,868
	6,498,327	2,622,626

NOTE 9: CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash on hand	102	102
Cash at bank	30,335,837	40,745,276
Cash on deposit	2,075,906	1,929,182
	32,411,845	42,674,560

Notes to the Financial Statements

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NOTE 10: RECEIVABLES

	2022 \$	2021 \$
CURRENT		
Receivables from contracts with customers	403,617	411,841
Allowance for credit losses	(2,943)	(66,342)
	400,674	345,499
Research and development tax incentive receivable	–	–
	–	–
Other receivables	–	6,468
	–	6,468
	400,674	351,967

DAYS PAST DUE						
	Not past due	<30	31-60	61-90	>90	Total
30-Jun-22						
Trade receivables	343,166	55,380	159	127	1,842	400,674
Other receivables	–	–	–	–	–	–
Total	343,166	55,380	159	127	1,842	400,674
30-Jun-21						
Trade receivables	282,463	16,738	18,575	16,100	11,623	345,499
Other receivables	6,468	–	–	–	–	6,468
Total	288,931	16,738	18,575	16,100	11,623	351,967

NOTE 11: INVENTORIES

	2022 \$	2021 \$
CURRENT		
Stock on hand at cost	8,008,753	4,490,004
Stock in transit at cost	679,181	836,577
Provision for obsolescence	(161,750)	–
Total inventories	8,526,184	5,326,581

NOTE 12: OTHER ASSETS

	2022 \$	2021 \$
Prepayments	875,840	878,943
Other current assets	43,156	43,156
	918,996	922,099

NOTE 13: PROPERTY PLANT AND EQUIPMENT

	2022 \$	2021 \$
Office equipment at cost	68,844	56,774
Less: Accumulated depreciation	(47,843)	(41,177)
	21,001	15,597
Computer equipment at cost	527,200	307,869
Accumulated depreciation	(223,879)	(123,057)
	303,321	184,812
Leasehold improvement at cost	525,860	61,310
Accumulated amortisation	(141,812)	(497)
	384,048	60,813
<i>Total property, plant and equipment at cost</i>	1,121,904	425,953
<i>Accumulated depreciation and amortisation</i>	(413,534)	(164,731)
Total property, plant and equipment	708,370	261,222

Notes to the Financial Statements

continued

(a) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	2022 \$	2021 \$
<i>Motor Vehicles</i>		
Carrying amount at beginning of year	–	18,155
Disposals	–	(16,952)
Depreciation expense	–	(1,203)
Carrying amount end of year	–	–
<i>Office equipment</i>		
Carrying amount at beginning of year	15,597	8,402
Additions	12,070	12,884
Disposals	–	(1,654)
Depreciation expense	(6,666)	(4,035)
Carrying amount end of year	21,001	15,597
<i>Computer equipment</i>		
Carrying amount at beginning of year	184,812	42,838
Additions	219,330	204,893
Disposals	–	(24,556)
Depreciation expense	(100,821)	(38,363)
Carrying amount end of year	303,321	184,812
<i>Leasehold improvement</i>		
Carrying amount at beginning of year	60,813	–
Additions	464,550	61,310
Depreciation expense	(141,315)	(497)
Carrying amount end of year	384,048	60,813
<i>Total property, plant and equipment</i>		
Carrying amount at beginning of year	261,222	69,395
Additions	695,950	279,087
Disposals	–	(43,162)
Depreciation expense	(248,802)	(44,098)
Carrying amount end of year	708,370	261,222

NOTE 14: LEASE ASSETS AND LEASE LIABILITIES

Lease arrangements (30 June 2022)

(a) Lease assets

	2022 \$	2021 \$
Carrying amount of lease assets, by class of underlying asset:		
<i>Buildings under lease arrangements</i>		
At cost	783,674	437,446
Accumulated depreciation	(239,459)	(313,393)
	544,215	124,053
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year		
Opening Balance	124,053	280,749
New Lease	783,674	–
Old Lease termination	(138,513)	–
Depreciation	(224,999)	(156,696)
Closing Balance	544,215	124,053

(b) Lease liabilities

	2022 \$	2021 \$
Current lease liabilities	227,343	154,489
Non-current lease liabilities	488,289	–
Total carrying amount of lease liabilities	715,632	154,489
Lease expenses and cashflows		
Interest expense on lease liabilities	35,155	12,072
Depreciation expense on lease assets	224,999	156,696
Total cash outflow in relation to leases	119,173	164,391

Notes to the Financial Statements

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NOTE 15: INTANGIBLE ASSETS

	2022 \$	2021 \$
Customer lists and contracts	1,690,993	949,026
Less: Accumulated amortisation	(1,097,588)	(405,577)
	593,405	543,449
Internally generated software	3,057,974	1,077,355
Less: Accumulated amortisation	(462,121)	(75,800)
	2,595,853	1,001,555
Computer software at cost	1,299,513	660,117
Accumulated amortisation and impairment	(656,211)	(252,652)
	643,302	407,465
Net book amount	3,832,560	1,952,469

Reconciliations of the carrying amounts at the beginning and end of the year ended 30 June 2022 are provided below.

	Customer lists and contracts	Internally generated software	Computer software at cost	Total
Balance at 1 July 2021	543,449	1,001,555	407,465	1,952,469
Additions	741,967	1,980,619	639,396	3,361,982
Amortisation expense	(692,011)	(386,321)	(403,559)	(1,481,891)
Impairment losses	–	–	–	–
Balance at 30 June 2022	593,405	2,595,853	643,302	3,832,560

	Customer lists and contracts	Internally generated software	Computer software at cost	Total
Balance at 1 July 2020	99,618	–	120,349	219,967
Additions	783,677	1,077,355	422,333	2,283,365
Amortisation expense	(339,846)	(75,800)	(135,217)	(550,863)
Impairment losses	–	–	–	–
Balance at 30 June 2021	543,449	1,001,555	407,465	1,952,469

NOTE 16: PAYABLES

	2022 \$	2021 \$
CURRENT		
Trade payables	25,220,645	18,150,766
Sundry creditors and accruals	1,933,872	932,563
	27,154,517	19,083,329

NOTE 17: PROVISIONS

	2022 \$	2021 \$
CURRENT		
Employee benefits	973,497	554,092
Warranty, refunds and replacements	114,736	–
	1,088,233	554,092
NON-CURRENT		
Employee benefits	61,402	67,377
	61,402	67,377
Total provisions liability	1,149,635	621,469
<i>Total employee benefits</i>	<i>1,034,899</i>	<i>621,469</i>

NOTE 18: OTHER LIABILITIES

	2022 \$	2021 \$
CURRENT		
Income in advance	1,866,096	925,106
	1,866,096	925,106

NOTE 19: SHARE CAPITAL**(a) Ordinary Shares**

30 June 2022 \$	30 June 2021 \$	30 June 2022 No.	30 June 2021 No.
40,771,727	40,771,727	258,827,306	258,827,306

(b) Movements in ordinary share capital

Details	Date	Shares No.	Issue Price	\$
Balance	1 July 2020	131,788,967	–	5,150,102
Share split 1:1.67	September 2020	219,490,369		
Convertible note	September 2020	4,336,937	0.8	3,464,814
Shares issued at IPO	October 2020	35,000,000	1.0	35,000,000
Transaction costs arising on IPO offset against share capital, net of tax	October 2020			(2,843,189)
Balance	30 June 2021	258,827,306		40,771,727
Balance	1 July 2021	258,827,306		40,771,727
Balance	30 June 2022	258,827,306		40,771,727

Notes to the Financial Statements

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(c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

NOTE 20: RESERVES

		2022 \$	2021 \$
Share-based payment reserve	26(b)	1,750,234	4,537
		1,750,234	4,537

(a) Share-based payment reserve

		2022 \$	2021 \$
(i) Nature and purpose of reserve			
This reserve is used to record the value of equity settled share-based payments.			
(ii) Movements in reserve			
Balance at beginning of year		4,537	–
Net share-based payment expense for the year		1,745,697	4,537
Balance at end of year		1,750,234	4,537

NOTE 21: ACCUMULATED LOSSES

		2022 \$	2021 \$
Balance at beginning of year		(9,947,706)	(4,092,377)
Net profit/(loss)		(15,512,916)	(5,855,329)
Balance at end of year		(25,460,622)	(9,947,706)

NOTE 22: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after income tax

	2022 \$	2021 \$
Profit/(loss) from ordinary activities after income tax	(15,512,916)	(5,855,329)
Adjusted for:		
Amortisation	1,706,890	707,559
Depreciation	248,802	44,098
Interest included in financing activity	35,155	94,621
Share-based payment expense	1,745,697	4,537
Asset write off	4,081	43,162
Changes in assets and liabilities		
(Increase)/Decrease in receivables from contracts with customers	(48,707)	384,749
(Increase)/Decrease in other assets	3,103	(139,691)
Increase in inventory	(3,199,603)	(4,941,600)
(Increase)/Decrease in income tax payable	(604,375)	517,600
Increase in payables	8,091,973	5,477,695
Increase/(Decrease) in other liabilities	920,205	(562,189)
Increase in provisions	528,166	360,425
Net cash used in operating activities	(6,081,529)	(3,864,363)

(b) Reconciliation of cash

	2022 \$	2021 \$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
– Cash on hand	102	102
– Cash at bank	30,335,837	40,745,276
– Cash on deposit	2,075,906	1,929,182
Closing cash balance	32,411,845	42,674,560

Notes to the Financial Statements

continued

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

A contingent liability exists for possible future claims which may be made against the Group.

	2022	2021
<i>Estimates of the maximum amounts of contingent liabilities that may become payable:</i>		
Bank guarantees over rental properties	210,130	60,702
Advisor fees and management and employee bonuses relating to proposed acquisition of MyDeal by Woolworths Group Ltd	7,204,424	–

On 20 May 2022, MyDeal announced that it had entered into a Scheme Implementation Agreement with Woolworths Group, under which it is proposed that Woolworths Group will acquire 80.2% of the MyDeal Shares on issue by way of the Scheme.

MyDeal has certain obligations that are contingent upon successful implementation of the Scheme. The financial effect of these obligations to MyDeal is approximately \$4,354,424 (exclusive of GST) and relate to success fees to MyDeal's corporate Adviser and management and employee transaction bonuses.

In certain circumstances, MyDeal may also be required to pay to Woolworths Group the MyDeal Break Fee as described in Section 10.7.7 of the scheme booklet. The MyDeal Break Fee is \$2,850,000 (excluding GST).

Apart from the above, the Directors are not aware of any other material contingent liabilities or assets.

NOTE 24: EARNINGS PER SHARE

	2022 \$	2021 \$
Reconciliation of earnings used in calculating earnings per share:		
Profit/(Loss) from continuing operations	(15,512,916)	(5,855,329)
Profit/(Loss) from discontinued operations	–	–
Profit/(Loss) used in calculating basic earnings per share	(15,512,916)	(5,855,329)
Profit/(Loss) used in calculating diluted earnings per share	(15,512,916)	(5,855,329)
Earnings used in calculating diluted earnings per share	(15,512,916)	(5,855,329)

	2022 No of Shares	2021 No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	258,827,305	234,376,171
Effect of dilutive securities:		
Share options and convertible note	12,511,835	2,061,194
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	271,339,140	236,437,365

NOTE 25: SHARE-BASED PAYMENTS

(a) Employee option plan

During the year ended 30 June 2022, the Group issued 1,231,410 options to the leadership team and key team members, under the Group's Equity Incentive Plan.

The Equity Incentive Plan has been designed to align the interests of key personnel with those of the Group and its shareholders, with the objective of attracting, motivating and retaining key talent within the Group.

Details of the options granted are provided below:

2022									
Grant date	Expiry date	Exercise price	Balance at beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Exercisable at the end of the year	Fair Value of options granted
23/12/2021	31/07/2029	0.64	–	1,231,410	–	35,714	1,195,696	–	437,151
				1,231,410		35,714	1,195,696		437,151
2021									
Grant date	Expiry date	Exercise price	Balance at beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Exercisable at the end of the year	Fair Value of options granted
29/06/2021	29/06/2026	1.0	–	3,070,000	–	–	3,070,000	–	445,150
29/06/2021	29/06/2026	1.0	–	2,650,000	–	–	2,650,000	–	463,750
29/06/2021	29/06/2026	1.0	–	175,000	–	–	175,000	–	25,375
29/06/2021	20/10/2027	1.0	–	350,000	–	–	350,000	–	50,750
29/06/2021	20/10/2027	0.2	–	1,000,000	–	–	1,000,000	–	410,000
29/06/2021	29/06/2028	0.2	–	2,470,000	–	–	2,470,000	–	1,037,400
29/06/2021	20/10/2027	0.2	–	100,000	–	–	100,000	–	41,000
29/06/2021	20/10/2028	1.5	–	350,000	–	–	350,000	–	42,000
29/06/2021	20/10/2028	1.5	–	50,000	–	–	50,000	–	6,000
29/06/2021	29/06/2031	0.2	–	175,000	–	–	175,000	–	46,375
29/06/2021	29/06/2031	1.0	–	1,155,000	–	115,000	1,040,000	–	202,125
29/06/2021	29/06/2031	1.0	–	250,000	–	–	250,000	–	47,500
29/06/2021	20/10/2029	1.5	–	50,000	–	–	50,000	–	6,750
				11,845,000		115,000	11,730,000		2,824,175

Fair Value of options granted:

The fair value of the options at grant date was \$437,151. Fair value was determined using either the Trinomial, Monte Carlo or Black-Scholes models, as appropriate, taking into account the terms and conditions upon which the instruments were granted. The following inputs were utilized:

Exercise price(s): 1,231,410 options at \$0.64 (2021 – 3,745,000 options at \$0.2, 7,650,000 options at \$1.0 and 450,000 options at \$1.5)

Grant Date: 23 December 2021 (2021 – 29 June 2021)

Notes to the Financial Statements

continued

Expiry Date(s): 31 July 2029 (2021 – 5,895,000 options at 29/06/2026, 1,450,000 options at 20/10/2027, 2,470,000 options at 29/06/2028, 400,000 options at 20/10/2028, 50,000 options at 20/10/2029 and 1,580,000 options at 29/06/2031).

Share price at Grant date: \$0.76 (2021 – \$0.61).

Expected price volatility: 61.1% (2021 – 60.2%).

Expected dividend yield: N/A (2021 – N/A).

Risk free rate(s): 1,231,410 options at 3 year Government Bond Rate 0.569% (2021 – 11,145,000 options at 3 year Government Bond Rate 0.027% and 700,000 options at 5 year Government Bond Rate 0.259%).

Market conditions: 1,231,410 options are subject to relative Total Shareholder Return performance of a peer set measured over 3 year period (2021 – 8,275,000 options are subject to share price reaching \$1.5 calculated as 20 day volume weighted average price).

(b) Expenses recognised from share-based payment transactions

The expense recognised in relation to the share-based payment transactions recognised within employee benefits expense within profit or loss were as follows:

	2022 \$	2021 \$
Options issued under employee option plan	1,745,697	4,537
Shares issued under employee share scheme	–	–
Total expenses recognised from share-based payment transactions	1,745,697	4,537

Under the proposed Scheme Implementation Agreement between MyDeal and Woolworth's Group Ltd, MyDeal must ensure that there are no outstanding MyDeal Incentive Plan Options by no later than the Effective Date.

Assuming that the relevant conditions precedent as outlined in section 3.2 of the Scheme Implementation Agreement are satisfied, the MyDeal Directors intend to procure that all of the options are cancelled no later than the Effective Date of the Scheme.

To the extent that the exercise price of the relevant option is less than the Scheme consideration, the holder of the option will on cancellation receive a cash payment equal to the difference between the exercise price and the Scheme Consideration. Should the Scheme be implemented, the total amount payable by MYD in relation to the cancellation of the MYD options is \$4,050,235.

NOTE 26: DIRECTORS' AND EXECUTIVES' COMPENSATION

	2022 \$	2021 \$
Compensation by category		
Short-term employment benefits	1,318,233	1,305,699
Post-employment benefits	112,412	91,185
Termination benefits	–	–
Other long-term benefits	–	–
Share-based payments	907,205	2,343
	2,337,850	1,399,227

NOTE 27: RELATED PARTY DISCLOSURES

(a) The consolidated financial statements include the financial statements of MyDeal.com.au Limited and its controlled entities listed below:

	Country of incorporation	Percentage owned	
		2022	2021
Parent Entity:			
MyDeal.com.au Limited	Australia		
Subsidiaries of MyDeal.com.au Limited			
E-Com (Aus) Pty Ltd	Australia	100%	100%
Duke Living Pty Ltd	Australia	100%	100%
Amazed.com Pty Ltd	Australia	100%	–

Transaction with Key Management Personnel and their personally related entities

Disclosures relating to Directors and Key Management Personnel are disclosed in the Directors Report and Note 26.

There were no other transactions or contracts between the Group and Directors and Key Management Personnel in 2022 (2021: Nil).

NOTE 28: AUDITOR'S REMUNERATION

(a) Amounts paid and payable to Pitcher Partners Melbourne for:

	2022 \$	2021 \$
(i) Audit and other assurance services		
An audit or review of the financial report of the parent entity and any other entity in the Group	116,700	71,982
Other assurance services		
– Investigating Accountant and Due diligence	–	75,500
Total remuneration for audit and other assurance services	116,700	147,482
(ii) Other non-audit services		
Taxation services	–	72,600
Total remuneration for non-audit services	–	72,600
Total remuneration of Pitcher Partners Melbourne	116,700	220,082
Total auditor's remuneration	116,700	220,082

Notes to the Financial Statements

continued

NOTE 29: PARENT ENTITY INFORMATION

Summarised presentation of the parent entity, MyDeal.com.au Limited, financial statements:

(a) Summarised statement of financial position

	2022 \$	2021 \$
Assets		
Current assets	19,589,640	34,023,383
Non-current assets	20,764,443	6,110,003
Total assets	40,354,083	40,133,386
Liabilities		
Current liabilities	621,670	71,010
Non-current liabilities	–	–
Total liabilities	621,670	71,010
Net assets	39,732,413	40,062,376
Equity		
Share capital	40,771,725	40,771,725
Reserves	1,750,234	4,537
Accumulated losses	(2,789,546)	(713,886)
Total equity	39,732,413	40,062,376

(b) Summarised Statement of Profit or Loss and Other Comprehensive Income

	2022 \$	2021 \$
Profit/(Loss) for the year	(2,075,660)	(713,886)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	(2,075,660)	(713,886)

NOTE 30: SEGMENT INFORMATION

(a) Description of segments

The Group has identified the following reportable segments:

- Marketplace which relates to the sale of home and lifestyle products by third party sellers who remain responsible for inventory and distribution; and
- In-stock which relates to the sale of home and lifestyle products where MyDeal.com.au remains responsible for inventory and distribution.

All these operating segments have been identified based on internal reports reviewed by the Group's chief executive officer in order to allocate resources to the segment and assess its performance.

(b) Segment information

The Group's chief decision making officer uses segment revenue, segment gross profit to assess each operating segment's financial performance. Amounts reported for each operating segment are the same amount reported in the internal reports to the chief executive officer.

Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment.

Reportable Segment	Marketplace	In-stock	Unallocated	Consolidated
30 June 2022	\$	\$	\$	\$
Revenue from contracts with customers	31,111,321	34,270,930	–	65,382,251
COGS	–	(24,863,200)	–	(24,863,200)
Gross profit	31,111,321	9,407,730	–	40,519,051
Other revenue	–	–	(99,907)	(99,907)
Unallocated Expenses	–	–	(56,536,435)	(56,536,435)
Profit/(Loss) before income tax expense	31,111,321	9,407,730	(56,636,342)	(16,117,291)
Income tax (expense)/benefit	–	–	604,375	604,375
Net profit/(loss) from continuing operations	31,111,321	9,407,730	(56,031,967)	(15,512,916)
Other comprehensive income for the year	–	–	–	–
Total comprehensive income	31,111,321	9,407,730	(56,031,967)	(15,512,916)
EBITDA	31,111,321	9,407,730	(54,702,368)	(14,183,317)

Notes to the Financial Statements

continued

Reportable Segment 30 June 2021	Marketplace \$	In-stock \$	Unallocated \$	Consolidated \$
Revenue from contracts with customers	29,609,017	8,662,981	–	38,271,998
COGS	–	(4,926,100)	–	(4,926,100)
Gross profit	29,609,017	3,736,881	–	33,345,898
Other revenue	–	–	117,224	117,224
Unallocated Expenses	–	–	(38,768,331)	(38,768,331)
Profit/(Loss) before income tax expense	29,609,017	3,736,881	(38,651,107)	(5,305,209)
Income tax (expense)/benefit	–	–	(550,120)	(550,120)
Net profit/(loss) from continuing operations	29,609,017	3,736,881	(39,201,227)	(5,855,329)
Other comprehensive income for the year	–	–	–	–
Total comprehensive income	29,609,017	3,736,881	(39,201,227)	(5,855,329)
EBITDA	29,609,017	3,736,881	(37,837,086)	(4,491,188)

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

NOTE 31: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the Group.

Directors' Declaration

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 36 to 68, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
 - (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
 - (c) giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that MyDeal.com.au Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.



Paul Greenberg

Chairman

Melbourne

Date 26 August 2022

Independent Auditor's Report

MYDEAL.COM.AU LIMITED
60 640 108 130



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYDEAL.COM.AU LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MyDeal.com.au Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of the *Corporations Act 2001* and the 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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.

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MYDEAL.COM.AU LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYDEAL.COM.AU LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 4 - Revenue - \$65,382,251	
<p>The Group's revenue of \$65,382,251 (2021: \$38,271,998) is derived primarily from sales commissions, sale of private label goods, advertising income and subscription fees.</p> <ul style="list-style-type: none"> Marketplace: <ul style="list-style-type: none"> Sales commissions, advertising income and subscription revenue. In-stock: <ul style="list-style-type: none"> Sales where the Group is responsible for inventory and distribution <p>We focused on the existence, accuracy and appropriate recognition of revenue as a key audit matter as these are a key contributor to the determination of profit and loss, and judgement is required in assessing revenue recognition in accordance with AASB 15 Revenue from contracts with customers.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> Reviewing the Groups terms and conditions of sale or revenue contracts; Understanding the Groups controls and processes for recognising and recording revenue transactions; Testing existence and accuracy controls for commissions revenue; Testing existence of revenue transactions to supporting documentation; Analysing general journal entries impacting revenue; and Assessing the adequacy of the disclosures in the financial statements.
Inventory Valuation Refer to Note 11 - Inventories - \$8,526,184	
<p>As at 30 June 2022, the Group held inventories of \$8,526,184 (2021: \$5,326,581). The increase in inventory holdings is primarily due the Group's focus over the past year in growing its in-stock revenue stream in line with its strategic plan post IPO.</p> <p>The Group must make judgements to identify and quantify inventory that is valued in excess of its recoverable value. The Group has implemented a provisioning policy based on historic sales volumes, levels of inventory held and market conditions.</p> <p>We focused on the value of inventory as a key audit matter as it involves judgement as to the recoverable value of inventory.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> Understanding and evaluating the design and implementation of the Group's controls and processes for inventory valuation; Assessing the inventory provisioning policy and methodology for determination of the provision; Reviewing the Group's provisioning assessment including challenging inventory items not provided for and potentially at risk of overstatement; For a sample of inventory items agreeing that they are held at the lower of cost and net realisable value, through comparison to recent purchase invoices and sales prices; and Assessing the adequacy and accuracy of the Group's disclosures in the financial statements.

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Independent Auditor's Report

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MYDEAL.COM.AU LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYDEAL.COM.AU LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of development expenditure within intangible assets Refer to Note 15 - Intangible Assets - \$3,832,560	
<p>The research and development of new and existing technology is part of the Group's operations. Each project undertaken represents an investment made by the business for which future economic benefits are expected to be derived.</p> <p>The capitalisation of any development costs is highly subjective and based on management judgement and is also subject to various recognition criteria as detailed in AASB 138 <i>Intangible assets</i>.</p> <p>Key management judgements to be made include the following:</p> <ul style="list-style-type: none"> • Stage of the development cycle - research vs development; • Ability to accurately record and allocate costs incurred for individual projects, including employee costs; and • Technical and commercial viability of individual projects undertaken. <p>We focused on existence, accuracy and valuation of capitalised development costs as a key audit matter due to the number and type of judgement and estimation events required.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and evaluating the accounting processes and internal controls relating to the capitalisation of development costs; • Evaluating management's process regarding capitalisation of development costs, and reviewing development projects against the recognition criteria as detailed in AASB 138 <i>Intangible assets</i>; • Reviewing management reconciliations for the amounts capitalised, including: <ul style="list-style-type: none"> • Testing the mathematical accuracy of reconciliations prepared for costs that had been capitalised; • Selecting a sample of transactions from the capitalised development costs and performing the following: <ul style="list-style-type: none"> • Reviewing employee costs allocated to different development projects, and testing employee pay rates and captured hours for the amounts capitalised and vouching to employee time records; • Reviewing external costs incurred and allocated to intangible assets and vouching to appropriate support; • Assessing for indicators of impairment as detailed in AASB 136 <i>Impairment of Assets</i> <ul style="list-style-type: none"> • Considering internal and external sources of information; and • Assessing the adequacy of the disclosures in the financial statements.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYDEAL.COM.AU LIMITED**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

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Independent Auditor's Report

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MYDEAL.COM.AU LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYDEAL.COM.AU LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196, Level 13, 664 Collins Street, Docklands, VIC 3008
Pitcher Partners is an association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

MYDEAL.COM.AU LIMITED
60 640 108 130



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYDEAL.COM.AU LIMITED**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 34 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of MyDeal.com.au Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A handwritten signature in black ink, appearing to read 'B Powers'.

B POWERS
Partner

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
Melbourne

26 August 2022

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Corporate Governance and Shareholder Information

CORPORATE GOVERNANCE

MyDeal's Corporate Governance Statement, which summarises the Group's Corporate Governance practices and incorporates disclosures required by the ASX Principles, can be viewed at:

<https://investors.mydeal.com.au/site/investors/corporate-governance>

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 17 August 2022:

NUMBER OF EQUITY SECURITY HOLDERS

The number of holders of ordinary equity securities was 4,338.

The number of holders of unquoted options was 28.

VOTING RIGHTS

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

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote

Options

Holders of Options do not have any voting rights

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of equity security holders by size of holding

Range	No. of holders of ordinary shares	%	Securities	%
1-1,000	1,749	40.3%	1,086,613	0.4%
1,001-5,000	1,609	37.1%	4,095,579	1.6%
5,001-10,000	498	11.5%	3,887,351	1.5%
10,001-100,000	431	9.9%	11,469,270	4.4%
100,001 – and over	51	1.2%	238,288,493	92.1%
Total	4,338	100.0%	258,827,306	100.0%
Holding less than a marketable parcel	553		181,715	

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted equity securities as per the Group's share register are listed below:

Name	Ordinary Shares held	% of issued shares
MR SEAN AMILA SENVIRTNE <KANDY TEMPLE A/C>	122,493,040	47.3%
AAVASAN PTY LTD	39,617,841	15.3%
SILVER GLOBE INVESTMENTS PTY LTD <SILVER GLOBE INVESTMENT A/C>	34,173,853	13.2%
CITICORP NOMINEES PTY LIMITED	12,406,278	4.8%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,205,029	2.0%
KATE ELIZABETH DOCKERY <DOCKERY FAMILY A/C>	4,389,807	1.7%
LOLEK RAJA PTY LTD <LOLEK RAJA FAMILY A/C>	1,921,757	0.7%
JAM PAD INVESTMENTS PTY LTD <GREENVAN FAMILY A/C>	1,687,855	0.7%
LOLEK RAJA PTY LTD <LOLEK RAJA FAMILY A/C>	1,556,167	0.6%
NATIONAL NOMINEES LIMITED	1,405,463	0.5%
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,391,347	0.5%
MR JAMES SOORIYA BANDARA	1,021,118	0.4%
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	844,828	0.3%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	739,347	0.3%
MR JAMES MARTIN MCCANN & MRS WILLNA HELEN MCCANN	715,000	0.3%
BRISPOIT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	644,918	0.2%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	536,175	0.2%
ELLENKAY PTY LTD <ELLENKAY P/L STAFF S/F A/C>	504,273	0.2%
GALSM INVESTMENTS PTY LTD <GALSM INVESTMENTS A/C>	500,000	0.2%
HEZI INVESTMENTS PTY LTD <HEZI INVESTMENTS A/C>	500,000	0.2%
Total	232,254,096	89.7%
Balance of register	26,573,210	10.3%
Grand total	258,827,306	100.0%

SUBSTANTIAL HOLDERS

Substantial holders as disclosed in substantial holding notices given to the Group are:

Ordinary Shares held	Ordinary Shares held	% of issued shares
Sean Amila Senvirtne as trustee for the Kandy Temple Trust	126,966,347	49.1%
Aavasani Pty Ltd	39,617,841	15.3%
Silver Globe Investments Pty Ltd as trustee for the Silver Globe Investments Trust (SGIT)	34,173,853	13.2%

Corporate Governance and Shareholder Information

continued

SECURITIES SUBJECT TO VOLUNTARY ESCROW

	#
Shares escrowed until 20 October 2022	125,948,647
Total ordinary shares subject to voluntary escrow	125,948,647

DISTRIBUTION OF UNQUOTED EQUITY SECURITIES

Analysis of number of unquoted options by size of holding

Range	No. of holders of unquoted options	%	Options	%
1-1,000	0	0.0%	0	0.0%
1,001-5,000	0	0.0%	0	0.0%
5,001-10,000	3	10.7%	30,000	0.2%
10,001-100,000	10	35.7%	540,000	4.2%
100,001 – and over	15	53.6%	12,355,696	95.6%
Total	28	100.0%	12,925,696	100.0%

UNQUOTED EQUITY SECURITIES (BY TRANCHE)

Type	Date options granted	#	Price	Expiry
Tranche 1	29/06/21	5,895,000	\$1.00	29/6/26
Tranche 2	29/06/21	350,000	\$1.00	20/10/27
Tranche 9&10	29/06/21	1,290,000	\$1.00	29/6/31
Tranche 6&7	29/06/21	400,000	\$1.50	20/10/28
Tranche 11	29/06/21	50,000	\$1.50	20/10/29
Tranche 3&5	29/06/21	1,100,000	\$0.20	20/10/27
Tranche 4	29/06/21	2,470,000	\$0.20	29/6/28
Tranche 8	29/06/21	175,000	\$0.20	29/6/31
Tranche 12	23/12/21	1,195,696	\$0.64	31/7/29
		12,925,696		

The following persons hold 20% or more of unquoted equity securities of each Tranche:

Type	Name	#
Tranche 1	Sean Senvirtne	3,000,000
Tranche 2	Paul Greenberg	150,000
Tranche 2	James Joughin	100,000
Tranche 2	Chris Tait	100,000
Tranche 6&7	Paul Greenberg	150,000
Tranche 6&7	James Joughin	100,000
Tranche 6&7	Chris Tait	100,000
Tranche 11	Paul Greenberg	50,000
Tranche 3&5	Sean Senvirtne	1,000,000
Tranche 4	Dean Ramler	720,000
Tranche 4	Kate Dockery	550,000
Tranche 4	Hasitha Ilangamage	550,000
Tranche 8	Ryan Gracie	175,000
Tranche 12	Sean Senvirtne	375,000

ON MARKET BUY-BACK

There is no current on-market buy-back.

USE OF FUNDS

As outlined in the Group's Appendix 4C lodgements, the Group has used cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

Corporate Directory

COMPANY

MyDeal.com.au Limited

Level 1
446 Collins Street
Melbourne VIC 3000

Phone: (+61) 3 9999 1091
Email: ir@mydeal.com.au
Web: www.mydeal.com.au

DIRECTORS

Paul Greenberg

Non-Executive Chairman

Sean Senvirtne

Chief Executive Officer and Executive Director

Chris Tait

Non-Executive Director

James Joughin

Non-Executive Director

REGISTERED OFFICE

Level 1
446 Collins Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

MyDeal.com.au Limited (MYD) shares
are listed on the ASX

AUDITORS

Pitcher Partners

Level 13
664 Collins Street
Docklands VIC 3008

COMPANY SECRETARY

Vanessa Chidrawi

REGISTRY

Boardroom Pty Limited

Grosvenor Place
Level 12
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Sydney NSW 2000

MEDIA ENQUIRIES

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