

23 February 2021

ASX and Media Release**Record Gross Sales¹, Gross Profit and Revenue driven by 205% growth in active customers**

Online household goods marketplace, MyDeal.com.au Limited (**ASX: MYD**, 'MyDeal' or the 'Company') today announced its financial results for the half-year ended 31 December 2020 (H1 FY21). This is the first Appendix 4D Report following MyDeal's listing on ASX on 22 October 2020, after raising A\$40m².

H1 FY21 Highlights:

- Gross Sales increased 217% to \$126.7 million (H1 FY20: \$40.0 million)
- Revenue up 248% to \$21.2 million (H1 FY20: \$6.1 million)
- Gross Profit of \$18.9 million, up 210% (H1 FY20: \$6.1 million)
- Active Customers³ grew 205% year-on-year to a record 813,764 as at 31 December 2020
- Strong repeat business with 52.7% of Q2 FY21 transactions coming from returning customers (Q2 FY20: 38.5%)
- Launch of Private Label contributed \$4.3 million of Gross Sales at attractive gross profit margins of ~43%
- Strong cash balance as at 31 December 2020 of \$48.1 million, leaving significant runway for execution of growth strategy

Outlook:

- Strong start to H2 FY21 with Gross Sales (unaudited) in January 2021 up 190% on prior year
- On track to launch iOS and Android apps in H2 FY21

Sean Senvirtne, Founder & CEO of Mydeal.com.au, said:

"We are pleased to have delivered a record half in gross sales, gross profit and revenue. The strongest results in MyDeal's history are testament to the efforts of the team and confirms our growth strategy is on track to meet our targets."

¹ "Gross Sales" or "Gross Transaction Value ("GTV") is a non-IFRS metric that represents the total value (unaudited) of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

² The \$40m IPO raised \$35 million for the Company through the issue of 35.0m new shares and \$5 million for certain existing shareholders through the sale of 5.0m shares at \$1.00.

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

“We are well placed to capitalise on maturing trends in Australian online retail. Online penetration rates in Australia for furniture and homeware sales are in their infancy compared to the UK and US. The more experienced a user gets at e-commerce the more they want price and value delivered through a seamless customer experience. This is our sweet spot due to the lower operational costs of our highly scalable, automated proprietary marketplace that lets customers compare and get better prices on a vast range of products found throughout the home.

“Building on the continued growth in our active customer base and increasing transactions from returning customers we will continue to focus on customer acquisition as our technology, marketing and product range evolves and we add new partnerships to increase our seller base.

“We will continue enhancing a seamless customer experience. We’re launching mobile apps for iOS and Android, implementing one-to-one real-time AI and machine learning into all interactions, and increasing our private label offer while optimising promotional support to realise the higher margin potential of this product range.”

Record sales growth driven by continued growth in active customers

MyDeal delivered record Gross Sales of \$126.7 million, up 217% on prior year. Gross Sales were driven by continued growth in active customers which reached 813,764 as at 31 December 2020, growing in excess of 200% on prior year. Pleasingly, while new customer acquisition has been a clear focus, orders from repeat customers increased to 52.7% in Q2 FY21, up from 38.5% in pcp, validating the investment MyDeal has made in cultivating its user experience and customer satisfaction.



Revenue generated from Gross Sales was \$21.2 million, up 248% on prior year, with Gross Profit of \$18.9 million up 210%, which included the early positive impact of the Company’s private label products that are generating a ~43% gross margin.

During the half year, MyDeal accelerated its investment in marketing and advertising to support its customer acquisition strategy and the expansion of its private label range which provides the Company with progressive margin upside. While adjusted EBITDA⁴ was down to (\$1.0 million) following these investments, scale benefits are being achieved, with fixed costs as a percentage of Net Transactional Value reducing from 5.8% to 3.1%.

MyDeal remains well funded to execute its growth strategy, with \$48.1 million of cash as at

⁴ Adjusted EBITDA is a non-IFRS measure that means Earnings Before Interest, Tax, Depreciation, Amortisation and IPO transaction costs

31 December 2020, following the Company's successful IPO in October 2020.

Growth supported by improvement in conversion rate, higher average order value and repeat transactions

MyDeal continues to report very pleasing customer metrics. In addition to strong growth in active customers and repeat customer transactions, customer conversion rate increased 10% on prior year.

The Company continued to execute on its strategy to grow private label, generating \$4.3 million of Gross Sales in H1 FY21 (H2 FY20: \$0.3 million). Assisting this result was the expansion of MyDeal's supplier base, with sourcing relationships now established in Indonesia, Taiwan and Vietnam. Delivering average gross profit margins of ~43%, private label represents a significant growth opportunity for the Company moving forward.

To support the substantial sales growth currently being experienced, MyDeal has bolstered its management team, which included the appointment of Mr Lachlan Freeman as Chief Financial Officer during the half.

Outlook: strong start to H2

MyDeal has experienced a strong start to H2 FY21 with Gross Sales (unaudited) in January 2021 up 190% on prior year.

The Company is on track to launch its iOS and Android apps in the second half of FY21 and continues to invest in enhancements to its proprietary marketplace platform, including adding integrations to marketplace aggregators / channel partners.

Further marketing and promotional investment are expected in H2 FY21 to drive accelerated growth in the core platform and private label strategy.

While Australians are adopting e-commerce at an accelerating rate, online shopping in the furniture and homewares category remains significantly under-penetrated by global standards. MyDeal is well placed to benefit from rising penetration and to continue to capture market share going forward.

Results briefing session

CEO Sean Senvirtne, COO Joshua Mangan and CFO Lachlan Freeman will be conducting a briefing session for investors and analysts today at 12:00pm Australian Eastern Daylight Time. To pre-register for the briefing, please follow the link below:

<https://s1.c-conf.com/DiamondPass/10012714-hf86r5.html>

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

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About MyDeal

MyDeal is an online retail marketplace focused on household goods such as furniture and homewares. MyDeal currently has more than 1,700 sellers (of which close to 900 are considered Active Sellers⁵ as at 31 December 2020) on its platform with over 5 million product SKUs listed across over 2,000 categories (with the number of SKUs available for sale at any time determined by the sellers).

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

⁵ "Active Sellers" are sellers that have sold products through the platform within the last three months.

Appendix: H1 FY21 Profit & Loss

\$m	H1 FY20	H1 FY21
Gross Sales	40.0	126.7
Net Transaction Value (NTV)	37.9	118.7
Revenue	6.1	21.2
Cost of Sales	-	(2.3)
Gross Profit	6.1	18.9
Other Income	0.2	0.5
Expenses		
Advertising	(3.3)	(13.9)
Wages	(1.3)	(2.0)
Other	(1.3)	(4.9)
EBITDA	0.3	(1.4)
IPO Transaction Costs	-	0.4
Adjusted EBITDA	0.3	(1.0)

Key Metrics (%)	H1 FY20	H1 FY21
Gross Sales Growth	87.3%	217.2%
Revenue Growth	162.1%	248.3%
Gross Profit Margin (% of NTV)	16.1%	15.9%
Adjusted EBITDA (% of NTV)	0.9%	(0.8%)