

27 April 2021
ASX and Media Release

FY21 Third Quarter Cash Flow and Trading Update¹

ALL KEY METRICS CONTINUING TO SHOW STRONG YOY GROWTH

Q3 Highlights:

- Q3 FY21 Gross Sales² increased 104.5% YoY to \$44.7 million
- FY21 9-month YTD Gross Sales are up 177.4% at \$171.4 million and compares to \$103.3 million for entire FY20
- Q3 FY21 Revenue increased 175.8% YoY to \$8.3 million
- Active Customers³ grew 157% YoY to 883,397 as at 31 March 2021
- 56.1% of all transactions from returning customers, up from 48.4% in Q3 FY20
- Private label continues to gain traction with Q3 gross sales of \$2.2 million, bringing FY21 private label sales to \$6.5 million
- Strong cash balance as at 31 March 2021 of \$45.0 million

Online home and lifestyle goods marketplace, MyDeal.com.au Limited (**ASX:MYD, MyDeal** or the **Company**) is pleased to provide an update on its activities for the quarter ended 31 March 2021 (“Q3 FY21”).

Commenting on the Company’s progress during the quarter, MyDeal CEO, Sean Senvirtne said:

“It has been another period of significant growth for MyDeal ending the quarter with 883 thousand active customers (up from 813 thousand in December), 1033 active sellers (up from 930 in December) and over 6 million products listed on the marketplace.”⁴

“In addition to growing our Gross Sales and customer numbers, a record 56.1% of all MyDeal’s transactions over the last quarter were from returning customers. This is further evidence that our strategy is playing to our strength – as Australian consumers become more savvy with their online purchases, they increasingly look to maximise value through the lowest prices, and put increased importance on a seamless customer experience and convenience. Our strong level of customer retention is confirmation that our proprietary marketplace technology is delivering a positive user experience for both sellers and buyers - even when ordering bulky household

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

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

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

⁴ The number of SKUs available for sale at any time is determined by the sellers.

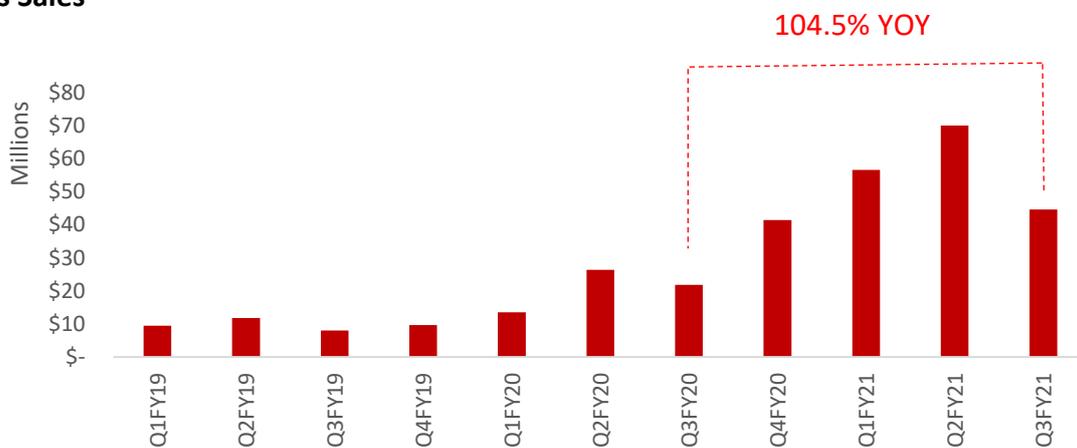
good items from multiple sellers from anywhere in Australia all through the one easy transaction – enticing them to return again and again.”

“Moving into Q4 FY21 we will give our customers even more reasons to shop with us by launching our mobile app for iOS and Android and increasing our private label offering.”

Q3 FY21 Performance: all key metrics continuing to show strong year-on-year growth

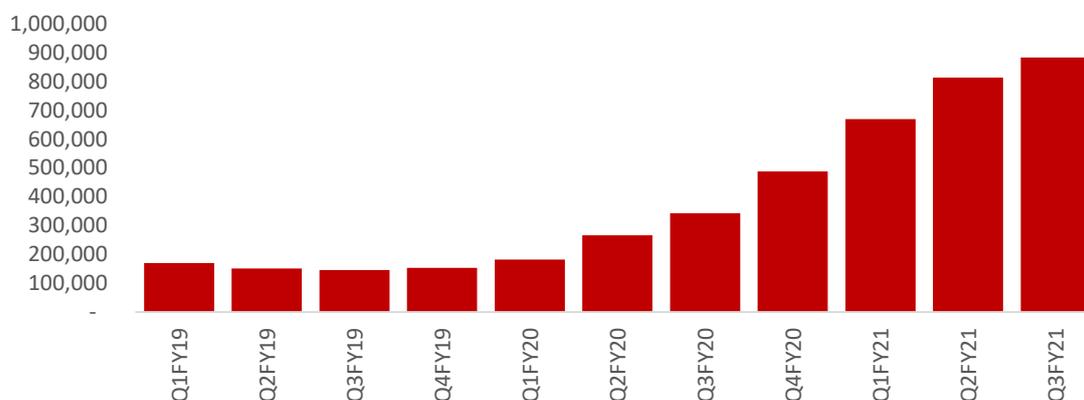
MyDeal experienced strong growth in Q3 FY21 with Gross Sales totalling \$44.7 million, representing growth of 104.5% on prior year (Q3 FY20: \$21.9 million). A moderation in run-rate against Q2 FY21 reflects normal seasonality following the peak Christmas trading period, while also noting that the March 2020 period also included an unprecedented spike in personal protective equipment as the COVID-19 pandemic took hold. Excluding face mask and sanitiser sales, Q3 FY21 Gross Sales grew 160.1% YoY.

Gross Sales



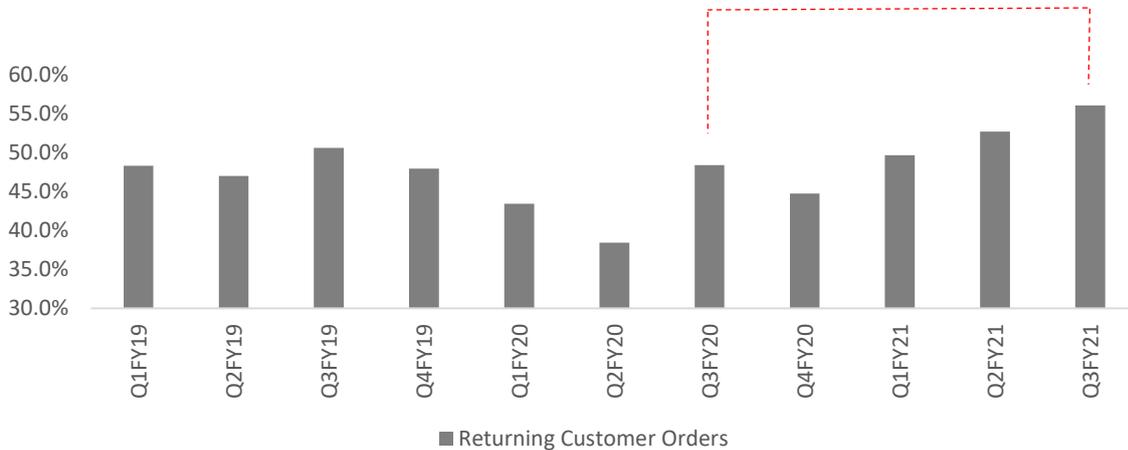
The growth trajectory in Active Customers continued in Q3 FY21, hitting a new record of 883,397 as at 31 March 2021, up from 813,764 at 31 December 2020 (and 343,204 as at 31 March 2020), further cementing MyDeal as a leading online retail marketplace for home and lifestyle products.

Active Customers



MyDeal also experienced strong growth in returning customers in Q3 FY21 with 56.1% of all transactions coming from repeat customers, up from 52.7% in the prior quarter and from 48.4% in Q3 FY20.

Returning Customer Orders



Q3 FY21 Cashflow commentary

Customer cash receipts totalled \$45.0 million for the quarter (\$179.7 million year to date). MyDeal’s Private Label business, which was launched in 2020, generated Gross Sales of \$2.2 million in Q3. Revenue for Q3 FY21 was \$8.3 million, up 175.8% on pcp.

Operating cash outflows of \$2.3 million for the quarter included:

- \$0.7 million investment in private label inventory, which is to support expansion of the higher margin private label business;
- Timing impact of seasonally higher Q2 related advertising and supplier payments made in Q3; and
- Investment in additional staff.

As at 31 March 2021 the Company had a very strong capital position, with \$45.0 million cash in bank, providing MyDeal the required flexibility to execute on its growth plans. The Company will maintain its focus on customer acquisition and investing in the growth of the private label business.

Under Listing Rule 4.7C, the Use of Funds update from the IPO is as follows:

Use of Funds as per prospectus	Estimated expenditure (\$m)	Actual expenditure (\$m)	Comment
Payment to Selling Shareholders	5.0	5.0	Completed
Investment in Personnel	7.0	0.28	On Track
Advertising and branding expenditure	11.5	1.10	On Track
Inventory investment	11.25	3.06	On Track
Working capital	2.25	Nil	On Track
Costs of the Offer	3.0	3.2 ⁵	Completed
Total	40.0	12.64	

In reference to payments to related parties (Section 6 of the attached Appendix 4C report), Item 1 comprises payments for Directors and their associates during Q3 FY21 that amounted to \$235,065 which includes Director fees of \$42,562 and salaries of \$192,502.

Outlook

“With another period of strong growth behind us, we look forward to Q4 and beyond with a sustained level of optimism. Australians are adopting e-commerce at an accelerating rate, and online shopping in the furniture and homewares category remains significantly under-penetrated by global standards.

“As we enter Q4 FY21, we naturally expect the high growth we have seen in the nine months to 31 March to moderate as we cycle the COVID-19 lockdowns in the pcp. With that said, it is pleasing to report that Q4 has started positively, showing Gross Sales growth in April to date against the same period last year, noting that April 2020 was our second highest growth month last year.

“MyDeal is well placed to continue to deliver sustainable growth for its customers, suppliers, team and shareholders. We have a loyal customer base of nearly 900,000 active customers with engagement levels continuing to improve as evidenced by our increasing repeat purchase rates. In addition, our pipeline of initiatives will continue to drive a seamless customer experience that will underpin future growth.”, concluded Mr Senvirtne.

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

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

-- ENDS --

For further information, please contact:

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About MyDeal

MyDeal is an online retail marketplace focused on home and lifestyle goods such as furniture and homewares. MyDeal currently has more than 1,800 sellers (of which 1033 are considered Active Sellers as at 31 March 2021) on its platform with over 6 million product SKUs listed across over 2,000 categories (with the number of SKUs available for sale at any time determined by the sellers).

Appendix 4C

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

Name of entity

MYDEAL.COM.AU LIMITED

ABN

60 640 108 130

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	45,020	179,733
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(40,049)	(159,300)
(c) advertising and marketing	(5,489)	(16,228)
(d) leased assets	(20)	(62)
(e) staff costs	(869)	(2,476)
(f) administration and corporate costs	(295)	(931)
1.3 Dividends received (see note 3)		
1.4 Interest received	28	34
1.5 Interest and other costs of finance paid	5	(10)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (increase in balance of inventory)	(677)	(3,212)
1.9 Net cash from / (used in) operating activities	(2,346)	(2,452)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(73)	(128)
(d) investments		
(e) intellectual property	(650)	(1628)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(723)	(1,756)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		35,000
3.2 Proceeds from issue of convertible debt securities		300
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(2,731)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(39)	(116)
3.10 Net cash from / (used in) financing activities	(39)	32,453

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	48,149	16,796
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,346)	(2452)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(723)	(1,756)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	32,453
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	45,041	45,041

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,054	7,153
5.2	Call deposits	45	2,065
5.3	Bank overdrafts	(9)	4
5.4	Other (provide details)	31,951	38,928
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	45,041	48,149

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(235)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (credit card)	30	9
7.4 Total financing facilities	30	9
7.5 Unused financing facilities available at quarter end		21
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,346)
8.2 Cash and cash equivalents at quarter end (item 4.6)	45,041
8.3 Unused finance facilities available at quarter end (item 7.5)	21
8.4 Total available funding (item 8.2 + item 8.3)	45,062
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	19.2
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 27 April 2021.....

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

Notes

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