

20 January 2022

## ASX and Media Release

### Q2 FY22 Activities Report and Appendix 4C<sup>1</sup>

#### MYDEAL DELIVERS ANOTHER RECORD QUARTER – JANUARY UP 32.4% MTD

##### H1 Highlights:

- Record Gross Sales<sup>2</sup> of \$152.6 million, up 20.4% on pcp
- Record Active Customers<sup>3</sup> up 18.4% on pcp to 963,882
- Revenue of \$32.9 million, up 55.1% on pcp
- Strong cash balance as at 31 December 2021 of \$40.1 million

##### Q2 FY22 Highlights:

- Record Gross Sales of \$83.1 million, up 19.5% QoQ and up 18.5% on pcp
- Revenue of \$19.0 million, up 61.7% on pcp
- Continued growth in transactions from returning customers, accounting for 60.1% of all transactions (Q2 FY21: 52.7%)
- In-stock (Private Label and Third Party brands) Gross Sales growing strongly to \$9.9 million up 240.0% on pcp (Q2 FY21: \$2.9 million)

##### Outlook

- H2 FY22 has started strongly with January Gross Sales growth of 32.4% YoY for the first 18 days.

Leading online retail marketplace for home and lifestyle products, MyDeal.com.au Limited (ASX: MYD, 'MyDeal' or the 'Company'), is pleased to provide an update on its activities for the quarter ended 31 December 2021 ("Q2 FY22").

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

"We are very pleased to announce new records across all key metrics and sustained momentum flowing into H2 FY22 with MTD January Gross Sales up 32.4% yoy. Gross Sales of \$83.1 million for the quarter showed strong growth of 18.5% reflecting continued strength in both customer acquisition and retention, with Active Customer numbers reaching a record high of 963,882 and more than 60% of transactions coming from returning customers.

"A key focus for Q2 FY22 was the successful execution of our In-stock strategy which saw extraordinary Gross Sales growth of 240% yoy, following the launch of Third Party Brands in Q1 FY22. In-stock, which also includes Private Label, now accounts for 12% of Gross Sales. With this strong early demand from customers, we are excited about the potential for the In-stock business and we continue to invest and expand the range. Similarly, we continued to work through curation of the Marketplace range, ensuring that product quality and overall experience across the MyDeal platform meets and exceeds the high expectations of our loyal customer base."

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<sup>1</sup> All numbers quoted are unaudited

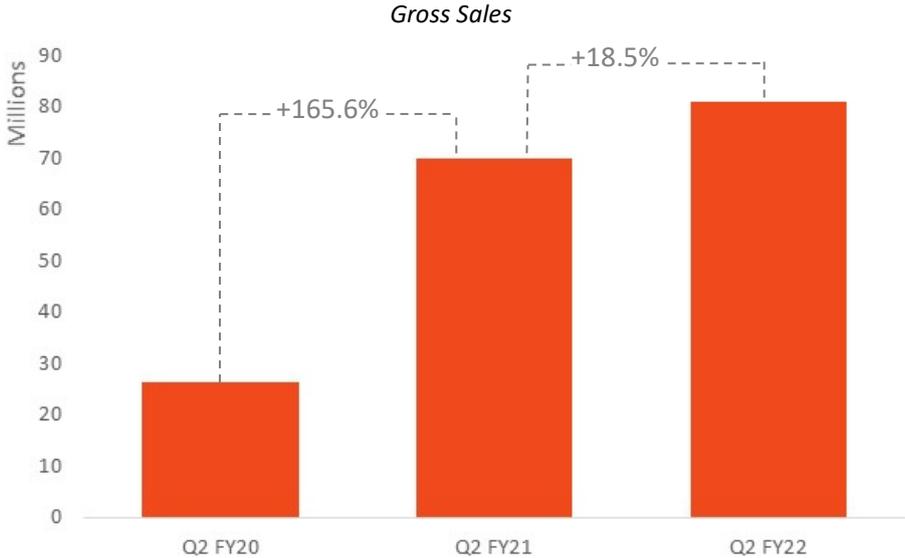
<sup>2</sup> "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value (unaudited) of transactions processed by MyDeal (including marketplace and in-stock), on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting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

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

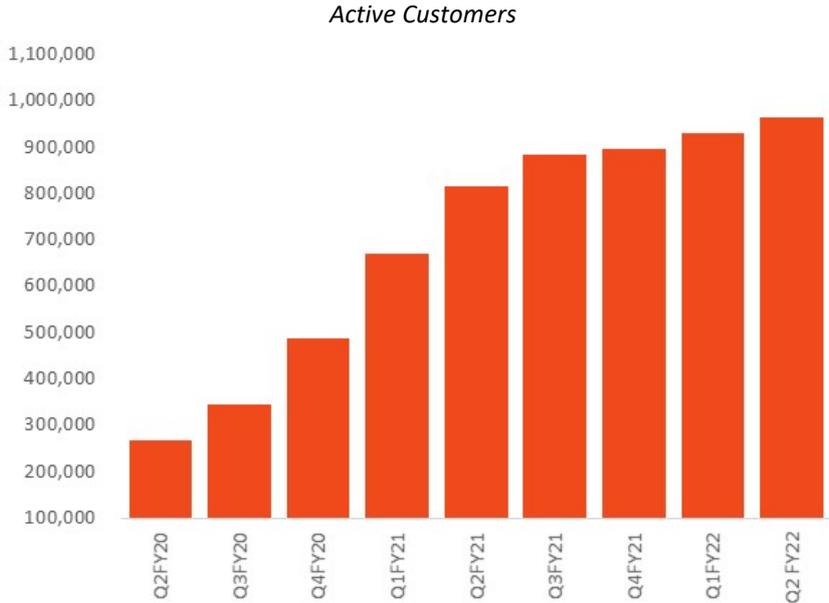
“As we execute on our strategic priorities it is important that we continue to invest for growth and scale. Through this investment we have been able to capture a growing share of the Australian ecommerce market, increasing our top line Gross Sales, revenue and active customer numbers, which sets us up for long term, sustainable and profitable growth. We have set a relentless focus on driving scale, and these results are evidence that we are investing wisely while delivering on our growth objectives. Despite the ABS reporting a downturn in total Australian online retail sales of 8.7% in November 21 and 6.1% in October 21<sup>4</sup>, MyDeal has been able to resist this trend and grow at a significant rate.”

**Q2 FY22 Performance: continued growth in all key metrics**

MyDeal achieved Gross Sales of \$83.1 million for Q2 FY22, delivering 19.5% growth on Q1 FY22 and 18.5% growth over Q2 FY21.



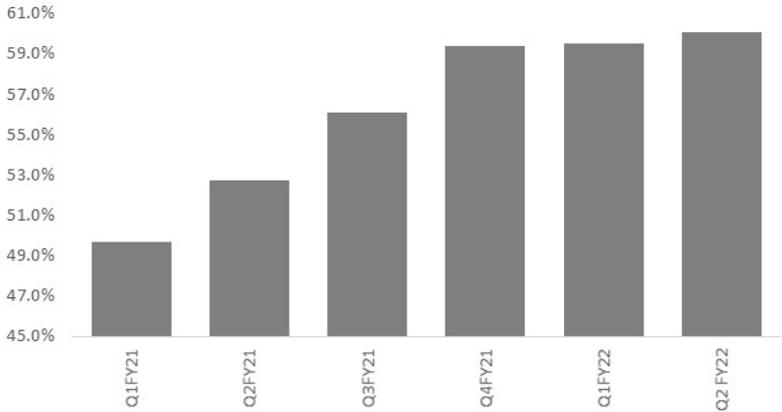
Active customers reached a new record level of 963,882 as at 31 December 2021, up from 813,764 as at 31 December 2020 and 929,461 as at September 2021, reflecting strong customer acquisition and retention.



<sup>4</sup> Australian Bureau of Statistics – Retail Trade Australia November 2021

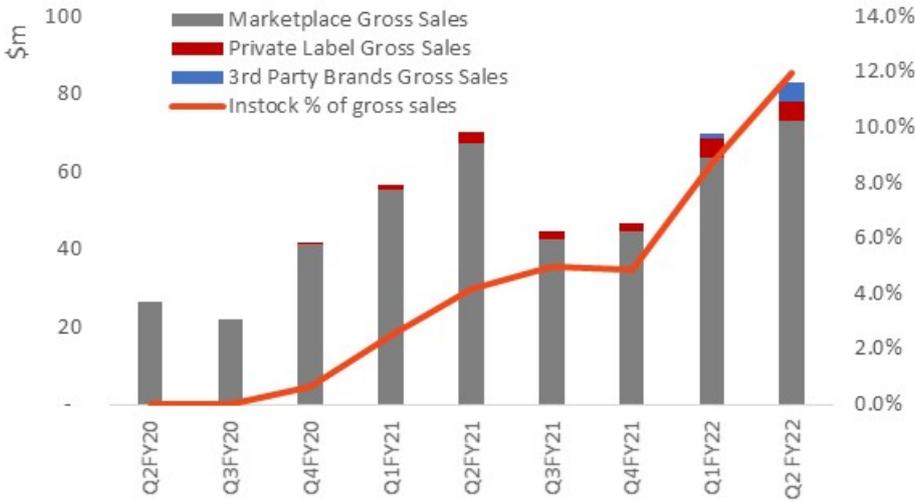
The positive trend in customer loyalty and repeat business continued during the quarter with 60.1% of all transactions coming from returning customers in Q2 FY22, up materially from 52.7% in Q2 FY21.

*Return Customer Orders*



In-stock momentum continues to build, generating \$4.9 million of Private Label Gross Sales in Q2 FY22 (Q2 FY21: \$2.9 million) and \$5.0 million of Third Party Branded Gross Sales in Q2 FY22. This business represents a major growth opportunity for MYD to grow sales and margins, and the Company will continue to expand its product range opportunistically.

*In-stock Gross Sales*



**Q2 FY22 Cashflow commentary**

Customer receipts were \$86.6 million for the quarter up 13.6% on pcp.

Negative operating cash of \$6.0 million for the quarter primarily reflected the deployment of IPO funds in line with the Company’s use of funds disclosure, including investment in personnel and inventory. Excluding investment in inventory, operating cashflow for the half year was \$4.5m.

The Company remains well capitalised, with \$40.1 million cash at bank as at 31 December 2021.

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

Use of Funds as per prospectus	Estimated expenditure (\$m)	Actual expenditure (\$m)	Comment
Payment to Selling Shareholders	5.00	5.00	Completed
Investment in Personnel	7.00	3.35	On Track
Advertising and branding expenditure	11.50	2.75	On Track
Inventory investment	11.25	9.8	On Track
Working capital	2.25	-	On Track
Costs of the Offer	3.00	3.33	Completed
<b>Total</b>	<b>40.00</b>	<b>24.23</b>	

In reference to payments to related parties (Section 6 of the attached Appendix 4C report), Item 6.1 comprises payments for directors and their associates during the second quarter that amounted to \$198,435 which includes director fees of \$51,183 and salaries of \$147,252.

## Outlook

Commenting on MyDeal's outlook, Sean Senvirtne said:

"Australians continue to shift online for their home and lifestyle needs, and with ecommerce adoption still low by global standards we see strong growth ahead for the industry over the next 3 to 5 years. With MyDeal's value offering underpinned by an extensive Marketplace range and growing In-stock business, the Company is well placed to maintain its track record of market share gains in a growing market.

"H2 FY22 has started strongly with January Gross Sales growth of 32.4% YoY for the first 18 days. Our focus going into H2 FY22 remains on customer acquisition and retention, expanding our In-stock range and promoting our mobile apps for iOS and Android. This will be complemented by enhanced personalisation and loyalty initiatives, as well as multi channel advertising campaigns which we expect to raise awareness of the MyDeal brand".

## Annual timetable

The Company advises that its annual general meeting will be held on 16 November 2022 and the closing date for the receipt of nominations from persons wishing to be considered for election as a director, is 28 September 2022.

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. MyDeal currently has more than 1,911 sellers (of which 1,345 are considered Active Sellers<sup>5</sup> as at 31 December 2021) on its platform with over 6 million product SKUs listed across over 2,000 categories (with the number of SKUs available for sale at any time determined by sellers).

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

## Disclaimer

Any forward looking statements relating to targets and intentions involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements, expressed or implied by these forward-looking statements. Relevant factors may include, but are not limited to, supply interruptions, shipping interruptions and delivery delays, foreign exchange fluctuations and general economic conditions, increased costs, the effects of coronavirus-related restrictions, the risk and uncertainties associated with retail e-commerce and technology, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. For further information as to the risks which may impact the Company's results and performance, please see the risk factors included in the Prospectus lodged with ASX in October 2020

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

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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	86,638	160,699
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(78,908)	(137,789)
(c) advertising and marketing	(7,821)	(12,784)
(d) leased assets	(32)	(59)
(e) staff costs	(1,962)	(4,123)
(f) administration and corporate costs	(682)	(1,449)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (increase in balance of inventory)	(3,234)	(5,010)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,988)</b>	<b>(489)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(247)	(571)
(d) investments	-	-
(e) intellectual property	(795)	(1,378)
(f) other non-current assets	-	-

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,042)</b>	<b>(1,949)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	(28)	(63)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(28)</b>	<b>(63)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	47,232	42,675
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,988)	(489)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,042)	(1,949)

Appendix 4C

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	(63)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>40,174</b>	<b>40,174</b>

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	37,989	45,258
5.2	Call deposits	45	45
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	2,140	1,929
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>40,174</b>	<b>47,232</b>

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	198
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p>		

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

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (credit card)	30	-
<b>7.4 Total financing facilities</b>	<b>30</b>	
<b>7.5 Unused financing facilities available at quarter end</b>		30
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,988)
8.2 Cash and cash equivalents at quarter end (item 4.6)	40,174
8.3 Unused finance facilities available at quarter end (item 7.5)	30
8.4 Total available funding (item 8.2 + item 8.3)	40,204
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6.7
<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	

**Appendix 4C**

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

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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

*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.*

**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: 19 January 2022

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.