

Prospectus

MyDeal.com.au Limited

ACN 640 108 130

Replacement Prospectus for the initial public offering of up to 40 million ordinary shares in the Company at an offer price of \$1.00 per share

Joint Lead Managers:



Capital
Markets

Corporate Adviser:

henslow

Australian Legal Adviser:



Maddocks



Important Notices

Offer

The Offer contained in this Prospectus is an invitation to apply for fully paid ordinary shares in MyDeal.com.au Limited (ACN 640 108 130) (**Company**). This Prospectus is issued by the Company and MyDeal.com.au SaleCo Limited (ACN 643 509 862) (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act.

Lodgement and Listing

This prospectus is a replacement prospectus which replaces the prospectus dated 23 September 2020 and lodged with ASIC on that date (**Original Prospectus**). This Prospectus differs from the Original Prospectus. The differences between this Prospectus and the Original Prospectus are to (a) remove the Enterprise Value to pro forma FY20 Gross Transaction Value ratio in the Key Offer Statistics and (b) to update the definition of the Prospectus Date to now refer to the date of lodgement of the Original Prospectus with ASIC.

The Company will apply to ASX for admission of the Company to the official list of ASX and for quotation of its Shares on ASX within seven days after the date of this Prospectus. Neither ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry Date

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

No person is authorised to give any information or to make any representation in connection with the Offer or the Shares described in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, or the Joint Lead Managers in connection with the Offer. Information in this Prospectus on the online retail market is from independent market research carried out by Euromonitor International Limited but should not be relied upon in making, or refraining from making, any investment decision.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Company's Shares, which must be regarded as a speculative investment. Some of the key risks that should be considered are set out in Section 4. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Shares.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No offer where offer would be illegal

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. The Offer is not being extended to any investor outside Australia, other than to certain institutional and sophisticated investors as part of the institutional offer in certain jurisdictions as described in Section 8. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notice to United States residents

The Shares being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving the Shares may not be conducted unless in compliance with the US Securities Act.

Financial information and amounts

Section 6 of this Prospectus sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

The Financial Information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, except where otherwise stated.

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 6.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest \$'000 (thousand) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Disclaimer

No person is authorised by the Company, SaleCo or the Joint Lead Managers to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Only information or representations contained in this Prospectus may be relied on as having been authorised by the Company, SaleCo or their respective directors, the Joint Lead Managers or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the Prospectus Date.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 4. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements set out in this Prospectus and are cautioned not to place undue reliance on such forward-looking statements.

These forward-looking statements speak only as at the Prospectus Date. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the Prospectus Date.

Certain numerical figures included in this Prospectus may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in

certain tables may not be an arithmetic aggregation of the figures that preceded them.

Past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Exposure period

The Corporations Act prohibits the Company from processing Applications for Shares under the Offer in the seven-day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period without the Application Form by being posted on the following website investors.mydeal.com.au. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Electronic prospectus

This Prospectus will be available in electronic form on the following website: investors.mydeal.com.au.

Obtaining a copy of the Prospectus

A hard copy of this Prospectus will be available for Australian residents free of charge during the Offer Period by contacting the MyDeal Offer Information Line on 1300 737 760 between 8:30am and 5:00pm AEST, Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, please call (+61) 2 9290 9600.

This Prospectus will be made available in electronic form on the following website: investors.mydeal.com.au. Information contained on investors.mydeal.com.au, other than the Prospectus, does not form part of this Prospectus.

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Hard copy and electronic versions of the Prospectus are generally not available to persons in other jurisdictions (including the United States).

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of this Prospectus will be available for Australian residents free of charge by contacting the MyDeal Offer Information Line

Tel: 1300 737 760 (between 8:30am to 5:30pm AEST)

Applications for the Shares under this Prospectus may only be made on either a printed copy of the Application Form

attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available at investors.mydeal.com.au.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with Section 724 of the Corporations Act.

Cooling off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances you cannot withdraw your Application once it has been accepted.

Privacy

The Company, the Share Registry on its behalf, and the Joint Lead Managers may collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Company will need to collect your personal information (for example, your name, address and details of the Securities that you hold). Under the Corporations Act some of this information must be included in the Company's Share register, which will be accessible by the public.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and the Share Registry may not be able to process your Application.

The Company and the Share Registry may also share your personal information with agents and service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside of Australia where personal information may not receive the same level of protection as that afforded under Australian law.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located at <https://www.mydeal.com.au/info/privacypolicy>. Alternatively, you can contact the Company by telephone on (+61) 3 9999 1091 from 8:30am to 5:30pm AEST, Monday to Friday (excluding public holidays) or email at ir@mydeal.com.au and the Company will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy (located at <https://www.mydeal.com.au/info/privacypolicy>).

The Company's Privacy Policy also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Definitions, abbreviations and time

Defined terms and abbreviations used in this Prospectus (unless specified otherwise) are explained in Section 11.

All references to time in this Prospectus refer to Melbourne, Australia time unless stated otherwise.

Photographs, data and diagrams

Photographs and diagrams used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in the Prospectus are illustrative only and may not be drawn to scale and may not accurately reflect the final appearance of the subject matter which it depicts.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at 31 July 2020.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in this Prospectus, is incorporated in this Prospectus by reference.

Disclaimer

Morgans Corporate Limited (AFSL 235407) and Royal Bank of Canada (trading as RBC Capital Markets) (AFSL 246521) have acted as Joint Lead Managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any Joint Lead Manager or by any of their respective affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of their respective officers, directors, employees, partners, advisers or agents. To the maximum extent permitted by law, the Joint Lead Managers, their respective affiliates and Related Bodies Corporate, and any of their respective officers, directors, employees, partners, advisers or agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

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Important Dates and Key Offer Statistics

IMPORTANT DATES

Lodgement of the Original Prospectus with ASIC	23 September 2020
Lodgement of this Prospectus with ASIC	30 September 2020
Offer opens	1 October 2020
Offer closes	5:00pm 12 October 2020
Offer settlement date	15 October 2020
Allotment of Shares	16 October 2020
Expected date for dispatch of holding statements	19 October 2020
Trading of Shares commences on ASX (on a normal settlement basis)	22 October 2020

The above timetable is indicative only. All times and dates are Melbourne, Australia time. The Company in consultation with the Joint Lead Managers reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company in consultation with the Joint Lead Managers reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

KEY OFFER STATISTICS

Company	MyDeal.com.au Limited
Proposed ASX Code for the Shares	MYD
Securities offered	Fully paid ordinary shares
Offer Price per Share	\$1.00
Number of Shares available under the Offer	40 million Shares
Gross proceeds of the Offer to the Company	\$35 million
Gross proceeds of the Offer to SaleCo	\$5 million
Total number of Shares on issue on completion of the Offer	258.8 million Shares
Indicative market capitalisation on completion of the Offer ¹	\$258.8 million
Enterprise Value on completion of the Offer ²	\$221.0 million

1. Market capitalisation on completion of the Offer is defined as the Offer Price multiplied by the total number of Shares expected to be on issue at Listing.

2. Enterprise Value is calculated as the sum of market capitalisation based on the Offer Price and pro forma net debt as at 30 June 2020, comprising \$37.8 million of cash and cash equivalents. Refer to Section 6 for further detail.

Chairman's Letter

Dear Investor,

On behalf of the Board, it is my pleasure to offer you the opportunity to join me as a shareholder of MyDeal.com.au Limited (“**MyDeal**” or “the **Company**”).

MyDeal is a pure-play Australian e-commerce company that was founded in 2011 by Sean Senvirtne. Since then it has grown significantly, with limited equity funding to establish itself as an Australian online retail marketplace specialising in household goods, offering consumers a vast product range from independent sellers at competitive prices.

The e-commerce and online retail market has transformed the overall landscape of Australian retail, representing a shift in the way consumers purchase products. The Australian e-commerce and online retail market is estimated to have generated sales of \$35.7 billion in the 12 months to June 2020, 23.1% higher than the previous 12 months¹.


Increased internet and broadband penetration, the expansion of mobile-commerce, improvements in consumer experience for online shopping, as well as more recently, online retail providing a safe and convenient alternative to traditional bricks-and-mortar retailing as a consequence of COVID-19, have all contributed to the trend of growth in online retail in Australia.

To enhance the customer experience, MyDeal has developed its own proprietary technology platform since launch in 2011, which has allowed the online marketplace to scale whilst still retaining a low cost operating model. MyDeal is focused on continuously advancing its technology and processes with the objective to provide a streamlined and seamless shopping experience to both sellers and consumers.

MyDeal has evolved to its current position having reached several key milestones that position the Company strongly to execute on the growth strategy:

- Proven online marketplace focused on household goods generating \$103 million in Gross Transaction Value (“**GTV**”) in FY20 (up 164% on FY19);
- Over 1,000,000 products sold in FY20;
- Wide range of products with over 5 million SKUs as at 30 June 2020;
- Over 800 Active Sellers as at 30 June 2020;
- Over 3.9 million average monthly visits from January 2020 to June 2020;
- Over 555,000 Active Customers and average customer purchase rate of 1.66x and an average basket size of \$154 (including GST); and
- Established MyDeal's private label business, to generate new product revenue in addition to the online marketplace.

1. NAB Online Retail Sales Index, June 2020.



MyDeal is seeking to accelerate its growth strategy through expansion of its technology capability, sales and marketing activities to capture greater market share and grow its private label business unit. MyDeal is also looking to improve conversion rates and customer engagement to help promote repeat customer sales, as well as complete development of the MyDeal mobile app.

The Offer is being made to provide funding to accelerate the growth strategy as above as well as fund acquisition opportunities and provide working capital. The Board and leadership team are focused on the opportunity to significantly grow the MyDeal business.

To fund the growth plan, MyDeal is seeking to raise \$40 million through the issue of 35 million New Shares, and 5 million Sell Down Shares at a price of \$1.00 per Offer Share pursuant to the Offer. The Offer provides an opportunity for incoming investors to share in our exciting future.

This Prospectus contains detailed information about the Offer, the industry in which MyDeal operates, and the historical financial information of MyDeal, as well as the key risks associated with an investment in the Company which include cyber security risks, reliance on key personnel, the continued uncertainty around the duration and potential impact of COVID-19 on MyDeal, the economy, sellers and supply chains and the reliance on a number of key sellers. These key risks are set out in Section 4.

It is important that you read this Prospectus carefully, and in its entirety, before deciding whether to invest in the Company.

On behalf of the Board of Directors, I look forward to welcoming you as a Shareholder.

Yours faithfully



Paul Greenberg
Chairman

CEO's Letter

23 September 2020

Dear Investor,

Thank you for taking the time to consider becoming an investor of MyDeal and being part of the next stage of our journey.

To understand MyDeal I think it's important to reflect on how we have evolved into the company we are today since I founded MyDeal almost a decade ago. One of our biggest strengths as a business has been our ability to work out "what's next" ahead of time. MyDeal has gone through several evolutions since inception including group buying, dropshipping, and we were one of the earliest online retailers in Australia to launch a marketplace. I have no doubt that we will continue to adapt and evolve in the future as it is deeply embedded in our culture.

While I am proud of what the business has been able to achieve to date, I believe that we are still at the beginning of our journey. We have an exciting roadmap of growth opportunities in the short to medium term such as the development of our mobile apps and the expansion of our private label business, however, what I am most excited about is the innovative solutions that we can deliver for our customers and sellers in the future as our marketplace continues to evolve.

I believe online retail is predominantly about delivering exceptional value and convenience to customers. We are strongly positioned to deliver this value proposition and succeed in the household goods segment by focusing on:

- Our **Technology & Data** and delivering a scalable and automated platform;
- Investing in **Brand & Marketing** to strengthen the marketplace community and further establish "MyDeal" as an online destination for household goods in Australia;
- Focusing on **Loyalty & Retention** to increase customer purchase frequency and lifetime value; and
- Expanding MyDeal's **Private Label** product offering which is expected to deliver higher margins for the business while also allowing MyDeal to offer exceptional value to our customers.

Our achievements to date would not have been possible without the great team that we have assembled and culture that we have created. It is deeply ingrained into the MyDeal culture that each person is accountable and works with dedication towards executing the Company's vision. Our experienced and commercially focused board and management team are aligned with incoming investors and are ready to steer us to new horizons.

I encourage you to read the prospectus in its entirety and I look forward to you joining us on our journey to build a great business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Senvirtne', with a horizontal line underneath.

Sean Senvirtne
Founder and CEO



Section 1

Investment Overview

1 Investment Overview

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

About the Company

Question	Answer	More Information
What is the business of the Company?	<p>Founded in 2011, MyDeal is an Australian e-commerce group that has successfully established an Australian online retail marketplace specialising in household goods such as furniture and homewares.</p> <p>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.</p> <p>MyDeal has over 800 Active Sellers and over 5 million product SKUs across 2,000 categories. Over 1 million products were sold in FY20 on the platform.</p> <p>MyDeal has established a private label offering and intends to utilise its proprietary marketplace data to help grow this offering efficiently, whilst also driving gross margin for the MyDeal business.</p>	Section 3.1
What is the Company's strategy?	<p>MyDeal's strategy comes down to winning on price, range and experience by:</p> <ul style="list-style-type: none"> Investing in Brand & Marketing to strengthen the marketplace community and further establish "MyDeal" as an online destination for household goods in Australia; Focussing on Loyalty & Retention to increase customer purchase frequency and lifetime value; and Expanding MyDeal's private label product offering which is expected to deliver higher margins for the business. MyDeal will be targeting gross margins of 30%+ in respect of private label sales. <p>This strategy will be underpinned by the utilisation of technology and data (including AI and machine learning) on a scalable and automated platform.</p>	Sections 3.3 and 3.4
What is the Company's business model and how does it generate revenue?	<p>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.</p> <p>MyDeal's main source of revenue is a commission fee that it charges its sellers for every product and service sold on the marketplace. MyDeal also generates other ancillary revenues streams including, but not limited to:</p> <ul style="list-style-type: none"> Transaction fees charged to the seller for each transaction completed on the marketplace. Transaction fees represented approx. 6% of revenue in FY20; Advertising revenue which it generates by selling promotional opportunities to sellers on the MyDeal site and email newsletters. Advertising revenue represented approx. 6% of revenue in FY20; Subscription fees that are charged to sellers on a monthly basis. Subscription fees represented approx. 1.2% of revenue in FY20; Online direct sales of its private label products. While MyDeal's private labels is in its infancy, management believes it may lead to meaningful margin expansion over time; and Seller onboarding fees. <p>In FY20, MyDeal's average take rate was 16.3%. Take rate is the sum of Sales Revenue as a percentage of Gross Transaction Value (GTV) after deducting refunds, chargebacks, discounts and coupons (Net Transaction Value or NTV). GTV is a non-IFRS metric that represents the total value of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST; MyDeal's GTV was A\$103 million in FY20, up 164% on FY19.</p>	Section 3.4

1 Investment Overview

Question	Answer	More Information
What is the Company's business model and how does it generate revenue? continued	<p>Sellers on the MyDeal marketplace are responsible for managing their product listings on the MyDeal site (including content), fulfilling orders to the customer, handling customer support queries, and providing remedies to the customers pursuant to Australian Consumer Law and/or terms and conditions.</p> <p>MyDeal recently started selling private label products. The private label business sources products directly from manufacturers and/or wholesalers and sells them directly on the MyDeal marketplace as well as other marketplaces.</p>	Section 3.4
Who owns the intellectual property behind the Company's platform?	MyDeal developed and owns its technology platform enabling flexibility and control over the user interface, onboarding process, checkout and third-party integrations. The technology provides a streamlined and seamless shopping experience for its sellers and customers.	Section 3.4
Who does the Company compete with?	MyDeal competes with a number of generic online marketplaces as well as Australian furniture and homewares retailers both online and offline. Primary competitors are Amazon, Catch.com.au, eBay, Grays Online, Kogan.com, Matt Blatt and Temple & Webster.	Section 2.3
What are the key competitive advantages of the Company's business?	<p>MyDeal is competitively positioned against its peers as one of the very few pureplay online retail marketplaces that focuses predominantly on household goods, including furniture and homewares.</p> <p>Marketplaces are highly scalable and capital light business models which enable larger ranges of products compared to traditional stockholding e-commerce businesses.</p> <p>While MyDeal does not determine the price of products sold by third-party sellers on the marketplace, an additional competitive advantage for MyDeal is the natural dynamics of an open marketplace whereby sellers compete against each other on factors such as price and quality.</p> <p>MyDeal has developed a highly scalable, proprietary technology which helps its marketplace scale quickly and keeps operating costs low.</p>	Sections 3.3 and 3.4
What are the key Company investment highlights?	<p>Exposure to growing Australian online retail market:</p> <ul style="list-style-type: none"> • The Australian online retail market was estimated to be \$35.7 billion in the 12 months to June 2020, approximately 23.1% higher than the corresponding period to June 2019²; • Australian online retail sales are up 80.0% calendar year to date up to 30 June 2020³ compared to the comparable period in 2019⁴; • Online retail sales are forecast to increase to \$38.5 billion in CY20 representing 20.7% growth from CY19 due to the increasing trend of consumers shifting from shopping in store to online⁵ and accelerated by the COVID-19 pandemic; and • The expansion of the online retail market has been supported by the growth in internet and broadband penetration, mobile-commerce, changing consumer preferences, as well as a safe and convenient alternative to traditional bricks-and-mortar retailing, particularly as a result of COVID-19 lockdown restrictions. 	Sections 2.2, 3.3, 3.4, 3.5 and 3.8

2. NAB Online Retail Sales Index, June 2020.

3. ABS: 8501.0 - Retail Trade Australia, June 2020.

4. ABS: 8501.0 - Retail Trade Australia, June 2020.

5. Euromonitor International - Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in current terms for CY2014 - CY2019 and constant terms for CY2020F - CY2024.

Question	Answer	More Information
<p>What are the key Company investment highlights? continued</p>	<p>Proprietary technology:</p> <ul style="list-style-type: none"> ▪ Highly scalable technology: with ability to process transactions at multiple times the current level without requiring large development investment. ▪ Complete flexibility: to control the functionality and user experience of the platform without needing to pay third-party licence or development fees. ▪ Device agnostic: responsive design for a consistent user experience across connected devices. ▪ Payment acceptance and processing outsourced: to validated third party service providers with no cardholder data stored, processed or transmitted on MyDeal. <p>Scalable, capital light business model:</p> <ul style="list-style-type: none"> ▪ Expansive online marketplace: Providing an intermediary online technology platform facilitating transactions between consumers and sellers, with extensive and diverse product range. ▪ Scalable proprietary platform driving low operational costs: Leveraging the marketplace model and proprietary platform, MyDeal is able to maintain a low operational cost base as GTV grows. ▪ Negative working capital: MyDeal operates a positive operating cash cycle, giving it the ability to scale rapidly without the requirement to continually invest in working capital. ▪ Capital-light model: Very limited inventory held and associated warehousing costs, even with the expansion of its private label business. ▪ Price competitive ecosystem: Low cost to consumer. ▪ Comprehensive tools and features for sellers: MyDeal's marketplace platform provides sellers the functionality to largely self-service their product listings and orders on the marketplace. MyDeal also provides a number of integration solutions with third party e-commerce platforms and channel partners enabling seamless order and product updates (including price and stock). ▪ Proven customer acquisition strategies: Paid and organic traffic leading to sales and repeat customer purchases. <p>Significant existing and near-term growth opportunities:</p> <ul style="list-style-type: none"> ▪ Mobile Apps: Development has started on native mobile apps for iOS and Android devices to provide a faster and better mobile experience for customers. ▪ Data Personalisation, Loyalty and Site Optimisation: MyDeal believes that by increasing the personalisation of messaging to customers and increasing the efficiency and search functionality of the platform, experience on the platform will be enhanced thereby increasing the overall conversion rate and purchase frequency of customers. ▪ Private Label: Acceleration of private label business to control product pricing, generate higher gross margins and control the end-to-end customer experience thereby creating greater brand loyalty. ▪ Acquisitions: There may be opportunities to grow MyDeal through targeted acquisitions, with key criteria including: expansion into adjacent product lines; strengthening underlying platform infrastructure; broadening customer base; value chain optimisation and geographical expansion. 	<p>Sections 2.2, 3.3, 3.4, 3.5 and 3.8</p>

1 Investment Overview

Question	Answer	More Information
What are the key Company investment highlights? continued	<p>Strong track record of growth:</p> <p>MyDeal has reached several key milestones that positions it strongly to execute on the Company's growth strategy:</p> <ul style="list-style-type: none"> • Proven online marketplace focused on furniture, bedding, and homewares generating \$103 million in GTV in FY20 (+164% over FY19); • Over 1 million products sold in FY20; • Wide range of products with over 5 million SKUs as at 30 June 2020 (increased by 169% in FY20); • Conversion rate grew to 4.20% in H2FY20 (+25% on H2FY19); • The utilisation of AI powered product recommendations and investment in email acquisition assisted in a 98% uplift in sales from email (between FY19 and FY20); and • Traffic from organic search up over 62% (between FY19 and FY20). <p>Experienced Board and Management team:</p> <ul style="list-style-type: none"> • MyDeal board and management are committed to overseeing the business through its next phase of growth as an ASX-listed company; • Management have strong and relevant experience in the online retail industry; and • MyDeal has an experienced board of Directors, possessing a strong mix of complementary skills and well placed to oversee MyDeal as an ASX-listed company. 	Sections 2.2, 3.3, 3.4, 3.5 and 3.8
What are the key risks associated with the Company's business?	<p>Key Person Risk MyDeal currently depends on the continued services and performance of a small number of key personnel. The loss of key personnel, particularly members of the executive team, could disrupt operations and have a material adverse impact on MyDeal's business.</p> <p>Internet and Data Security Breaches There is a risk that, despite MyDeal's best efforts to combat cyber risks, a cyber attack or a data breach may occur, or a third party may otherwise gain access to the confidential information of the Company's customers or its internal systems. This could result in a breach of law by MyDeal, or a breach of client agreements, and may significantly damage the Group's reputation and brand name.</p> <p>COVID-19 Related Risks MyDeal has seen an increase in sales on its platform since the emergence of the COVID-19 pandemic. There is a risk that the Company's historical performance may not necessarily be replicated in the future as government imposed restrictions ease and there is a slowing in the community transmission of COVID-19. There is continued uncertainty as to the further impact of COVID-19 including in relation to the duration of existing and further governmental action globally, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes. The continuation of the current COVID-19 pandemic may disrupt sellers' supply chains, which may in turn adversely impact transaction volumes and therefore the Company's financial performance. COVID-19 has had and is likely to continue to have negative impacts on the Australian economy, including increased unemployment. There is a risk that customers may have less discretionary income to spend on such products as a result of unemployment or underemployment, or that customers may reduce their discretionary spend to protect their savings if economic conditions continue to deteriorate. A decline in discretionary spending may materially adversely affect the Company's operational and financial performance and consequently the value of an investment in the Company may be adversely affected.</p> <p>Sellers Concentration Risk The Company's performance is reliant on a select number of sellers. The top 3 sellers account for approximately 23% of sales by GTV on the MyDeal marketplace and the top 10 account for approximately 41.7%. The Group's contractual arrangements with sellers do not contain any minimum sale obligations and so there is a risk that a seller may cease its relationship with MyDeal at any time. The loss of or deterioration of MyDeal's relationships with key sellers or an inability to onboard new sellers could have a material adverse impact on MyDeal's business, financial performance and operations.</p>	Section 4

Question	Answer	More Information
<p>What are the key risks associated with the Company's business? continued</p>	<p>Lower Customer Growth MyDeal's revenues and the success of its growth initiatives depend upon attracting and retaining customers to its platform and converting those customers into both new and repeat customers. Various factors can affect website traffic and conversion. A decline in traffic coming to MyDeal or the rate of conversion could adversely impact MyDeal's ability to achieve its stated objectives and could have a material adverse impact on its business, financial performance and operations.</p> <p>Competition Risk 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. Competition can arise from a number of sources including traditional 'bricks and mortar' retailers, omni-channel retailers, marketplaces and online-only e-commerce 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.</p> <p>Continued Growth of E-commerce 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 the Company's control which could cause a slowing or contraction in the market and as a consequence impact MyDeal directly.</p> <p>Customer Sentiment Risk Customer complaints or negative publicity about any of the products advertised on MyDeal's marketplace, product delivery times, customer data handling and security practices or customer support, whether or not they are justified or the fault of MyDeal, could rapidly and severely diminish customer use of the marketplace. In addition, MyDeal derives a significant portion of its revenue from the furniture and homewares segment which is subject to continually changing trends and style specific customer preferences. Customer spending on such products is primarily discretionary in nature, and customers may allocate this discretionary spend across different product categories or other services from time to time.</p> <p>Platform Risks MyDeal's platform incorporating its website, databases and systems are critically important to the Company's ability to attract and retain customers, as well as maximise sales conversion from those customers. Any irrecoverable loss would incur a financial cost to the Company as well as damage the reputation of the business. Further, MyDeal is reliant on Amazon Web Services to host the platform. If there is a disruption in these hosting services, the platform may not be accessible to users. Amazon Web Services may terminate its hosting services on 30 days' notice, or shorter or no notice in certain circumstances as summarised at Section 9.3.</p> <p>Reliance on Third Party Suppliers and Supplier Favoured Contracts The Group relies on the services provided by third party suppliers such as channel partners (including Shopify and ChannelAdvisor), other software providers, payment providers and logistics providers. MyDeal has limited influence over these third parties and these services are largely provided on the supplier's standard terms and as such are generally more favourable to the supplier. Many of these services can be terminated on short or no notice and the terms of service contain minimal or no service warranties, service suspension rights and disclaimers and limitations on the supplier's liability.</p> <p>Search Engine Risks Many customers access MyDeal through a search engine. MyDeal's website may be excluded from or ranked lower in search engine results due to changes to a search engine's algorithms or other ranking criteria that are outside of MyDeal's control. If MyDeal's search engine optimisation (SEO) activities are no longer effective for any reason, the traffic coming to the MyDeal website could significantly decrease which could have a material adverse impact on MyDeal's business, financial performance and operations.</p>	<p>Section 4</p>

1 Investment Overview

Question	Answer	More Information																									
What are the key risks associated with the Company's business? continued	<p>Potential of being banned, restricted or suspended from digital marketing channels The Group relies on digital marketing channels such as Google ads, Facebook ads and Criteo (to name a few) to market MyDeal's platform on social networking sites, search providers and other marketing channels. There is a risk, that based on the marketing channel providers terms and conditions, the Group may be suspended, restricted or banned from advertising on these marketing channels. Any such ban, restriction or suspension could have an adverse impact on the reputation, brand and revenue of MyDeal which could materially adversely affect the Company's business, financial performance and operations.</p> <p>Increased Cost of and Reliance on Search Engine Marketing The cost of search engine marketing generally increases as the importance of online advertising increases, as competition to be ranked higher in paid listings increases the price of such listings. MyDeal's business, financial performance and operations may be materially adversely affected by any increase in the cost of, or in reliance on, search engine marketing.</p>	Section 4																									
Who are the Company's Directors and Management Team?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">▪ Paul Greenberg – Non-Executive Chairperson▪ Sean Senvirtne – Founder & Chief Executive Officer▪ James Joughin – Non-Executive Director▪ Christopher Tait – Non-Executive Director <p>The experienced senior management team comprises:</p> <ul style="list-style-type: none">▪ Sean Senvirtne – Founder & Chief Executive Officer▪ Joshua Mangan – Chief Operating & Financial Officer▪ Dean Ramler – Chief Merchandising Officer▪ Kate Dockery – Chief Product Officer▪ Pankaj Sharma – Head of Technology▪ Kevin Nanda – Financial Controller▪ John Barkle – Marketing Manager <p>See Section 5 for further details regarding the background and experience of the Directors and senior management team.</p>	Sections 5.2 and 5.4																									
Will any related party have a significant interest in the Company or the Offer?	<table><thead><tr><th>Director (including associates)</th><th>Shares held as at the Prospectus Date</th><th>Convertible Notes held as at the Prospectus Date</th><th>Shares held as of completion of the Offer</th><th>Percentage holding immediately following the Offer</th></tr></thead><tbody><tr><td>Paul Greenberg</td><td>0</td><td>\$0.45 million²</td><td>0.59 million²</td><td>0.23%</td></tr><tr><td>Sean Senvirtne¹</td><td>131.8 million¹</td><td>0</td><td>126.9 million¹</td><td>49.0%</td></tr><tr><td>Christopher Tait</td><td>0</td><td>\$0.025 million</td><td>0.032 million</td><td>0.01%</td></tr><tr><td>James Joughin</td><td>0</td><td>\$0.1 million³</td><td>0.13 million³</td><td>0.05%</td></tr></tbody></table> <p>^{1.} Includes 4.39 million Shares held by Sean's partner, Kate Dockery.</p> <p>^{2.} Held by a related entity, Jam Pad Investments Pty Ltd ACN 628 633 198.</p> <p>^{3.} Held by a related entity, Penbury Grange Pty. Ltd. ACN 077 993 054 as trustee for the Joughin Family Superannuation Fund ABN 32 882 792 347.</p> <p>As described in Sections 5.7 and 10.5, it is intended that the Directors and other executives will be granted Options following Listing. See Section 5.8.2 for the interests that Directors will hold if these Options are granted and exercised.</p> <p>No other related party, as defined in the Corporations Act, will have a significant interest in the Company following completion of the Offer.</p>	Director (including associates)	Shares held as at the Prospectus Date	Convertible Notes held as at the Prospectus Date	Shares held as of completion of the Offer	Percentage holding immediately following the Offer	Paul Greenberg	0	\$0.45 million ²	0.59 million ²	0.23%	Sean Senvirtne ¹	131.8 million ¹	0	126.9 million ¹	49.0%	Christopher Tait	0	\$0.025 million	0.032 million	0.01%	James Joughin	0	\$0.1 million ³	0.13 million ³	0.05%	Section 5.8
Director (including associates)	Shares held as at the Prospectus Date	Convertible Notes held as at the Prospectus Date	Shares held as of completion of the Offer	Percentage holding immediately following the Offer																							
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James Joughin	0	\$0.1 million ³	0.13 million ³	0.05%																							

Question	Answer	More Information	
Who are the Existing Holders and what will their interests be following completion of the Offer?		Section 10.8	

1 Investment Overview

Question	Answer	More Information																
What will the Company use the proceeds raised from the Offer for?	The proposed use of funds raised under the Offer is set out below:	Section 8.4																
	<table><tr><th>Use of Funds</th><th>\$ million</th></tr><tr><td>Payment to Selling Shareholders</td><td>\$5.0 million</td></tr><tr><td>Investment in Personnel</td><td>\$7.0 million</td></tr><tr><td>Advertising and branding expenditure</td><td>\$11.5 million</td></tr><tr><td>Inventory investment</td><td>\$11.25 million</td></tr><tr><td>Working capital</td><td>\$2.25 million</td></tr><tr><td>Costs of the Offer</td><td>\$3.0 million</td></tr><tr><td>Total Uses</td><td>\$40.0 million</td></tr></table>		Use of Funds	\$ million	Payment to Selling Shareholders	\$5.0 million	Investment in Personnel	\$7.0 million	Advertising and branding expenditure	\$11.5 million	Inventory investment	\$11.25 million	Working capital	\$2.25 million	Costs of the Offer	\$3.0 million	Total Uses	\$40.0 million
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Total Uses	\$40.0 million																	

About the Offer

Question	Answer	More Information
What is the Offer?	The Company is offering 35 million New Shares to raise up to \$35 million and SaleCo is offering 5 million Sell Down Shares to raise up to \$5 million for the Selling Shareholders.	Section 8.1
What is SaleCo?	SaleCo is a company which has been incorporated to facilitate the sell down of Shares by the Selling Shareholders into the Offer.	Section 8.2
Who is the issuer of the Securities and this Prospectus?	The Company is the issuer of the Shares. The Company and SaleCo are the issuers of this Prospectus.	Sections 8.1 and 8.2
What do Applicants pay when applying under the Offer?	<p>All Applicants under the Offer will pay \$1.00 per Share.</p> <p>The Company will retain any interest earned on an Applicant's Application Monies.</p>	Section 8.1
Who are the Joint Lead Managers to the Offer?	Morgans Corporate Limited (ABN 32 010 539 607) (AFSL 235407) and Royal Bank of Canada (trading as RBC Capital Markets) (ABN 86 076 940 880) (AFSL 246521).	Important Notices
Is the Offer underwritten?	Yes, the Offer will be underwritten by Morgans Corporate Limited and Royal Bank of Canada.	Section 9.10
What will the capital structure of the Company be following completion of the Offer?	On completion of the Offer, the capital structure of the Company will consist of 258.8 million Shares. The Board intends to grant 9.965 million Options under the Equity Incentive Plan within 6 months of Listing as set out in Sections 5.7, 10.5 and 10.12.	Sections 5.7, 10.4 and 10.5
Will any Existing Holders be subject to escrow arrangements?	Certain Existing Holders have entered into escrow arrangements under which they will be restricted from dealing with the escrowed Shares they will hold on completion of the Offer until expiration of the relevant escrow period. These restrictions have been agreed to voluntarily. In aggregate, 187.2 million Shares representing approximately 72.3% of total Shares on issue immediately following the Offer will be subject to voluntary escrow arrangements. These voluntary escrow arrangements are described in Section 10.9.	Section 10.9

Question	Answer	More Information
How is the Offer structured and who is eligible to participate in the Offer?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares; and the Broker Firm Offer, which is open to persons who have received an invitation from their Broker and who have a registered address in Australia. 	Sections 8.6 and 8.7
What is the allocation policy?	<p>The allocation of Shares between the Institutional Offer and the Broker Firm Offer and among Applicants in the Institutional Offer will be determined by agreement between the Company and the Joint Lead Managers.</p> <p>With respect to the Broker Firm Offer, it is a matter for Brokers as to how they allocate Shares among their retail clients.</p>	Sections 8.6 and 8.7
How do I apply for Securities under the Offer?	<p>The process for applying for Shares in the Company is set out in Section 8.</p> <p>Retail Applicants under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Offer Application Form accompanying this Prospectus.</p> <p>The Joint Lead Managers may seek to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided.</p>	Section 8.6
Is there a minimum amount of Shares which I must apply for under the Offer?	<p>The minimum Application under the Broker Firm Offer and the Institutional Offer is \$2,000 worth of Shares. Applications in excess of the minimum number of Shares must be in multiples of at least \$500.</p> <p>There is no maximum Application under the Broker Firm Offer and the Institutional Offer.</p>	Section 8.5
Is there a cooling-off period?	No.	Important Notices
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be dispatched by post on or about 19 October 2020.	Important Notices
When are the Shares expected commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 22 October 2020.	Important Notices
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 8.5
What are the tax implications of investing in the Shares?	<p>The tax consequences for an investor of any investment in the Shares will depend upon the investors particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.</p> <p>A summary of the general tax implications of participating in the Offer for Australian resident investors is set out in Section 10.11.</p>	Section 10.11

1 Investment Overview

Question	Answer	More Information
How can I obtain further information?	<p>If you would like more information or have any questions relating to the Offer, you can contact the MyDeal Offer Information Line on 1300 737 760.</p> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>	Not applicable

Key Financial Information

Question	Answer	More Information																																
What is the key financial information you need to know about the Company’s financial position, performance and prospects?	<div> <div>Key Financial & Operating Metrics</div> <table> <tr> <th></th> <th>Pro forma FY2020</th> </tr> <tr> <td>Gross Transaction Value</td> <td>103,316,957</td> </tr> <tr> <td>GTV growth</td> <td>164.57%</td> </tr> <tr> <td>Net Transaction Value</td> <td>93,964,503</td> </tr> <tr> <td>NTV growth</td> <td>156.76%</td> </tr> <tr> <td>Sales revenue</td> <td>15,335,680</td> </tr> <tr> <td>Sales revenue growth</td> <td>209.11%</td> </tr> <tr> <td>Average order value (AOV)</td> <td>\$139.91</td> </tr> <tr> <td>Take rate</td> <td>16.32%</td> </tr> <tr> <td>Statutory EBITDA</td> <td>\$669,169</td> </tr> <tr> <td>Pro forma EBITDA</td> <td>\$(483,052)</td> </tr> <tr> <td>Statutory Profit/(Loss) after tax</td> <td>\$849,232</td> </tr> <tr> <td>Pro forma Profit/(Loss) after tax</td> <td>\$37,264</td> </tr> <tr> <td>Pro forma Net Assets</td> <td>\$36,398,661</td> </tr> <tr> <td>Statutory cash flow movement</td> <td>\$14,466,264</td> </tr> <tr> <td>Pro forma cash flow movement</td> <td>\$13,314,043</td> </tr> </table> </div> <div> <p>The information presented above is intended as a summary only and should be read in conjunction with detailed discussions on the Financial Information disclosed in Section 6 as well as the risk factors set out in Section 4.</p> <p>Investors should read Section 6 for the full details of the Company’s pro forma and statutory Financial Information.</p> </div>		Pro forma FY2020	Gross Transaction Value	103,316,957	GTV growth	164.57%	Net Transaction Value	93,964,503	NTV growth	156.76%	Sales revenue	15,335,680	Sales revenue growth	209.11%	Average order value (AOV)	\$139.91	Take rate	16.32%	Statutory EBITDA	\$669,169	Pro forma EBITDA	\$(483,052)	Statutory Profit/(Loss) after tax	\$849,232	Pro forma Profit/(Loss) after tax	\$37,264	Pro forma Net Assets	\$36,398,661	Statutory cash flow movement	\$14,466,264	Pro forma cash flow movement	\$13,314,043	Section 6
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On what basis has the financial information been prepared?	<p>The Financial Information disclosed in this Prospectus has been presented on a statutory basis and a pro forma basis. In addition a number of non-IFRS financial measures have been identified as key metrics. The Statutory Historical Financial Information disclosed has been prepared in accordance with Australian Accounting Standards and has been audited under Australian Auditing Standards. The Pro forma Historical Financial Information has been prepared based on the Statutory Historical Financial Information adjusted as detailed in this Prospectus. This is intended as a summary only and should be read in conjunction with the additional discussion of the Financial Information set out in Section 6.</p>	Section 6																																

A modern interior space featuring a grey textured sofa with patterned cushions, a grey and white zigzag rug, and a wall with a large geometric pattern of dark lines. A white side table and a framed picture are visible on the left.

Section 2

Industry Overview

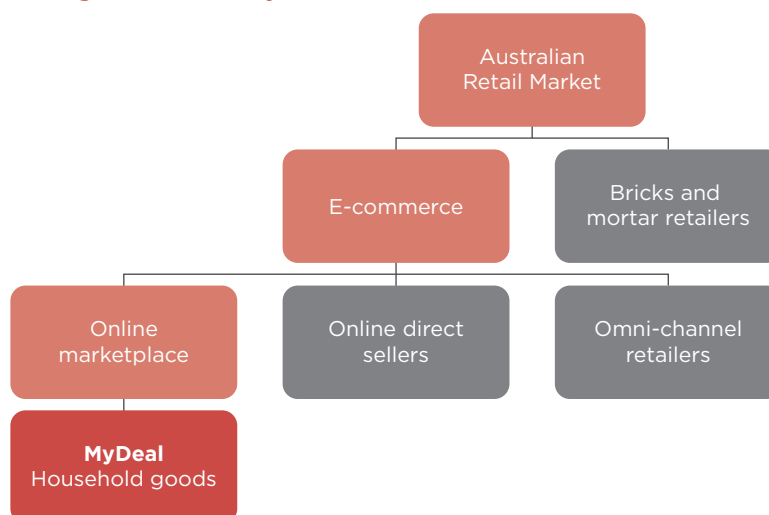
2 Industry Overview

2.1 Introduction

MyDeal is an online retail marketplace operating within the Australian e-commerce market, a subsection of the broader Australian retail market. Online marketplaces such as MyDeal connect merchants (sellers) with consumers without having to hold inventory or requiring substantial warehouse and logistics infrastructure in place.

MyDeal specialises in the household goods category. This category comprises homewares and home furnishings, home care, home improvement and gardening, consumer appliances, consumer electronics and pet care.

Figure 2-1: MyDeal positioning in the Industry



2.2 Australian retail and online retail market

Total Australian retail sales were approximately \$329.5 billion in CY19, having grown at a CAGR of 3.3% from CY14⁶.

The online retail market represents the process of buying and transacting goods in exchange for money over the internet. The Australian online retail market was estimated to be approximately \$35.7 billion in the 12 months to June 2020, approximately 23.1% higher than the corresponding period to June 2019⁷.

The Australian online retail market is projected to reach \$38.5 billion in CY20, a 20.7% increase from CY19⁸. This significant growth uplift has been accelerated by the COVID-19 pandemic, leading to lockdown restrictions and social distancing measures encouraging consumers to shop online⁹.

Since March 2020, online retail has experienced significant increases. The ABS estimate that online retail sales from March to June 2020 have increased by 116.1% compared to the corresponding period in 2019, and that Australian online retail sales are up 80.0% calendar year to date (up to 30 June 2020), compared to the comparable period in 2019¹⁰. The Company believes this shift in consumer activity to online will continue following the easing of social distancing measures, although it is not yet known if online retail sales will be maintained at the same levels.

Continued development of the online retail market is being supported by the rapid growth in internet and broadband penetration, mobile-commerce, changing consumer preferences, as well as a safe and convenient alternative to traditional bricks-and-mortar retailing. Industry revenue has advanced due to consumers seeking variety and value, with online shopping offering an unprecedented choice, 24/7 global retail access and highly competitive prices.

6. ABS: 8501.0 – Retail Trade, Australia, June 2020.

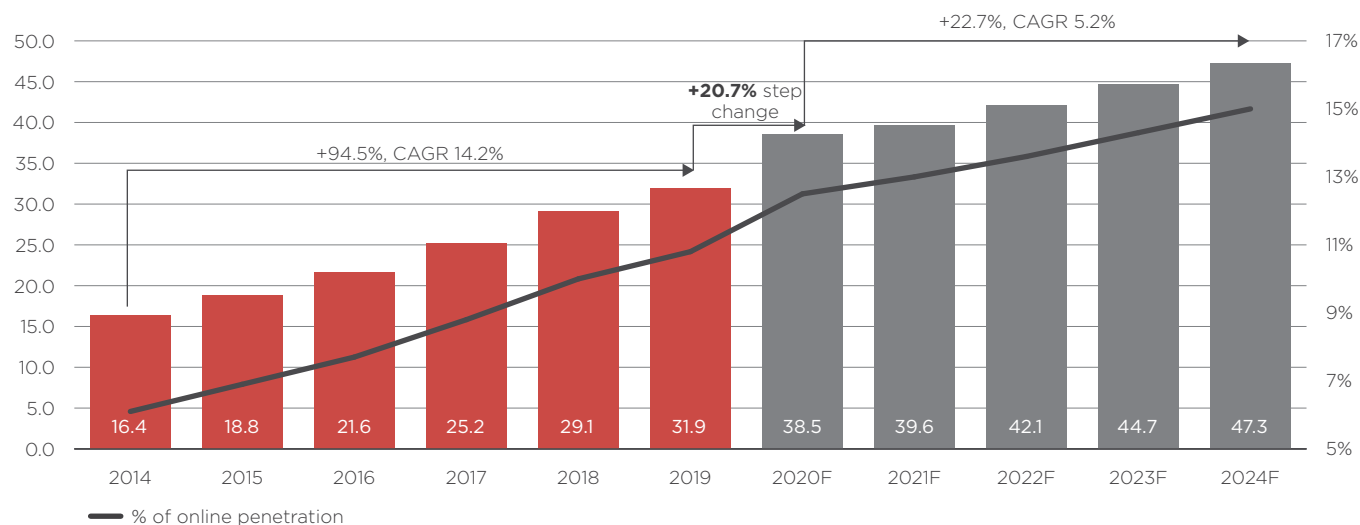
7. NAB Online Retail Sales Index, June 2020.

8. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024F.

9. IBIS World: Online Shopping in Australian Industry Report, May 2020.

10. ABS: 8501.0 – Retail Trade Australia, June 2020.

Figure 2-2: Australian online retail sales (\$ billion) and online adoption rate




Source: Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024F

2.3 Online marketplaces

MyDeal operates an online retail marketplace that facilitates the sale of products by sellers to consumers. Online marketplaces aggregate products by multiple sellers and consumers complete a simple, single checkout transaction.

There are a number of drivers and advantages to online marketplaces compared to other e-commerce and online retail business models.

Business Model	Characteristics	Examples
Online Marketplaces	<ul style="list-style-type: none"> Sellers and consumers are connected by completing transactions via an online marketplace. Revenue is generated from commission charged on the value of transactions completed. Offers sellers transaction services including processing payments and fraud protection. Increased exposure and brand awareness for sellers. Capital light model as no warehousing or inventory required. Provides both online direct sellers and omni-channel retailers another channel to sell their products. 	<p>Homeware Specific:</p>  <p>General Market:</p> <p>Global brands Amazon eBay</p> <p>Australian brands Catch Group GraysOnline Kogan.com</p>
Online Direct Sellers	<ul style="list-style-type: none"> Source and purchase products from suppliers, which can increase working capital risks associated with holding inventory. Drop ship model provides an alternative to holding inventory but is offset with other operating costs. Greater margin available, however reduced by higher operating costs associated with holding inventory, warehousing, and the need to provide a higher degree of customer support compared to online marketplaces. Able to sell their products and services via online marketplaces. 	<p>General Market: Kogan.com Amazon Catch Group</p> <p>Homeware Specific: MyDeal (private label products) Temple & Webster Matt Blatt (Kogan.com)</p>

2 Industry Overview

Business Model	Characteristics	Examples
Omnichannel Retailers	<ul style="list-style-type: none"> Consumers can purchase goods online or through physical retail stores. Significant existing warehousing and logistics infrastructure to service both online and physical retail stores. Substantial inventory required. High lease costs associated with physical retail stores. Able to sell their products and services via online marketplaces. 	<p>General Market: Myer David Jones JB HiFi Harvey Norman The Good Guys</p> <p>Homeware Specific: Amart Furniture Fantastic Furniture</p>

Amazon originally operated as an online direct seller by selling books online. Amazon now operates both as an online marketplace and as a direct seller. Catch Group and Kogan.com in Australia also operate both as an online marketplace and direct sellers. Other major players such as eBay operate as pure-play marketplaces only.

Online marketplaces are a rapidly growing segment of the e-commerce landscape accounting for over 60% of purchases in CY19¹¹. Sellers, including online direct sellers and omni-channel retailers, utilise marketplaces to broaden their customer base, increase sales and increase brand awareness.

2.3.1 Key drivers for online marketplaces

Online retail marketplaces including MyDeal typically contain four main participants – consumers, small retailers, large retailers and brands. The participants each have varying requirements and drivers for using marketplaces which are shown in the table below. MyDeal provides a strong value proposition for each of the participants.

Group	Key driver	How online marketplaces deliver
Consumers	Access broad range of products at competitive prices	<ul style="list-style-type: none"> Consumers are seeking competitively priced products, particularly relating to discretionary spending items. Online marketplaces create a competitive environment where sellers compete against one another for sales which in turn can reduce prices for consumers. Online marketplaces offer consumers a convenient way to access a large range of products, ease of price and product comparison, and the ability to shop with multiple sellers through a single transaction.
Small retailer	Increase visibility and conveniently generate sales	<ul style="list-style-type: none"> Small retailers faced with competition from larger retailers and brands have the ability to compete on an online marketplace. Increased exposure and reach to consumers assists in generating sales that may otherwise be expensive through search engine advertising. Easy to create online shopfront, access to transaction services, an established group of consumers allow small retailers to effectively enter the market.
Large retailer	Ability to sell large volumes of products	<ul style="list-style-type: none"> Online marketplaces provide an additional channel for large retailers to move inventory and products to consumers. On an online marketplace, sellers are able to discount and increase the sale rates for end of line stock without impacting their other sales activities.
Brands	Increasing brand profile	<ul style="list-style-type: none"> Brands are seeking to expand retail channels via marketplaces and go direct to consumers as an additional channel to retail chains or large online retailers. Enables brands to maintain brand control over supply, price, presentation, marketing and discounts.

11. Australia Post e-commerce update: February 2020.

2.3.2 Marketplace vs. Drop Ship

Online marketplaces such as MyDeal act as an intermediary to facilitate transactions between consumers and sellers. This is different from several notable Australian furniture and homewares online competitors who largely operate a drop ship model.

Drop ship model

Drop shipping is an order fulfilment method where the retailer does not hold the inventory in products that it sells. When a product is purchased from a drop ship retailer, the retailer purchases the item from a third-party supplier that ships the product direct to the consumer.

Unlike an online marketplace, a drop ship retailer is responsible for setting the price, marketing the products (for example design & curation), managing product liability, and providing customer support. A drop ship retailer also needs to oversee the technology, payments and external marketing to attract consumers.

Marketplace model

An online marketplace allows sellers (many of which also supply drop ship retailers) to sign up to the platform and advertise products on the marketplace. The seller has control over the products they display and the price set, as well as how they market their products, albeit keeping within the quality assurance framework the marketplace has established and adhering to product liability requirements. The seller markets their product directly to the consumer through the marketplace as a 'shopfront'. Sellers have complete flexibility over their packaging and logistics processes.

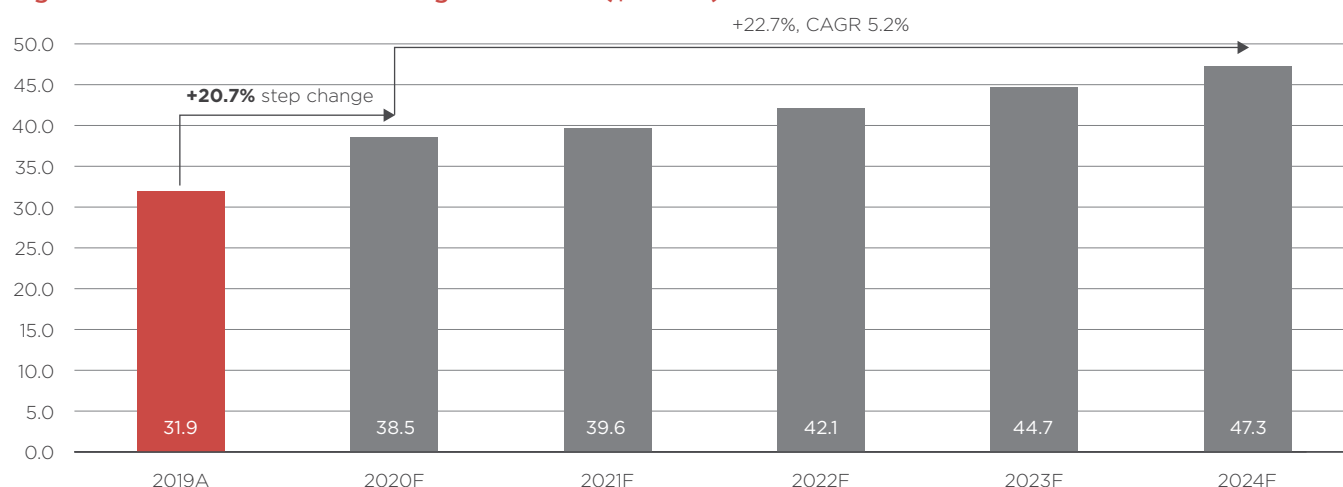
The marketplace is responsible for providing technology, payments, marketing the platform to consumers, and providing a mechanism for dispute/reputation management. The majority of consumer enquiries are handled between the seller and the consumer without the need for the marketplace to get involved.

The marketplace owner (such as MyDeal) receives a commission fee for every product sold.

2.4 Key online retail market growth drivers

Euromonitor estimates the Australian online retail market will reach approximately \$47.3 billion by CY24 following an estimated step change from CY19 to CY20 of 20.7%¹². The implications of COVID-19 may have potentially accelerated the adoption rate of online retail, however the fundamental drivers to this movement remain and are outlined below:

Figure 2-3: Forecast online retailing in Australia (\$ billion)



Source: Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in current terms for CY2014 – CY2019 and constant terms for CY2020F – CY2024

12. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in current terms for CY2014 – CY2019 and constant terms for CY2020F – CY2024.

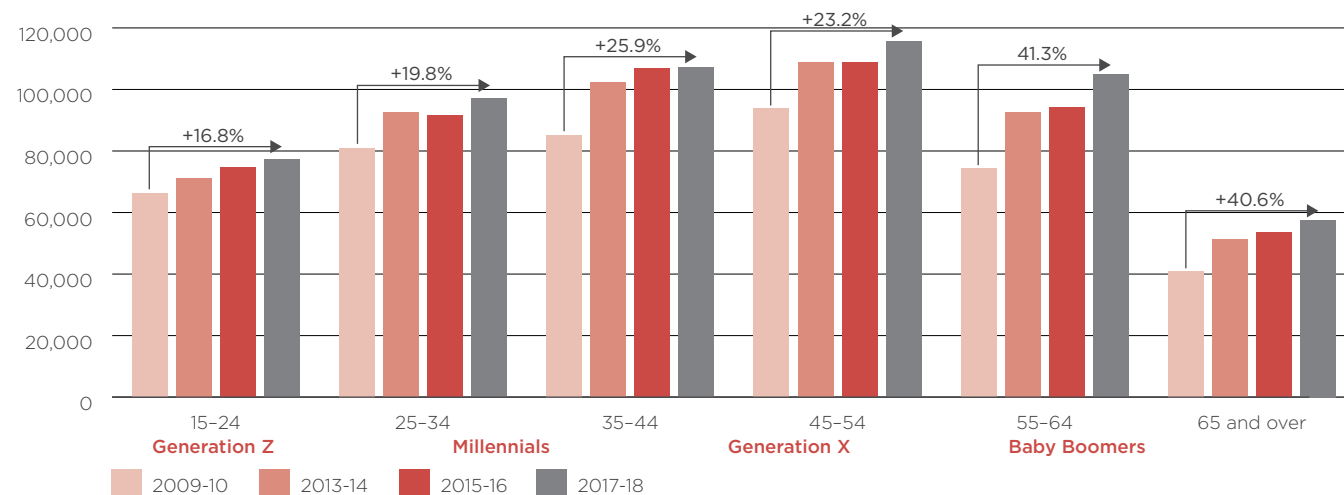
2 Industry Overview

2.4.1 Consumer preference shifting to online retail

Growth in the online retail market has been underpinned by a change in consumer preferences including:

- Consumers seeking greater variety and value. Online retailers have lower operating costs compared to traditional retailers with physical stores, which allows online retailers to offer competitive pricing;
- Convenience of 24 hour/7 days a week access to online retail stores;
- Cross-border shopping allowing consumers to find unique or specialised products from other countries online;
- Customer experience online retailers are providing across their platforms, providing a real alternative for some consumers to the traditional physical retail experience; and
- Younger consumers (e.g. Gen X, Millennials and Gen Z) are 'digital natives' with growing disposable incomes and are transacting more frequently.

Figure 2-4: Annualised average household disposable income in Australia (\$A)



Source: ABS 6523.0 - Household Income and Wealth, Australia, 2017-18, 2015-16, 2013-14, 2009-10

2.4.2 Technology advances to enhance user experience

Online retailers are continuing to improve their technology to provide greater browsing and purchasing experiences, which are more relevant and timelier to individual consumers including through:

- Increase in the use of data analytics, artificial intelligence/machine learning (AI) and marketing automation technologies to make the shopping experience more personalised and enable more relevant product discovery;
- Optimisation of user experiences on mobile and tablet devices through responsive web design and apps;
- Improvements to the integration of multimedia such as images and videos which provide a more engaging browsing experience and generate greater confidence to shop; and
- Improvement in seller delivery capability to reduce delivery times.

2.4.3 Mobile e-commerce

E-commerce adoption has been accelerated by increased smartphone utilisation supported by growth in data, connectivity and speed.

Smartphone penetration in Australia has grown from 76% to 91% over the past six years to June 2019¹³. Mobile internet and broadband speeds have experienced significant improvements over the past 5 years with speeds increasing by 138%¹⁴. Further enhancements are expected with the rollout of 5G infrastructure to a larger proportion of consumers.

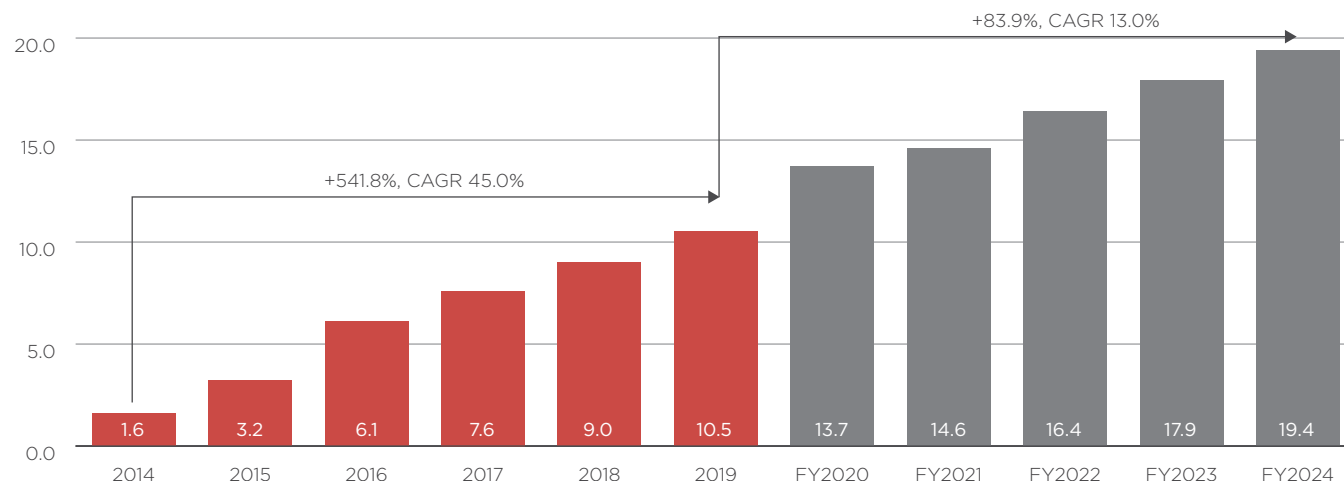
These technology improvements have supported increased consumer adoption of mobile e-commerce. In CY19,

13. Deloitte: Mobile Consumer Survey, June 2019.

14. NBNCo - AlphaBeta Strategy x Economics: Speed Check, October 2019.

33% of online sales were processed via mobile devices and 55% of mobile shoppers transact on mobile weekly¹⁵. Mobile e-commerce grew by a compound annual growth rate (CAGR) of 45.0% from CY14 to CY19¹⁶.

Figure 2-5: Australian mobile online retail market (\$ billion)



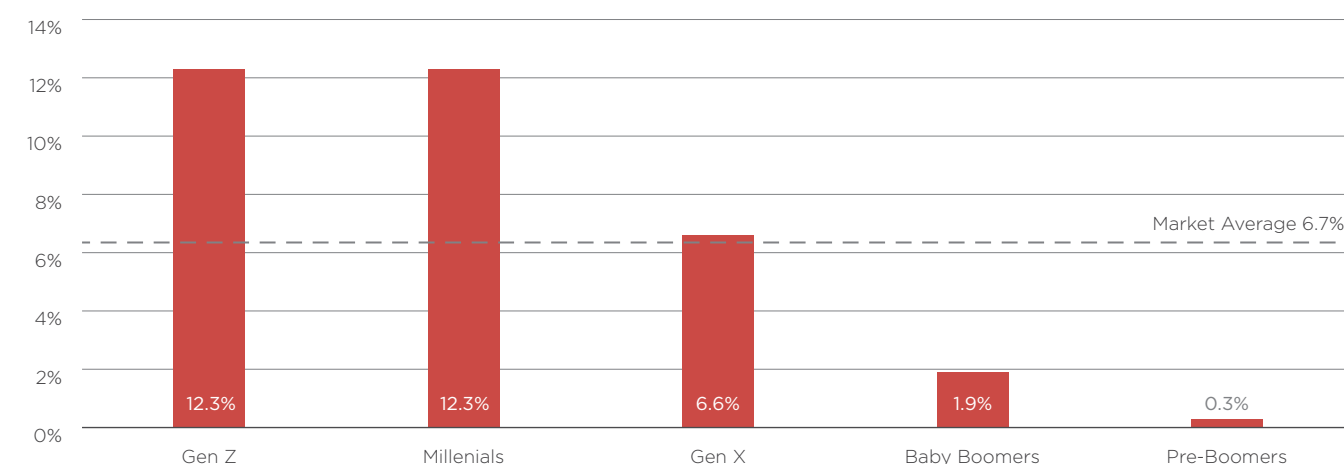
Source: Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024

2.4.4 Buy now, pay later

Payment alternatives from buy now, pay later (BNPL) companies such as Afterpay and Zip, have helped accelerate online shopping adoption by providing a payment alternative to credit cards. Consumers that do not use credit cards are now able to effectively transact online supporting increased consumption.

Younger consumers such as Millennials, Gen X and Gen Z have been the main users of BNPL and people in these demographics have more confidence and ability to transact online.

Figure 2-6: BNPL Usage in 12 months ending March 2019: incidence by generations



Source: Roy Morgan Single Source (Australia), March 2019 report

15. PayPal Commerce Index: 2019 Australia Findings.

16. Euromonitor International – Retailing in Australia, 2020 edition (July 2020)

2 Industry Overview

2.4.5 Online sale events

Sales events such as Black Friday, Cyber Monday and Click Frenzy have contributed to shifting consumption from physical retail to online retail. Each of these major shopping events were introduced into the Australian market by online retailers. Their success has seen omni-channel providers seek to extend these events to their physical store locations.

These sale events have driven substantial increases in online sales and have supplemented traditional big sale events such as the Boxing Day and mid year sales. The Black Friday and Cyber Monday sale events have grown at an unprecedented rate in Australia, increasing by 31.6% from CY18 to CY19¹⁷.

2.4.6 Expansion of marketplaces

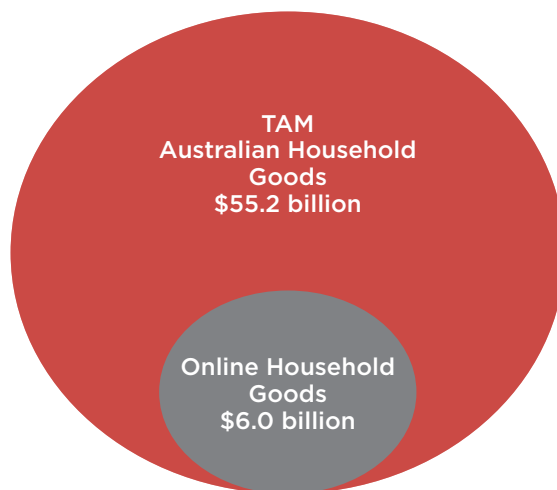
Marketplaces are dominating the e-commerce market, as consumers hunt for the best deals and the convenience of a one-stop-shop. Offering unprecedented choice, marketplaces have advanced due to consumers seeking variety and value. Smaller sellers take advantage of online marketplaces to help build brand awareness and increase sales. Marketplaces accounted for 61% of variety store online purchases in CY19¹⁸, with this trend expected to continue.

2.5 Australian household goods market

MyDeal operates in the Australian household goods market which comprises the following retail segments: homewares and home furnishings, home care, home improvement and gardening, consumer appliances, consumer electronics and pet care. The total Australian household goods market was estimated to be approximately \$55.2 billion in CY19¹⁹.

Online sales for the Australian household goods market were estimated to be approximately \$6.0 billion in CY19, representing 10.9% of the total household goods market, and 18.8% of the total online retail market²⁰.

Figure 2-7: Australian household goods market (CY19)



Source: ABS 8501.0 – Retail Trade, Australia, May 2020, includes furniture, floor coverings, houseware and textile goods retailing, electrical and electronic goods retailing, hardware, building & garden supplies retailing (TAM – Australian Household Goods), Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in current terms for CY2014 – CY2019 and constant terms for CY2020F – CY2024. Online Household Goods includes homewares and home furnishings, home care, home improvement and gardening, consumer appliances, consumer electronics and pet care (TAM – Online Household Goods)

The online household goods market has grown at a CAGR of 17.3% from CY14 to CY19 and is forecast to grow at a CAGR of 8.2% to approximately \$8.8 billion in CY24²¹.

17. Australian Post: Inside Australian Online Shopping, 2020 e-commerce Industry Report.

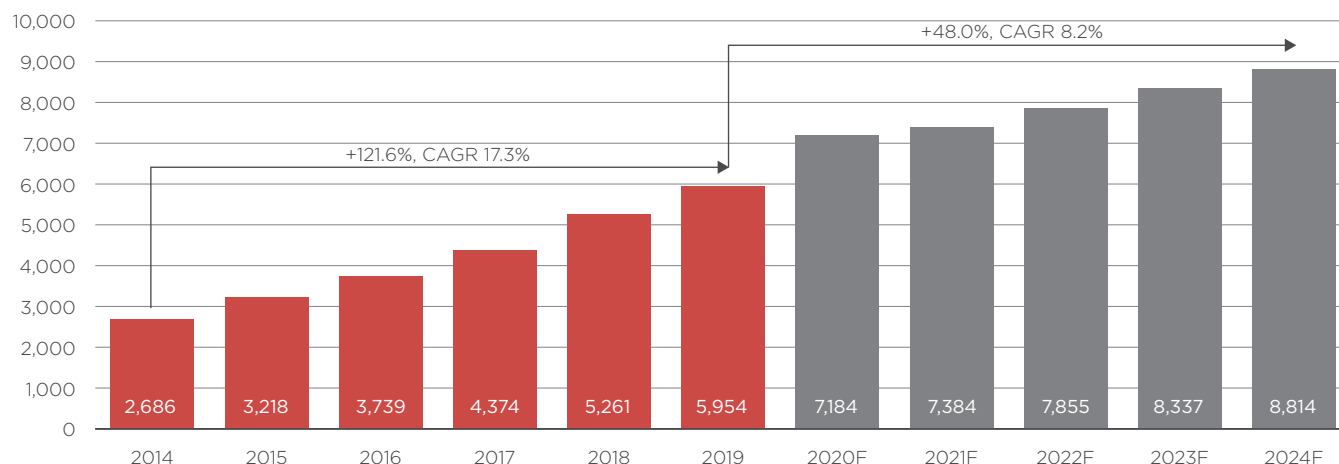
18. Australian Post: Inside Australian Online Shopping, 2020 e-commerce Industry Report.

19. ABS 8501.0 – Retail Trade, Australia, May 2020.

20. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024.

21. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024. Forecast CY2020 – CY2024 data calculated using an extrapolation based off CY19 based on forecast total online retailing growth.

Figure 2-8: Australian online household goods market (\$ million)

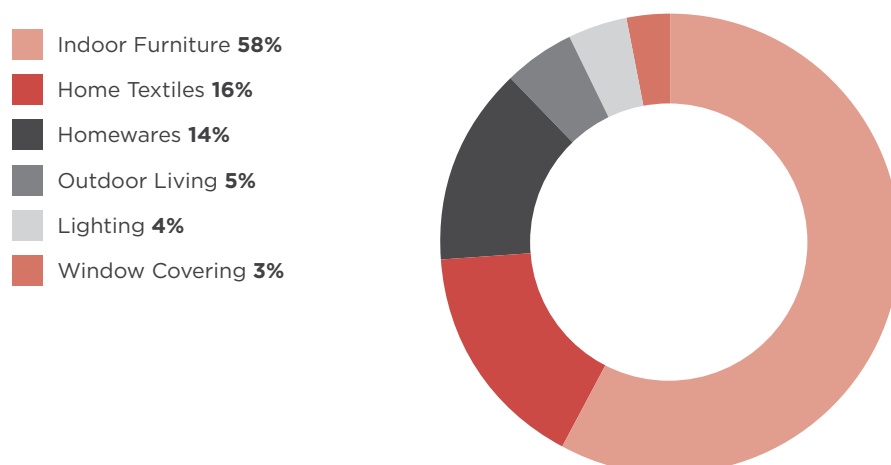


Source: Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, excluding sales tax. Shown in constant terms for CY2014 – CY2024. Forecast CY2020 – CY2024 data calculated using an extrapolation based off CY19 based on forecast total online retailing growth

Key product segments within the household goods market for MyDeal include furniture and homewares. Approximately 53% of the MyDeal marketplace GTV relates to home products including indoor furniture, outdoor living, lighting and homewares.

The total Australian furniture and homewares market sales in CY19 were estimated to be \$14.6 billion²². Online furniture and homewares sales were estimated to be \$744 million in CY19 and expected to reach \$897 million in CY20²³.

Figure 2-9: Furniture and homewares market split (CY19)



Source: Euromonitor International – Home and Garden in Australia, 2020 edition (April 2020) Retail sales value assumes Australian dollars, including sales tax

The online furniture and homewares market has grown at a CAGR of 10.3% from CY14 to CY19 and is forecast to reach \$1.1 billion in FY24²⁴, while the total furniture and homewares market grew at a CAGR of 2.7% from CY14 to CY19²⁵.

22. Euromonitor International – Home and Garden in Australia, 2020 edition (April 2020) Retail sales value assumes Australian dollars, including sales tax.

23. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, including sales tax. Shown in current terms for CY2014 – CY2019 and constant terms for CY2020F – CY2024. Forecast CY2020 – CY2024 data calculated using an extrapolation based off CY2019 based on forecast total online retailing growth.

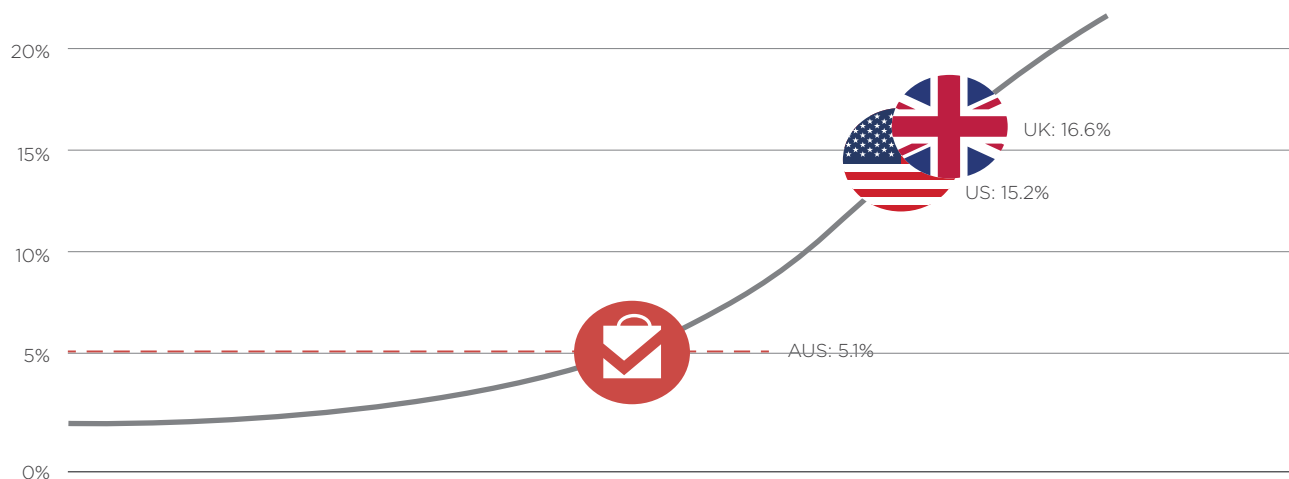
24. Euromonitor International – Retailing in Australia, 2020 edition (July 2020) Retail sales value and Online Retail sales value assumes Australian dollars, including sales tax. Shown in current terms for CY2014 – CY2019 and constant terms for CY2020F – CY2024. Forecast CY2020 – CY2024 data calculated using an extrapolation based off CY19 based on forecast total online retailing growth.

25. Euromonitor International – Home and Garden in Australia, 2020 edition (April 2020) Retail sales value assumes Australian dollars, including sales tax.

2 Industry Overview

Online penetration rates for furniture and homewares sales in Australia are in their infancy, with 5.1% of total furniture and homewares sales in Australia in CY19 compared to 15.2% and 16.6% for furniture and homewares sales in the USA and UK respectively²⁶.

Figure 2-10: Online sales penetration for household furniture and homewares (CY19)



Source: Euromonitor International – Home and Garden in Australia, 2020 edition (April 2020) Retail sales value assumes Australian dollars, including sales tax

2.6 Key features of online household goods market

The online household goods market exhibits the following characteristics:

Increase in online presence	<ul style="list-style-type: none"> Online household goods sales are growing with the increased adoption of e-commerce. Categories including mattresses and beds have experienced increased sales via online channels. Retailers are positioning themselves for future growth by establishing an online presence.
Lower brand expectation	<ul style="list-style-type: none"> Household good trends follow styles and not brands allowing for private label and 'no brand' product sellers to succeed.
Private label opportunity	<ul style="list-style-type: none"> With branded household goods commanding a price premium, opportunities for private label products developed and sourced directly from manufacturers provides a very compelling opportunity for retailers and consumers. Private labels allow differentiated product mix and enable the private label producer to capture the margin typically captured by sellers on the Company's marketplace.
Fragmented supply side	<ul style="list-style-type: none"> The supply side for household goods is highly fragmented with a number of small sellers that do not have the scale or capabilities to establish their own online presence.
Reduced product returns	<ul style="list-style-type: none"> Commonly, products from the household goods segments experience reduced returns rates than other retail segments such as apparel.

26. Euromonitor International – Home and Garden in Australia, USA and UK, 2020 edition (April 2020) Retail sales value assumes Australian dollars, including sales tax.

2.7 Regulatory Environment

The Australian Consumer Law (**ACL**) is a national consumer protection law, regulating the promotion and supply of goods and services to consumers (which includes business consumers) which forms part of the *Competition and Consumer Act 2010*. The ACL is the principal consumer protection law in Australia. The ACL applies to all participants in the supply chain of goods or services to consumers.

The ACL includes:

- core consumer protection provisions prohibiting misleading or deceptive conduct in the advertising or supply of goods or services, and prohibitions on making false or misleading representations in advertising or supply of goods or services. These laws include requirements that all prices advertised or displayed must be true, clear, accurate and not misleading; and that any representations that goods/services are of a particular standard, quality, value or grade or have certain performance characteristics are accurate and not misleading.
- specific protections against certain defined 'unfair' practices, including failing to supply gifts and prizes, or not supplying them as offered; bait advertising; pyramid selling; unsolicited supplies of goods and services; component pricing.
- laws guaranteeing consumers' rights when buying goods and services (include statutory consumer guarantees that goods will be of 'acceptable quality') and product safety laws.

Significant penalties can be applied for contraventions of the ACL. The ACCC has far reaching investigation and enforcement powers. Waivers and contract terms which purport to exclude or limit the application of the ACL are generally ineffective, and in some cases such terms comprise separate contraventions of the ACL. Disclaimers do not effectively absolve conduct that contravenes the ACL.

The ACL applies to the operation and conduct of the MyDeal online marketplace platform. The ACL applies to E-Com's promotion of the MyDeal marketplace and E-Com's services supplied through the MyDeal marketplace (for both sellers and users). The ACL also applies to the advertising and promotion of products through the MyDeal marketplace. It is noted that E-Com is a 'limited agent' of the seller (manufacturer/retailer) for the purpose of the sale of the advertised products, and thus the actual seller should assume primary responsibility for ACL compliance and liability in connection with the advertising and sale of the supplied goods. However, E-Com retains ACL compliance obligations and liability to the extent that it creates and/or endorses advertising claims made in relation to the products which are posted on the MyDeal marketplace.

The online *MyDeal.com.au – seller terms and conditions* and the *MyDeal.com.au – user terms and conditions* seek to explain E-Com's position as 'limited agent' of the seller, and to the extent that it is able to do so, limit E-Com's ACL obligations and liabilities in connection with the promotion and supply of the advertised goods. However, E-Com cannot fully exclude all liability under the ACL. Under MyDeal's seller terms and conditions, sellers provide an indemnity in favour of E-Com in respect of any such liability. See Section 9 for a summary of these terms.

Section 3

About the Company



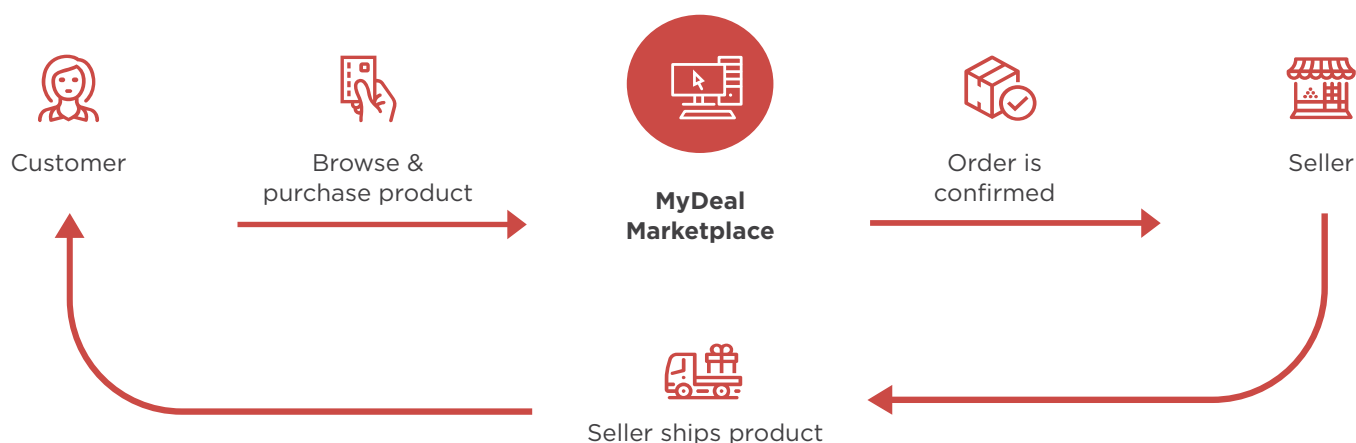
3 About the Company

3.1 Introduction to 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 809 are considered Active Sellers) 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). As an online marketplace, MyDeal earns the majority of its revenue via a commission (representing 84% of revenue in FY20) charged on the sale price of products sold to its 555,370 Active Customers (as at 31 July 2020). Over 1 million products were sold on MyDeal's platform in FY20.

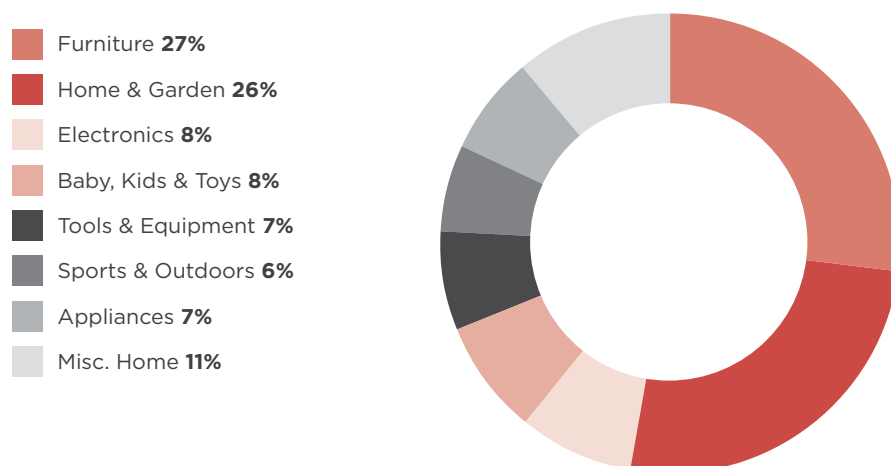
Figure 3-1: MyDeal's Marketplace Model

How it works



In early 2019, MyDeal decided to focus on selling household goods. Key product categories from the household goods range include furniture, manchester, appliances, electronics, and baby/kids products as shown below.

Figure 3-2: Key Product Categories²⁷



MyDeal is a technology led business and has largely built its scale:

- by building both sides of the marketplace (attracting both consumers and sellers) concurrently;
- on internally developed proprietary marketplace technology whereas certain other Australian retailers have built their marketplaces on leased technology from third party software providers; and
- with limited capital (the Company has raised just \$5.15 million from inception until 2020).

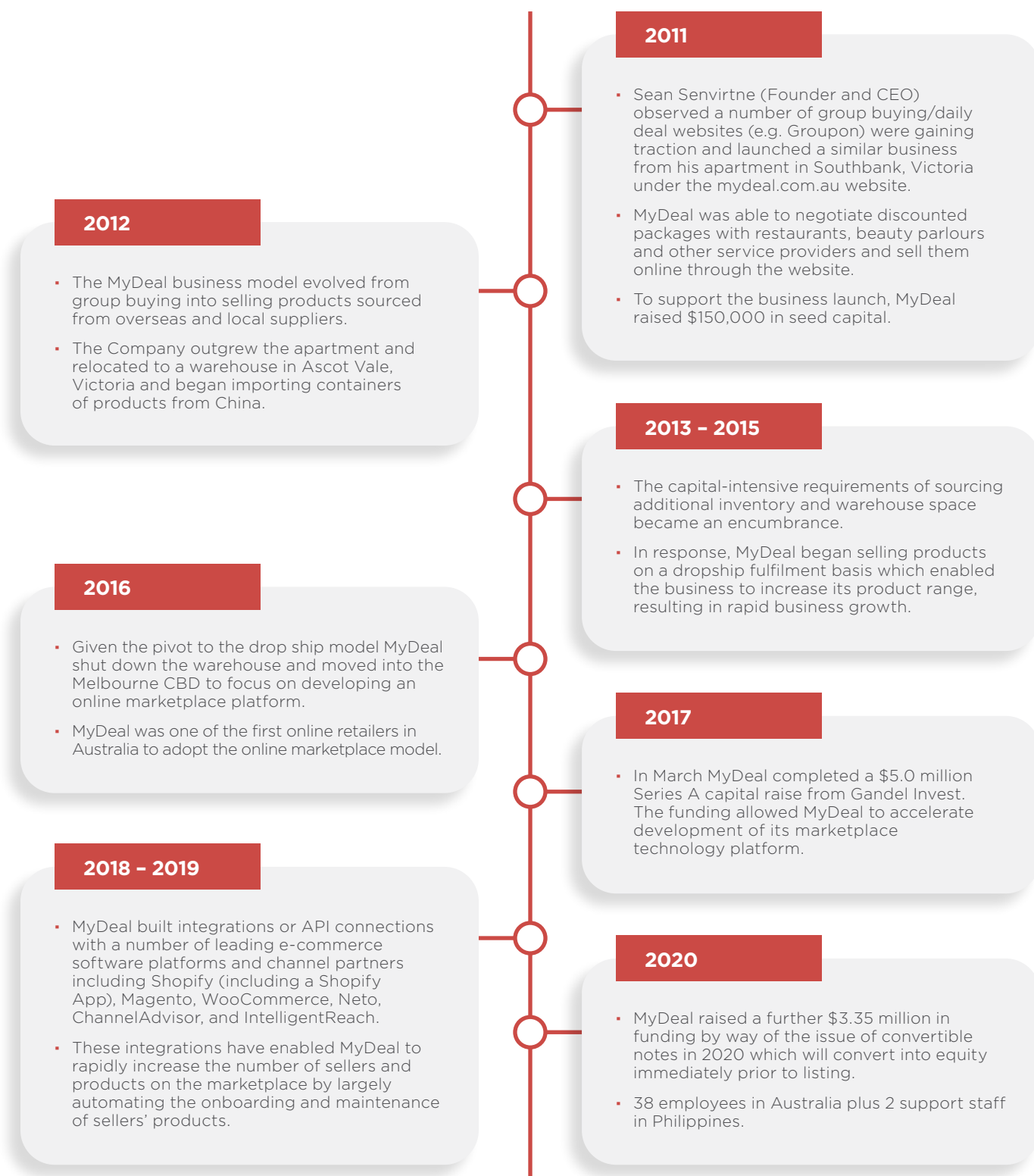
27. Category splits based on FY20 Unaudited GTV (excludes discontinued products).

3 About the Company

MyDeal's ability to leverage its technological capability has delivered highly scalable and efficient operations. Despite the fact that MyDeal grew GTV 164% to \$103 million in FY20 (including an annualised GTV run rate of \$166 million in Q4FY20), MyDeal increased its workforce by only 7 staff which speaks to the scalability of the business.

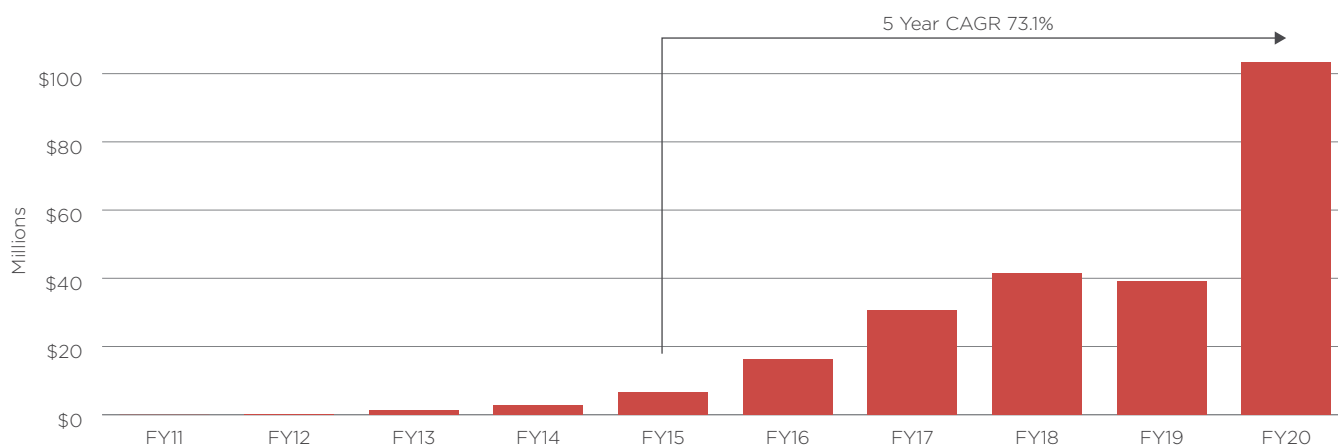
3.2 Business History

Figure 3-3 details the key milestones in MyDeal's operating history.



As at July 2020, MyDeal is an Australian online marketplace focused on household goods such as furniture and homewares, recording GTV of A\$103 million in FY20.

Figure 3-4: MyDeal GTV Growth & Milestones¹



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

Since inception, MyDeal has been recognised as a high growth, e-commerce business, winning a number of awards and achievements, as outlined below.

Figure 3-5: Awards and Achievements



3 About the Company

3.3 Value Proposition

MyDeal's value proposition to consumers has three core tenets:

1. **Competitive Prices** – the online marketplace environment creates a strong incentive for sellers to compete on price, which can translate to low prices for consumers. This will be further strengthened by further investment in MyDeal's private label products.
2. **Large Range of Products** – MyDeal's highly scalable proprietary marketplace technology can handle millions of SKUs from thousands of sellers. As of 30 June 2020, the MyDeal platform had over 5 million SKUs across 2,000 categories with the number of SKUs available for sale at any time determined by the sellers.
3. **Excellent Customer Experience** – MyDeal offers an intuitive, easy to navigate browsing, mobile-friendly experience for consumers.

MyDeal is able to deliver on its value proposition due to a low-cost operating model that leverages the Company's proprietary technology stack. The platform provides consumers with an easy to use interface, seamless checkout and payment options, whilst providing sellers with multiple integration options and an efficient on boarding process.

3.4 Business Model

3.4.1 Key Features of the MyDeal Business Model

Scalable Marketplace Platform Driving Low Operational Costs

The focus of MyDeal's online marketplace business model is to scale the technology platform and optimise efficiencies in order to significantly grow GTV with minimal increase in operating expenditure (excluding marketing spend). This is possible as a result of:

- (a) **Streamlined onboarding** of new sellers via a simple process which includes initial quality assurance and compliance;
- (b) **Automated product upload and inventory management** can occur through MyDeal's numerous integrations and API connections with e-commerce software platforms and channel partners. These integrations largely automate the onboarding of new products, updates to existing products (including price and stock levels), and order management; and
- (c) **Network effects** to attract more sellers to list a broader product range, which attracts more consumers as the product range grows.

Limited Working Capital Requirement

On completion of a sale, MyDeal receives payment from the customer upfront but does not remit funds to the seller until they have dispatched the product to customers. As a result, MyDeal collects the marketplace commission upfront before payment to the seller, thus continuously collecting cash revenue before payables are due. This allows MyDeal to operate at scale without the requirement for material investment in working capital.

The working capital requirement will change as the private label brand grows, as this will require inventory to be acquired upfront prior to it being able to be sold through the MyDeal marketplace or other distribution channels.

Capital-Light Operations

MyDeal's online marketplace will continue to operate with a capital-light business model holding zero inventory and associated warehousing cost exposures as GTV increases.

As the private label furniture business unit grows there will be a requirement to carry inventory. However, this is offset by higher product margin potential, control of the sale process from end to end, and the potential for greater customer loyalty through quality products and competitive pricing.

3.4.2 Revenue Model

MyDeal generated 84% of its revenue in FY20 from commissions charged to sellers with respect to sales on the marketplace. Commission revenue as a percentage represented approximately 14% of Net Transaction Value or NTV (GTV after deducting refunds, chargebacks, discounts and coupons) in FY20.

MyDeal also generates other ancillary revenues streams including, but not limited to:

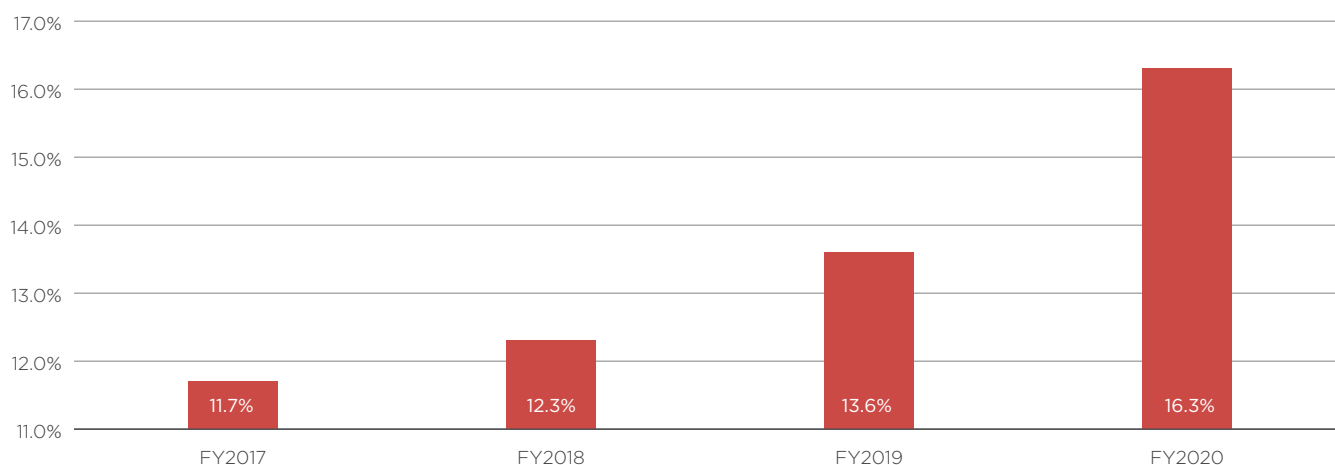
- Transaction fees charged to the seller for each transaction completed on the marketplace. Transaction fees represented approx. 6% of revenue in FY20; MyDeal also charges sellers refund administration fees in respect of refunds processed on the marketplace;
- Advertising revenue which it generates by selling promotional opportunities to sellers on the MyDeal site and email newsletters. Advertising revenue represented approx. 6% of revenue in FY20, and includes seller onboarding fees which largely relate to advertising;
- Subscription fees that it charges sellers on a monthly basis. Subscription fees represented approx. 1.2% of revenue in FY20; and
- Online direct sales of its private label products. While MyDeal's private labels is in its infancy, management believes it may lead to meaningful margin expansion over time. MyDeal will be targeting gross margins of 30%+ in respect of private label sales over time.

The Company is comfortable with the current commission structure and is primarily focused on growing GTV, ancillary revenues, and sales of its private label products.

MyDeal has increased its take rate from approximately 11.7% in FY17 to 16.3% in FY20. This has been largely achieved through:

- the introduction of new fees including transaction fees, subscription fees, and refund fees (as detailed above) in FY2018;
- the sale of advertising packages and opportunities to sellers which was also introduced in FY2018; and
- increases to seller commission rates.

Figure 3-6: Take Rate (FY17-FY20)¹



1. Take rate represents sales revenue (commissions, subscription fees, transaction fees, refund fees, advertising revenue and private label sales) as a percentage of NTV (GTV after deducting refunds, chargebacks, discounts and coupons).

3 About the Company

3.5 Technology

3.5.1 Overview of Technology Stack

MyDeal's business operations are underpinned by a cohesive technology stack that has been developed and refined over a number of years with a focus on delivering efficiency and scalability. The technology stack includes a number of internally developed proprietary systems, which are augmented via integrations with common e-commerce platforms and channel partners.

Key benefits of the technology stack include:

- Scalable infrastructure with ability to handle large traffic volumes and process transactions at multiple times the current level without requiring additional large development investment.
- Internally built web applications and content management systems allowing complete flexibility to control the functionality and user experience of the platform without needing to pay third-party licence or development fees.
- Automated product data processing middleware which efficiently creates and maintains millions of SKUs on MyDeal via integration with e-commerce platforms and channel partners.
- Device agnostic responsive website design for a consistent user experience across desktop, mobile and tablet devices.
- Utilisation of latest software engineering practices such as continuous deployment, rapid iteration cycles and data driven decision-making to ensure the best experience is available to sellers and customers.
- Outsourcing of payment acceptance and processing to third party service providers, in order to ensure no cardholder data is stored, processed or transmitted on MyDeal.

3.5.2 Proprietary Technology

The MyDeal website operates on a proprietary marketplace platform that has been developed in-house over a number of years. The Company believes that its proprietary technology, in conjunction with its integrations to third party e-commerce platforms and channel partners as detailed in Section 3.5.3, have the ability to support further rapid growth in product range and transaction volume without the requirement for material capital investment or prohibitive ongoing maintenance expense. As such, MyDeal considers its proprietary technology platform to be highly valuable to the operations of the business.

MyDeal envisages that the scalability of its proprietary technology platform will be a key driver of future operating efficiencies. The Company protects its proprietary technology by way of internal controls, IT security measures and confidentiality arrangements with employees and third parties.

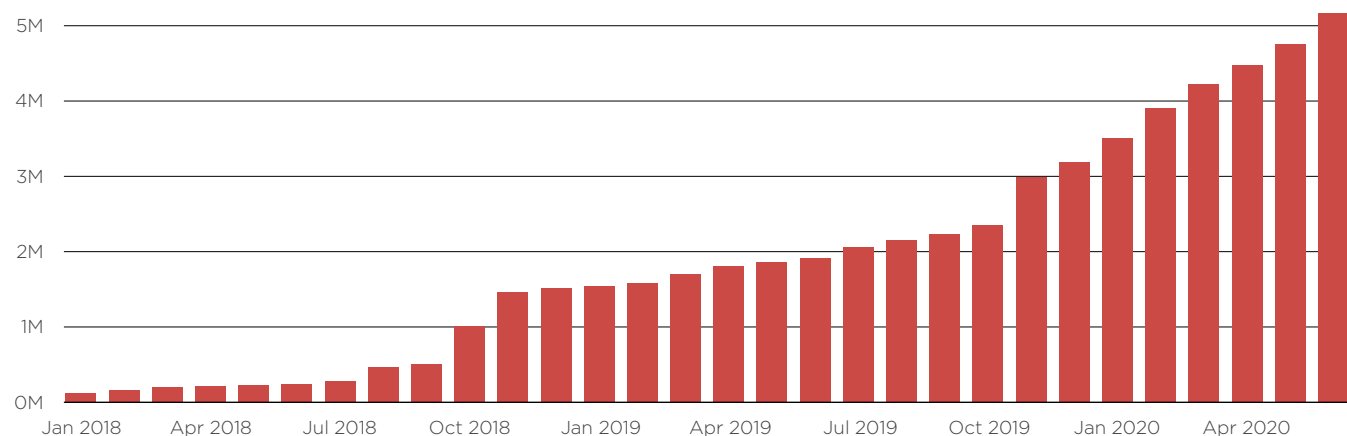
Proprietary Technology	Description
Online marketplace website	The MyDeal website provides a device agnostic user experience that enables customers to search, browse and purchase products, lodge enquiries, manage and track their orders, and save preferences to their account.
Customer Relationship Management System (CRM)	CRM is an internal platform that enables the MyDeal team to manage the marketplace (e.g. content management) and perform operational tasks (e.g. setup and manage seller accounts, order management, and product management).
Seller Portal	The Seller Portal is a platform that enables sellers to manage their online store on MyDeal including the ability to download their customer orders, provide tracking information, submit refunds, provide customer support, update product details and view their payment history.

Proprietary Technology	Description
Deal Provisioning System	<p>The Deal Provisioning System is a middleware application that is responsible for syncing and processing new product SKUs and updates into the MyDeal database from various e-commerce platforms and channel partners.</p> <p>This system has been built to automatically translate seller product feeds from various e-commerce platforms into an acceptable format to be listed and kept up to date on MyDeal. Once a seller is onboarded, all product price, stock and content updates are automatically processed via configurable scheduled tasks. This automated system has been specifically designed for scale with the ability to support large product data sets which the system throttles to prevent failure or data loss.</p>
Order Processing System	<p>Backend system responsible for distributing order details to sellers integrated with e-commerce platforms while also fetching order tracking information via API or scheduled tasks. This system also supports refund and order cancellation requests and automated out of stock workflows.</p>

3.5.3 Integrations and Channel Partnerships

MyDeal has successfully integrated leading e-commerce platforms and channel partners into its core technology stack. The rationale is to provide sellers with a seamless solution that efficiently integrates with their current systems and removes barriers to adding new product SKUs to the marketplace and automate their management.

Figure 3-7: Number of SKUs on MyDeal¹

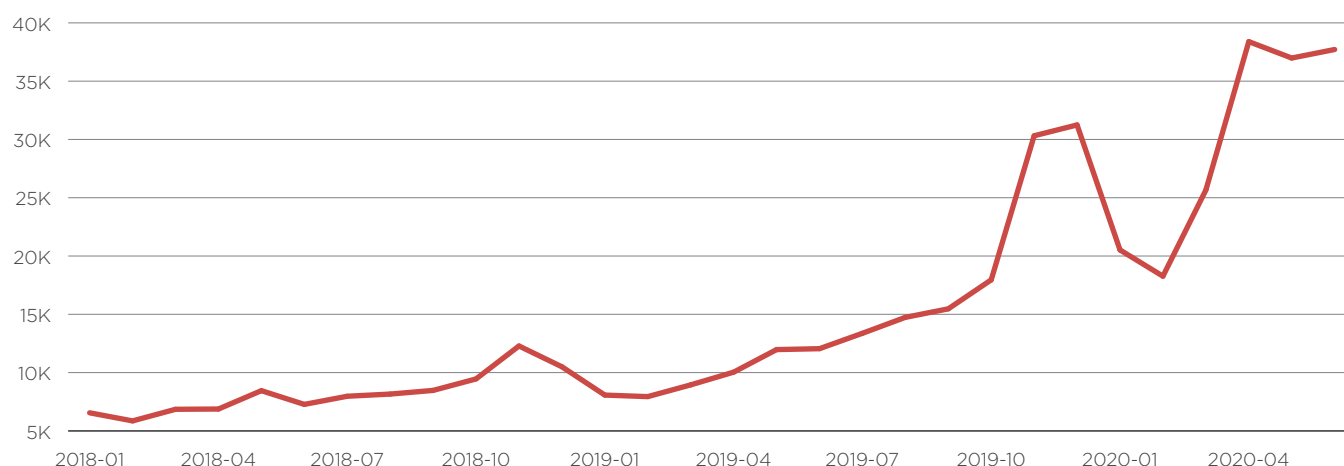


1. The number of SKUs on MyDeal represents the number of SKUs listed by sellers in MyDeal's database (excluding SKUs that have been discontinued). The SKU numbers above are not representative of the number of SKUs available for purchase on the platform at a particular time as SKUs may be listed as out of stock.

The number of SKUs on MyDeal increased by 169% in FY20. Alongside the growth in the number of SKUs listed in MyDeal's database, MyDeal has also experienced an increase in the number of unique SKUs sold.

3 About the Company

Figure 3-8: Number of Unique SKUs Sold



A summary of current e-commerce platform and channel partner integrations is provided below.

Integration	Description
ChannelAdvisor Intelligent Reach Comestri Omnivore	Turnkey integrators between e-commerce platforms and marketplaces to manage product data, stock, pricing and order management (fulfilment/cancellation).
Shopify App	A simplified integration between Shopify e-commerce stores and MyDeal.com.au to manage product data, stock, pricing and order management (fulfilment/cancellation).
Neto API WooCommerce API Magento API	Enables MyDeal to pull product data (including price and stock levels) as well as push order details and fetch tracking information from Neto, WooCommerce and Magento e-commerce stores via API.

3.5.4 Payment Platforms

MyDeal outsources payment processing to a number of common platforms, detailed in the table below.

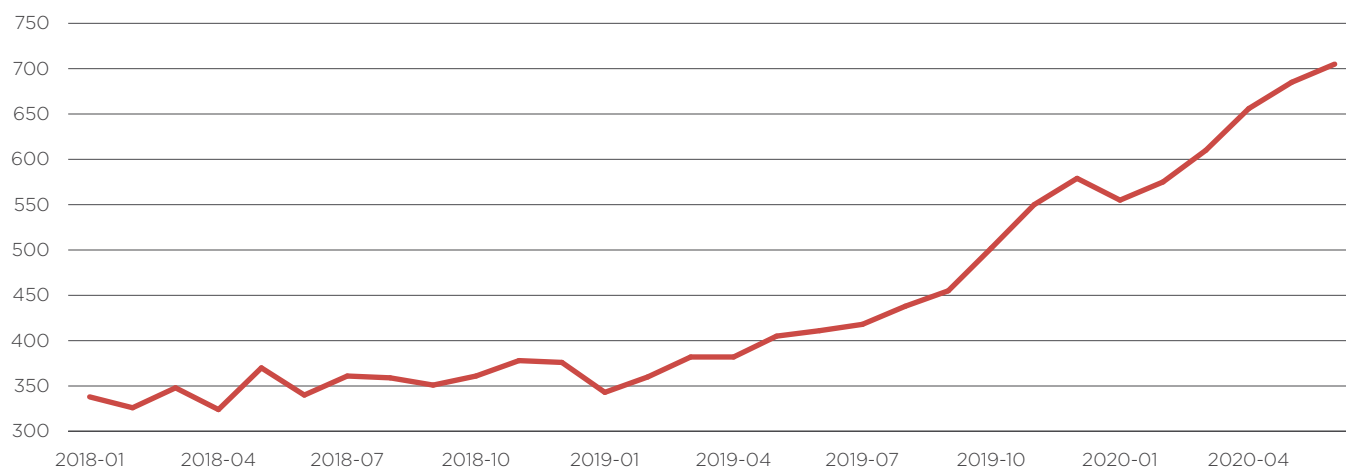
Payment Platform	Payment Type	% Transactions Processed in FY20
eWay	Credit Card (Visa, Mastercard and Amex)	47%
PayPal	PayPal Transactions Credit Card Transactions	37%
AfterPay	Buy Now, Pay Later	9% (launched in H1FY20)
Zip	Buy Now, Pay Later	4%
OpenPay	Buy Now, Pay Later	3% (launched in H1FY20)

Notably, the number of customers utilising BNPL platforms significantly increased to 15% in FY2020 (from 7.2% in FY2019). This was driven by the launch of AfterPay and OpenPay in H1FY20, while Zip has been available to customers on MyDeal since 2018. These platforms provide consumers with increased access to credit and may assist in increasing repeat customers and average order value.

3.6 Seller Network

As at 30 June 2020, MyDeal features 809 Active Sellers on its platform, providing a broad range of products and catering to a wide ranging customer base. As of 30 June 2020, MyDeal had over 5 million product SKUs listed on the platform with the number of SKUs available for sale at any time determined by the sellers.

Figure 3-9: Number of Unique Monthly Sellers



The largest seller on MyDeal accounts for 13.8% of FY20 GTV, and the top 10 sellers account for 41.7% of FY20 GTV.

Figure 3-10: MyDeal Seller Overview¹

	FY19	FY20	% change
Total number of sellers	579	888	53%
Top 10 sellers' % of GTV	47.5%	41.7%	(12%)
Top seller's % of GTV	14%	13.8%	(2%)

1. The total number of sellers represent the total number of sellers that made a sale on the marketplace in the relevant financial year.

Sellers are attracted to using MyDeal as they have access to a large customer base, and sellers are able to avoid the upfront capital and labour investment required to set up and administer a competitive e-commerce offering.

Other key features that appeal to sellers include:

1. Easy setup with dedicated onboarding team;
2. Commission based cost model, which limits upfront expense and lowers risk;
3. Ability to participate in targeted marketing campaigns including but not limited to daily sale events, event driven sale events (e.g. back to school) and large annual online retail events including Black Friday, Cyber Monday, EOFY and Click Frenzy;
4. Integration with a range of common e-commerce platforms and channel partners;
5. Dedicated Account Managers and in-house customer service to mediate customer service issues; and
6. Ability to control product listings.

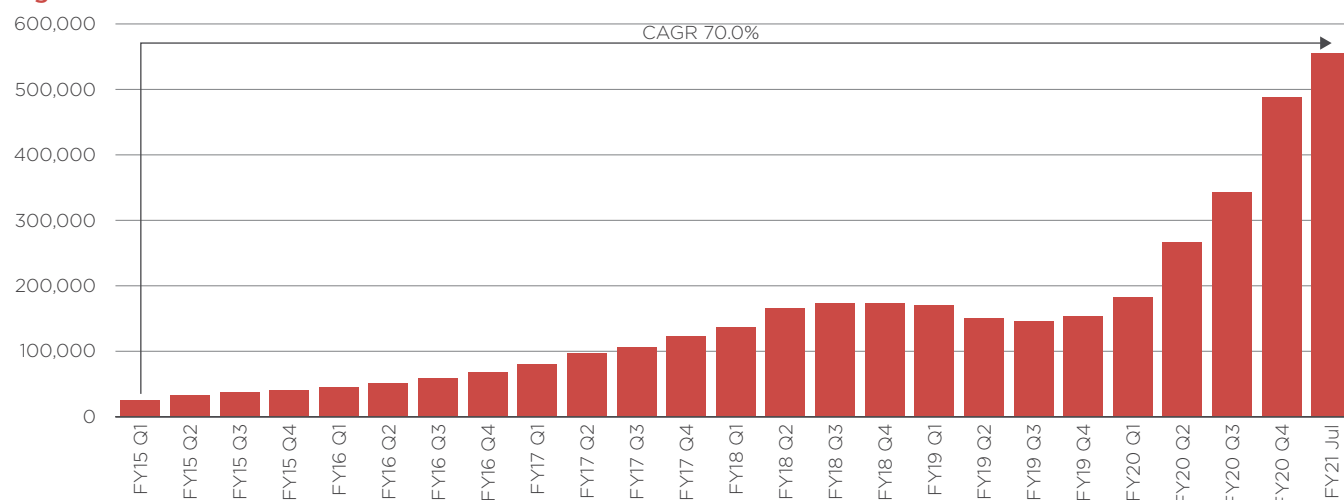
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3.7 Customer Base, Acquisition and Retention

MyDeal's website visitors, database members, Active Customers and social media followers collectively form the Company's potential customer base. Acquiring new customers and retaining existing customers are central to MyDeal's growth.

As at 31 July 2020, MyDeal had 555,370 Active Customers. The number of Active Customers grew 218% in FY20. Figure 3-11 below displays the growth in Active Customers over the last five years.

Figure 3-11: Number of Active Customers¹

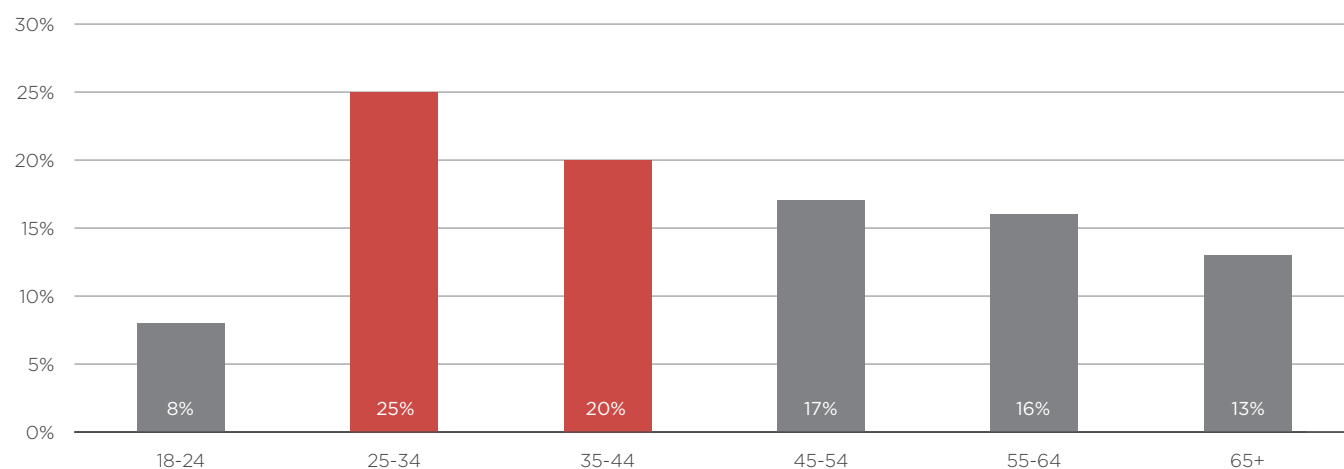


1. The number of Active Customers is calculated as the number of customers that made a purchase on the marketplace within the preceding 12-month period.

Customer Demographics

Over 45% of MyDeal customers are between the ages of 25 and 44, a highly valued customer demographic given their increasing disposable income and ability to influence the buying habits of associated social groups. From FY10 to FY18 the 25-34 and 35-44 age cohorts have increased their average yearly disposable incomes by 20% and 25% respectively. Additionally, these 'digital natives' are familiar and comfortable with e-commerce providing a favourable tailwind for increased adoption of MyDeal.

Figure 3-12: Customer Demographic



3.7.1 Customer Spend

The average customer order value (defined as GTV divided by the number of transactions) was \$154 including GST in FY20.

MyDeal is seeking to increase the average order value by promoting bigger ticket items such as furniture, increasing basket size through data-defined product suggestions, and through coupons and offers.

MyDeal believes that there is an opportunity to increase the average customer lifetime value through the use of journeys, personalisation, cross-selling and mobile apps.

3.7.2 Marketing

(a) Marketing Channels

Marketing is a key element of MyDeal's customer acquisition and retention strategy. MyDeal categorises its marketing into two main traffic types: free traffic and paid traffic. A summary of the key channels are contained in Figure 3-13 below.

Figure 3-13: Key Sources of Website Traffic

	Source	Description
Free Traffic	EDM	MyDeal email subscribers receive daily newsletters containing personalised product recommendations, product promotions, sale events and new products launched. Personalised emails are sent to subscribers in response to certain behaviours (e.g. abandon cart, post-purchase).
	Organic Search Engine Queries	MyDeal enjoys high rankings for highly trafficked organic search results on search engines. Traffic from organic searches are up over 62% (between FY19 and FY20).
	Direct Website Traffic	As the MyDeal brand continues to increase in awareness, a growing number of visitors come to the MyDeal website directly by typing "MyDeal.com.au" into their web browser.
	"MyDeal" brand search queries	A growing number of visitors come to the website by typing "MyDeal" into a search engine.
	Social Media community	MyDeal enjoys a significant following on Facebook (100k+) and Instagram (~10k+) and promotes content relating to products, sale events and news.
	Desktop push notifications	A significant number of Google Chrome users (500k+) have subscribed to MyDeal's browser extension for push notifications.
	Others, including earned media, referrals and partnerships	Includes consumer media coverage and marketing partnerships and collaborations with payment partners (e.g. OpenPay).
Paid Traffic	Search engine marketing	MyDeal pays search engines such as Google and Bing to increase the visibility of its product offering on the search engine results page.
	Display advertising	MyDeal uses display advertising to remarket to visitors who did not proceed to checkout or abandoned their shopping cart.
	Social Media Marketing	MyDeal pays Facebook and Instagram to promote its product offering to customers in their social media news feeds.

Strategic investment in paid marketing channels augment free traffic, with the two traffic types forming part of a holistic and cost effective customer acquisition strategy.

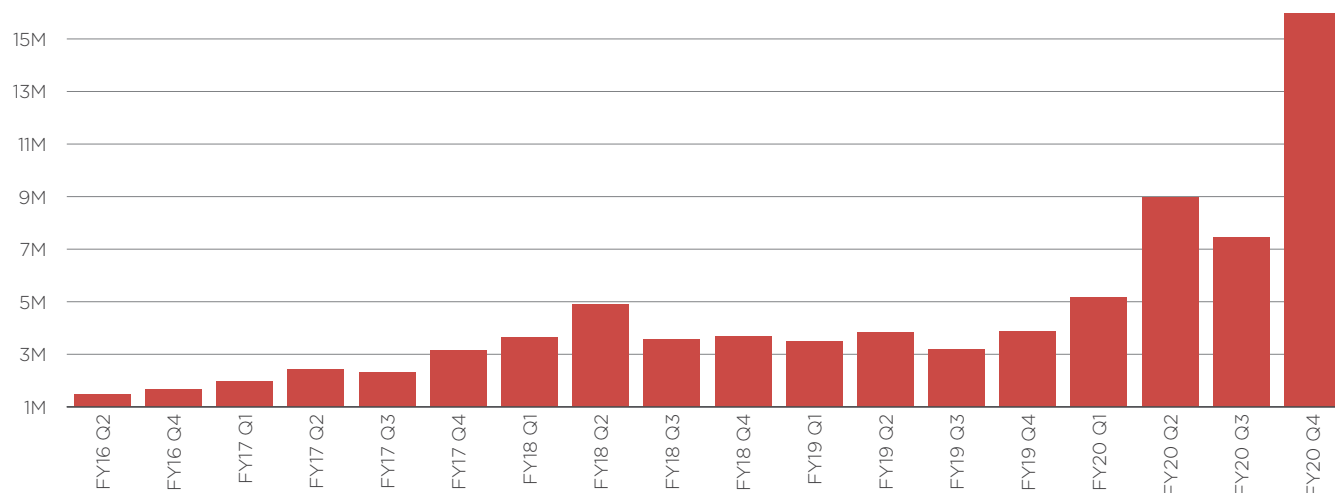
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(b) Website Traffic

The multi-channel customer acquisition strategy aims to drive website traffic to MyDeal, which recorded 37.5 million website visits in FY20, an average of approximately 3.1 million per month. In recent months MyDeal has experienced its strongest monthly traffic to date including 6.6 million visits in July 2020.

The Company believes the sustained website traffic recorded throughout recent months is an early indication of a rebasing in long term website traffic, in line with current industry tailwinds in online retail.

Figure 3-14: Quarterly Website Visits for past 4.5 years

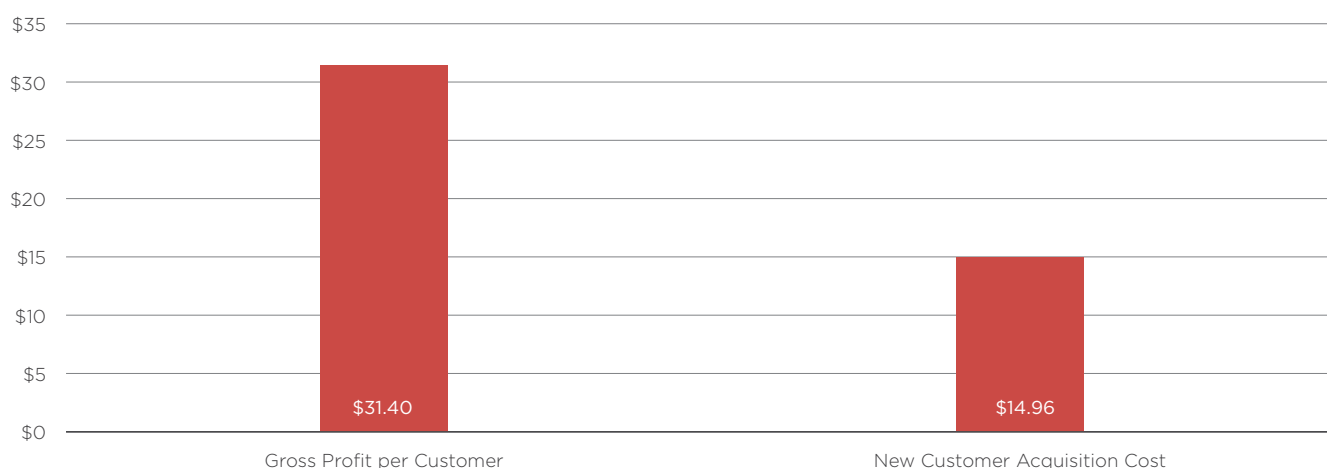


Source: Google Analytics.

3.7.3 Customer Acquisition

In FY20, New Customer Acquisition Cost was \$14.96 compared with Gross Profit per Customer of \$31.40.

Figure 3-15: FY20 ROI in Marketing^{1,2}



1. New Customer Acquisition Cost is calculated as the total marketing spend for FY20 x 72.3% (being the estimated percentage of marketing spent on new customer acquisition i.e. excludes estimated spend on repeat customers) divided by the number of new customers during FY20.

2. Gross Profit per Customer is calculated as total sales revenue (commission, transaction fees, subscription fees, refund fees, advertising revenue, and private label sales) divided by the total number of customers that transacted in FY20.

The Company has successfully completed a number of significant customer acquisition and retention projects in the last 12 months, including the launch of personalised recommendations throughout the website and marketing email communications. The utilisation of AI powered product recommendations and investment in email acquisition assisted in a 98% uplift in sales from email (between FY19 and FY20).

Customer acquisition will continue to be a key focus area for the Company, with a range of initiatives planned for FY21 including but not limited to, development of the MyDeal mobile apps for iOS and Android devices, search engine optimisation, the use of a data management platform to leverage second-party and third-party data for purposes of programmatic advertising and enhanced personalisation.

3.7.4 Customer Experience and Conversion

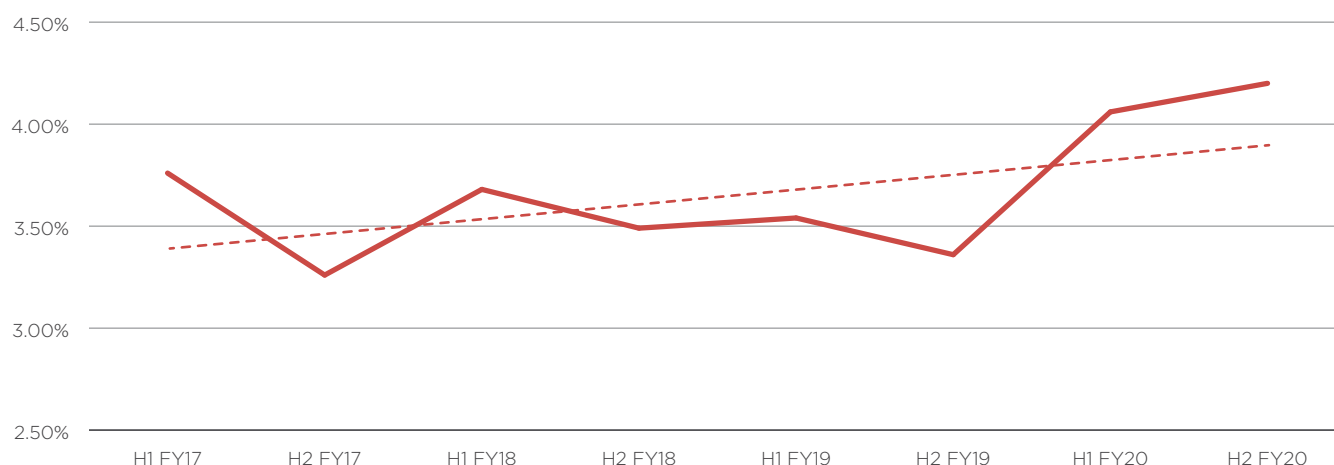
The MyDeal website is designed to be user-friendly, easy to navigate, highly discoverable, and personalised to each individual user. Mobile is the highest source of traffic in comparison to other devices such as desktop and tablet, and as such, MyDeal adopts a mobile-first approach to optimising its interface.

MyDeal utilises technology to maximise conversion rate including:

- Onsite AI powered personalised product recommendations, determined by users' browsing and purchasing behaviour;
- AI powered personalised communications (e.g. email) with product recommendations, targeting customers who recently abandoned a cart, searched or viewed products without making a purchase; and
- Targeted promotions, including price drops and free shipping shown to customers based on their engagement with the relevant product.

MyDeal's conversion rate increased 25% in H2FY20 to 4.2% compared to the prior corresponding period.

Figure 3-16: Conversion Rate³



3. Conversion rate is defined as the number of transactions divided by unique visitors.

Management attributes the increase in conversion rate to the successful completion of conversion improvement projects including:

1. Reduced customer friction by introduction of new features such as guest checkout and one click checkout;
2. Introduction of personalised marketing via implementation of Salesforce Marketing Cloud (September 2019); and
3. Availability of BNPL options such as AfterPay (H1-20), Zip (2018) and OpenPay (H1-20).

The emergence of COVID-19 has brought about changes in consumer behaviour, including an increased migration towards online shopping, which may have impacted conversion rates in H2FY20.

MyDeal will seek to further improve its conversion rate in FY21 by:

- launching native mobile apps for iOS and Android devices;
- improving the keyword search experience on the website; and
- site and category optimisation.

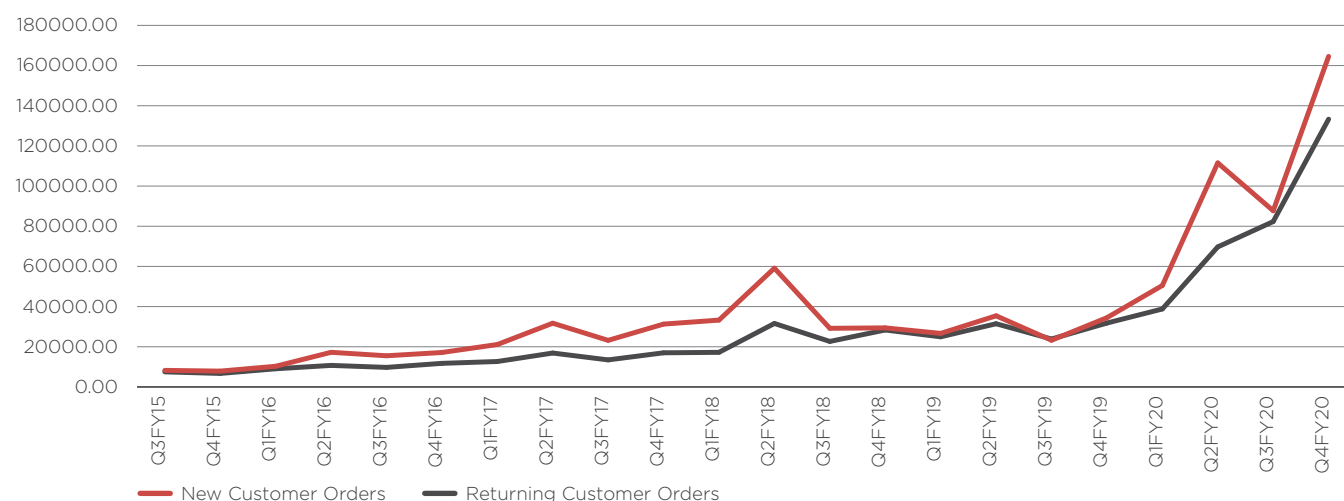
3 About the Company

3.7.5 Customer Retention

Customer retention is key element of developing a sustainable earnings profile for the Company and is a key focus for management.

Repeat orders have grown strongly since inception, with 43.90% of all transactions coming from repeat customers in FY20. Figure 3-17 details the growth in orders from repeat customers over time. On average, repeat customers make 3.28 transactions on the platform.

Figure 3-17: Number of Orders from New Customers vs Returning Customers



MyDeal plans to implement a number of strategic initiatives across FY21 to further increase retention rates, including the launch of a loyalty program and the development of a mobile app. These initiatives are detailed in Section 3.8.

3.8 Growth Strategy

MyDeal's future growth strategy is underpinned by four key initiatives:

1. Roll out of Private Label furniture offering.
2. Development of native mobile apps for iOS and Android devices.
3. Data Personalisation, Loyalty and Site Optimisation.
4. Strategic Acquisitions.

3.8.1 Private Label Furniture Offering

MyDeal is in the early stages of establishing its own private label business. The private label brands will operate under a more traditional e-commerce business model with MyDeal sourcing, warehousing them via a third party provider and selling via the MyDeal marketplace (including other marketplaces).

The rationale for launch of private label products is to increase margin while being able to offer quality products at competitive prices. Private label also allows MyDeal to have a unique product offering with in demand products sourced globally and exclusive to MyDeal.

MyDeal is confident this model will be successful due to:

- The ability to leverage existing data analytics and sales trends to inform product purchasing decisions and identify gaps in the market;
- establishing a partnership with a leading Australian third-party logistics (3PL) warehouse provider, which allows its private label business to scale up and down as required due to seasonality and key sales events throughout the year. Utilisation of third-party warehousing reduces operational risk;
- All private label products being sent to MyDeal's third party photo studios in China, Vietnam and Malaysia where MyDeal creates professional and detailed product photos and product videos;

- The ability to control the end to end customer experience which can lead to great customer service outcomes and increased brand loyalty; and
- The private label business and product range also opens the pathway to commercial sale opportunities, by holding stock of select items suitable for commercial projects with appropriate margins.

To oversee the private label roll out, MyDeal recently appointed Dean Ramler (co-founder of Milan Direct & former executive at Temple & Webster), as Chief Merchandising Officer. Dean co-founded Milan Direct in 2006 as Australia's first pure play online furniture retailer, pioneering the online furniture market in Australia and brings to MyDeal close to 15 years of e-commerce private label experience and networks.

3.8.2 MyDeal App Development

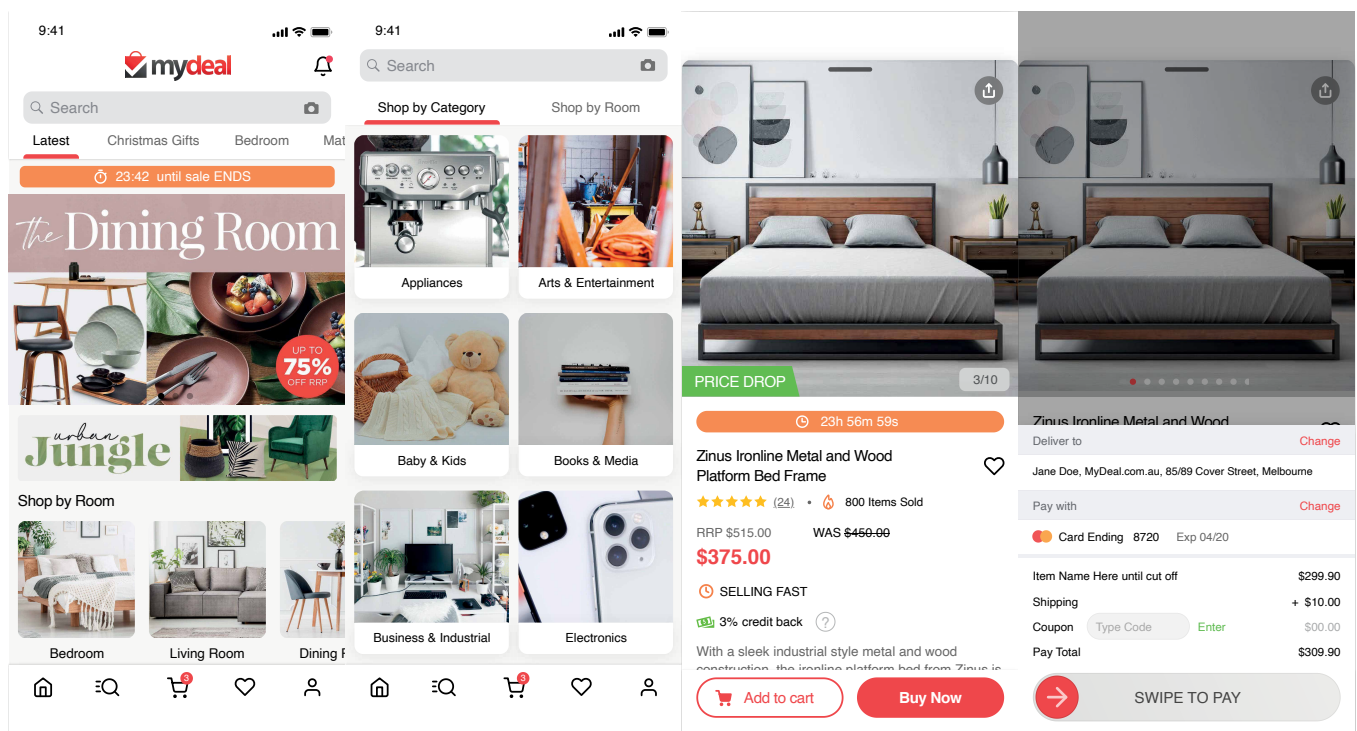
Over 70% of MyDeal traffic is currently accessed on smartphone and tablet devices. Development has started on MyDeal native apps for both Apple iOS and Android devices. Native apps provide a faster, enhanced mobile experience for customers.

A mobile app can improve the mobile shopping experience whilst increasing repeat customers through the ability to push notifications, reducing marketing and customer acquisition costs for MyDeal. For example, a flash sale can be pushed to all app users with a time expiring call-to-action.

The specific features being built into the app will include:

- App specific discount coupons;
- Shop by room navigation;
- Product cross-sharing to social media apps installed on a user's phone;
- seamless checkout functionality; and
- 'Shop the look' search functionality (i.e. visual search) – however this will be in Phase 2 after the app is launched.

Figure 3-18: Example Screenshots from App



3 About the Company

3.8.3 Data Personalisation, Loyalty and Site Optimisation

Increasing personalisation of relevant customer advertising and enhancing the efficiency and search functionality of the platform can promote sales activity for MyDeal. Key initiatives to achieve this include:

- Ongoing enhancement of Salesforce Marketing Cloud and implementation of additional tools to improve personalisation e.g. customer data platform;
- Rollout of a data management platform which will help the business acquire new customers more effectively and reengage existing customers with programmatic advertising;
- Introduce visual search, set-up of collections and improved search filters;
- Improve the seller portal, helping optimise selling tools and insights that assist in managing product pricing and marketing content and curation; and
- A loyalty program rewarding MyDeal's most frequent and engaged customers.

3.8.4 Strategic Acquisitions

The Company will seek opportunities for MyDeal to grow through targeted strategic acquisitions that will add value to the business including:

- Expansion into adjacent product lines;
- Strengthening underlying platform infrastructure;
- Broadening customer base; and
- Geographical expansion.

Management will assess the merits of certain opportunities as they present themselves with a view toward achieving value accretive outcome for the Company.

The background image shows a minimalist interior. On the left, a tall green plant in a grey paper bag sits on a white tiled floor. To its right is a wooden cabinet with three white drawers and a white cabinet door. A teal desk lamp is on top of the cabinet. A grey woven rug is on the floor in front of the cabinet. A large red rectangle is overlaid on the right side of the image, containing the section header.

Section 4

Risk Factors

4 Risk Factors

This section describes some of the potential material risks associated with MyDeal's business, the industry in which MyDeal operates and the risks associated with an investment in Shares. MyDeal is subject to a number of risks, both specific to the Company's business activities and of a general nature, which may either individually or in combination adversely impact MyDeal's future operating and financial performance, investment returns and the value of Shares. The occurrence or consequences of some of the risks described here are partially or completely outside of MyDeal's control, or the control of MyDeal's Directors and Management.

There are risks that are common to all investments in equity securities and which are not specific to an investment in MyDeal – for example, risks associated with other external events which are not related directly to the Company.

This section does not purport to list every risk that may be associated with MyDeal's business or the industry in which MyDeal operates, or an investment in Shares, now or in the future. The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect MyDeal will not emerge.

Any of these risks, or any other risks or other matters, may emerge and may have a material adverse effect on the business and its financial position and performance. There can be no guarantee that MyDeal will achieve its stated objectives, deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. You should note that past performance may not be a reliable indicator of future performance.

Before applying for Shares, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment for you, having regard to your investment objectives, financial circumstances and taxation position. You should read this Prospectus in its entirety and seek advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to apply for Shares.

4.1 Risks related to the Company's business and industry

(a) 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 resources 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.

(b) Internet and Data Security Breaches

There is a risk that, despite MyDeal's best efforts to combat cyber risks (including firewalls, a privacy policy and policies to restrict unauthorised access to data), a cyber attack or a data breach may occur, or a third party may otherwise gain access to the confidential information of the Company's customers or its internal systems. This could result in a breach of law by MyDeal, or a breach of client agreements, and may significantly damage the Group's reputation and brand name. Any breach of this nature may have a material adverse effect on MyDeal's financial and operational performance in the future.

(c) COVID-19 Related Risks

The current COVID-19 disruptions and government imposed restrictions are directly and indirectly impacting MyDeal's business. In particular, MyDeal has seen an increase in sales on its platform as these disruptions and restrictions have dissuaded or prevented consumers from leaving their homes or shopping in physical stores. As consumers are able to move around more freely and safely with the easing of government imposed restrictions and the slowing and suppression of community transmission of COVID-19, there is a risk that some consumers will revert to shopping for products sold on MyDeal's market place in-store or that migration towards online shopping will slow. Accordingly, there is a risk that the Company's historical performance may not necessarily be replicated in the future.

There is continued uncertainty as to the further impact of COVID-19 including in relation to the duration of existing and further governmental action, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes. The continuation of the current COVID-19 pandemic may disrupt sellers' supply chains, for example due to disruptions and interruptions to manufacturing and distribution of products, which may in turn adversely impact transaction volumes and therefore the Company's financial performance.

COVID-19 has had and is likely to continue to have negative impacts on the Australian economy, including increased unemployment. Customer spending on home products is primarily discretionary in nature. There is a risk that customers may have less discretionary income to spend on such products as a result of unemployment or underemployment, or that customers may reduce their discretionary spend to protect their savings if economic conditions continue to deteriorate. A decline in discretionary spending may materially adversely affect the Company's operational and financial performance and consequently the value of an investment in the Company may be adversely affected.

(d) Sellers Concentration Risk

The Company's performance is reliant on a select number of sellers. The top 3 sellers account for approximately 23% of GTV on the MyDeal marketplace and the top 10 account for approximately 41.7%. The Group's contractual arrangements with sellers do not contain any minimum sale obligations and so there is a risk that a seller may cease its relationship with MyDeal at any time. The loss of or deterioration of MyDeal's relationships with key sellers or an inability to onboard new sellers could have a material adverse impact on MyDeal's business, financial performance and operations.

(e) Lower Customer Growth

MyDeal's revenues and the success of its growth initiatives depend upon attracting and retaining customers to its platform and converting those customers into both new and repeat customers. Various factors can affect website traffic and conversion, including the MyDeal user experience, search engine traffic, the effectiveness of marketing and promotions, and brand reputation. A decline in traffic coming to MyDeal or the rate of conversion could adversely impact MyDeal's ability to achieve its stated objectives and could have a material adverse impact on its business, financial performance and operations.

(f) Competition Risk

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.

Competition can arise from a number of sources including traditional 'bricks and mortar' retailers, omni-channel retailers, marketplaces and online-only e-commerce 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. 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.

(g) Continued Growth of E-commerce

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 the Company's control which could cause a slowing or contraction in the market and as a consequence impact MyDeal directly.

4 Risk Factors

(h) Customer Sentiment Risk

There is a risk that the Company may face negative customer sentiment in the future. Customer complaints or negative publicity about any of the products advertised on MyDeal's marketplace, product delivery times, customer data handling and security practices or customer support, whether or not they are justified or the fault of MyDeal, could rapidly and severely diminish customer use of the marketplace and customer and seller confidence in MyDeal.

In addition, MyDeal derives a significant portion of its revenue from the furniture and homewares segment which is subject to continually changing trends and style specific customer preferences. Customer spending on such products is primarily discretionary in nature, as is generally the case with the retail e-commerce market, and customers may allocate this discretionary spend across different product categories or other services from time to time. If MyDeal and its sellers fail to anticipate and adapt to changing consumer preferences in a timely manner, or fail to respond to retail product trends, this may negatively impact the financial performance of the Company.

(i) Platform Risks

MyDeal's platform incorporating its website, databases and systems are critically important to the Company's ability to attract and retain customers and seller, as well as maximising sales conversion from customers. The database of customers, third party suppliers and data analytics are a valuable asset for the continued success of MyDeal, and any irrecoverable loss would incur a financial cost to the Company as well as damage the reputation of the business. Further, MyDeal is reliant on Amazon Web Services to host the platform. If there is a disruption in these hosting services, the platform may not be accessible to users. Amazon Web Services may terminate its hosting services on 30 days' notice, or shorter or no notice in certain circumstances as summarised at Section 9.3. A termination of these hosting services on short or no notice may result in MyDeal's platform being inaccessible to sellers and customers for a period of time. Any significant or prolonged disruption of the hosting services or platform inaccessibility may cause irreparable harm to MyDeal's reputation and relationships with sellers and customers, and may have a material adverse effect on MyDeal's business and financial performance. There is also a risk that the platform may not have the market potential and scalability anticipated by MyDeal.

(j) Reliance on Third Party Suppliers and Supplier Favoured Contracts

The Group relies on the services provided by third party suppliers such as channel partners (including ChannelAdvisor and Shopify), other software providers, payment providers and logistics providers. MyDeal has limited influence over these third parties and these services are largely provided on the supplier's standard terms and as such are generally more favourable to the supplier. Many of these services can be terminated on short or no notice and the terms of service contain minimal or no service warranties, service suspension rights and disclaimers and limitations on the supplier's liability. Any system or service failure could adversely affect MyDeal's business, impact revenue generated, affect the customer experience, reduce the attractiveness of MyDeal to customers and sellers and therefore limit future sales on the platform. Third party software and payment providers including channel partners and customer support providers, may update or terminate their platforms and services which may disrupt or render useless existing integrations. In particular, if this were to occur in respect of an integration or API provided by a channel partner, or if the channel partner were to terminate their agreement with MyDeal, this may have a material adverse effect on the number of merchants which use MyDeal's marketplace.

The mobile apps for iOS and Android devices will need to be approved by Apple and Google prior to the Group's launch of these mobile apps. Either Apple or Google may not provide its approval or if such approval has been granted, it could be withdrawn in the future. Any of these third party failures could have an adverse impact on the reputation and brand of MyDeal which could materially adversely affect the Company's business, financial performance and operations.

(k) Search Engine Risks

Many customers access MyDeal through a search engine. MyDeal's website may be excluded from or ranked lower in search engine results due to changes to a search engine's algorithms or other ranking criteria that are outside of MyDeal's control.

MyDeal endeavours to enhance the relevance of MyDeal's website to common search queries and thereby improve the rankings of MyDeal's website in search engines, a process known as search engine optimisation (**SEO**). However, search engine algorithms and ranking criteria are unknown to MyDeal, and MyDeal may not understand or have access to complete information on the methods used to rank its website and therefore may be unsuccessful with its SEO activities.

If MyDeal's SEO activities are no longer effective for any reason, the traffic coming to the MyDeal website could significantly decrease which could have a material adverse impact on MyDeal's business, financial performance and operations.

(l) Potential of being banned, restricted or suspended from digital marketing channels

The Group relies on digital marketing channels such as Google ads, Facebook ads and Criteo (to name a few) to market MyDeal's platform on social networking sites, search providers and other marketing channels. There is a risk, that based on the marketing channel providers terms and conditions, the Group may be suspended, restricted or banned from advertising on these marketing channels. Any such ban, restriction or suspension could have an adverse impact on the reputation, brand and revenue of MyDeal which could materially adversely affect the Company's business, financial performance and operations.

(m) Increased Cost of and Reliance on Search Engine Marketing

The cost of search engine marketing generally increases as the importance of online advertising increases, as competition to be ranked higher in paid listings increases the price of such listings. Furthermore, MyDeal might have to submit higher 'bids' on key words in order to purchase those key words to offset any reduction in its click-through rate (the number of clicks that its ad receives divided by the number of times that its ad is shown), as search engine platforms take this rate into account in calculating bid amounts. This may occur for a range of reasons including if MyDeal were to suffer negative publicity, if its market share were to decline, or if any other factor impacted on its brand or reputation. MyDeal's business, financial performance and operations may be materially adversely affected by any increase in the cost of, or in reliance on, search engine marketing.

(n) Marketing Efforts May Not Be Effective

Promoting awareness and understanding of MyDeal is critical to its success as a marketplace. Currently, MyDeal's marketing initiatives include SEO, search engine marketing, social media marketing, brand campaigns and email marketing. If MyDeal does not efficiently utilise its data analytics, update its segment listings and decide accurately when to deploy re-engagement campaigns to improve performance metrics, this could have a material adverse effect on its financial and operational performance.

MyDeal expects that its marketing efforts will continue to grow in scope and cost as competition increases, but ultimately a significant return on investment from these marketing efforts is not guaranteed. Any failure in MyDeal's marketing efforts could hinder MyDeal's ability to attract and retain sellers and customers, reduce revenue or revenue growth and could otherwise have a material adverse impact on MyDeal's business, financial performance and operations.

(o) Scaling Risks

MyDeal aims to continue its revenue growth by successfully executing its growth strategy. As MyDeal is in an expansion phase, it will need to continue to upgrade and enhance its technology infrastructure to ensure the Company can manage its growth. Furthermore, the Company anticipates that this will result in an increased level of responsibility for key management, and require the recruitment of staff to support this expected growth. If MyDeal is unable to manage the demands placed on key management, is unable to recruit experienced and capable new personnel or is unable to upgrade and enhance its infrastructure in a timely, robust and efficient way to handle projected growth, this may negatively impact its financial and operational performance in the future.

4 Risk Factors

(p) Employee Recruitment and Retention

MyDeal's future success depends, to a significant extent, on its ability to attract skilled and experienced personnel, particularly those with expertise in the e-commerce, software engineering and online marketing spaces and other technical positions. There is substantial competition for personnel with this expertise and MyDeal may incur increasing costs to attract, develop and motivate such personnel. If MyDeal is unable to attract and retain skilled personnel, it may be unable to effectively execute its business plan or maintain or expand its operations, which, in turn, could have a material adverse impact on MyDeal's business, financial performance and operations.

(q) Technology Risks

The retail e-commerce market is influenced by changing technologies and adapting industry standards for the future. MyDeal may be impacted by any failure or inability to maintain and update its technology platforms. Maintaining and updating such technology could involve a significant cost, and no assurance can be given that MyDeal will have the capital required to develop new technologies in the future to maintain a competitive advantage or market share.

(r) Australian Consumer Law Breaches by Sellers

There is risk that products advertised and sold on MyDeal's marketplace may contravene the *Competition and Consumer Act 2010* (Cth) and the Australian Consumer Law (**ACL**), or that sellers may engage in contravening behaviour such as misleading and deceptive conduct via the marketplace. While MyDeal's terms and conditions require sellers to ensure that they comply with the ACL and other consumer protection laws in advertising and selling their products on the marketplace platform, there is a risk of MyDeal becoming involved in litigation and regulatory investigations if sellers fail to do so which may cause financial and/or reputational harm to the Company and consume management resources.

(s) Inadvertent Advertisement of Infringing Products

There is a risk that products advertised and sold on MyDeal's marketplace may infringe third party intellectual property rights, and that the Group may have liability to third parties for its passive role in such breaches. While MyDeal's seller terms and conditions require sellers to indemnify MyDeal against any losses suffered as a result of such breaches, sellers may not have the financial capacity to indemnify MyDeal, and MyDeal may have issues enforcing such indemnities particularly where sellers are based in foreign jurisdictions. Any claims brought against MyDeal for infringement of intellectual property rights may be costly to defend and may result in significant damages awards. Accordingly, such infringements may result in material liabilities to third parties which MyDeal is unable to recover and cause significant diversion of management attention, which could in turn materially impact MyDeal's financial performance and position.

(t) Failure of Private Label Strategy

The Group's move into private labels may not be successful. The delivery of quality, competitively priced products may be delayed or not be able to be delivered by the Group at all. The private label strategy relies on certain relationships with overseas manufacturers held by members of the MyDeal executive team and the ability to secure furniture and homeware products from these and other manufacturers at low prices. There is no guarantee that the Group will be able to leverage these relationships in this way or that products will be able to be sourced at low prices. There are supply chain risks associated with the reliance on Chinese and other offshore manufacturers, including trade wars which may increase the cost of or restrict the number of products that may be exported from such countries. A failure of the private label strategy may impact the Company's ability to achieve revenue growth and its other stated objectives and have a material and adverse effect on the Company's future financial performance and position.

(u) Inventory Risk

As the Group expands its private label business it will need to acquire more inventory. Demand for such products cannot be accurately predicted as consumer preferences are constantly changing and new trends may quickly replace current trends. The Group may fail to accurately predict individual product sales which may lead to surplus inventory that cannot be sold at anticipated margins or at a profit. Any failure to accurately manage inventory levels may materially and adversely affect the Group's cash flows, revenue growth and financial performance.

(v) Foreign Currency Risk

Orders for private label products are placed in USD. The Group is therefore exposed to fluctuations in the USD/AUD exchange rate. Depreciation of the AUD may increase the cost of products. Exchange rate fluctuations may therefore reduce the gross margin achieved on these private label products. This may in turn affect MyDeal's ability to deliver on its private label strategy and adversely affect its financial performance.

(w) Concentration of Shareholding

Sean Senvirtne and his associates will control more than 49% of the Shares in the Company post Listing and therefore will retain significant control over the Company and continue to be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of Directors. This presents a risk that investors may not be able to influence how the Company is run if there is any discontent. Although the interests of the Company, Sean Senvirtne and other Shareholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. The sale of Shares in the future by Sean Senvirtne, or the perception that such sales might occur, could adversely affect the market price of Shares. Also, the concentration of ownership may affect liquidity of the market for Shares on ASX, which may limit the likelihood of the Company's entry into relevant indices in due course.

(x) Insurance Factors

MyDeal maintains insurance coverage in relation to many different aspects of its business. However, no assurance can be given that such insurance will be available in the future on a commercially reasonable basis or that MyDeal will have adequate insurance cover against claims made. If MyDeal incurs uninsured losses or liabilities, its assets, profits and prospects may be materially adversely affected.

(y) Change in Laws and Regulations

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. See Section 10.17 in respect of a potential liability associated with past technical non-compliance with a GST determination.

4.2 General Risks

The Shares to be issued pursuant to this Prospectus should be considered highly speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(a) Impact of COVID-19 on market and share price

The events relating to COVID-19 have recently resulted in a decline in general economic conditions together with market falls and volatility including in the prices of securities trading on the ASX and other foreign share markets. There is continued uncertainty around the duration and extent of further impacts of COVID-19 governmental action, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes and the impact these will have on the Australian and global economy and share markets. However, the continuation of these impacts will likely have a material adverse effect on global economic conditions and share markets and may materially adversely affect the price of the Company's shares trading on the ASX.

4 Risk Factors

(b) General business risk

The future viability and profitability of the Group is dependent on a number of other business risks which are applicable to many companies, including (but not limited to) the following:

- (i) financial failure or default by a party to any contract which the Group is, or may become, a party;
- (ii) insolvency or other managerial failure by any of the contractors used by the Group in its activities;
- (iii) industrial disputes;
- (iv) litigation;
- (v) natural and man-made disasters including earthquakes, tsunamis and flooding;
- (vi) acts of terrorism or an outbreak of international hostilities; and
- (vii) changes in economic conditions.

Further, changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group and the value of its assets. Factors which contribute to that general economic climate include:

- (viii) contractions in the world economy or increases in the rate of inflation;
- (ix) international currency fluctuations;
- (x) changes in interest rates;
- (xi) new or increased government taxes or duties or changes in taxation laws; or
- (xii) changes in government regulatory policy.

(c) Potential fluctuations in price of Shares

Once the Company becomes a publicly listed company on ASX, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by the operations and activities of the Group.

The price at which the Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following the quotation of the Shares on ASX, even if the Group's earnings increase.

Some of the factors which may adversely impact the price of the Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, consumer sentiment, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Group operates and general operational and business risks.

(d) Liquidity of Shares

There can be no guarantee that an active market in Shares will develop. On Listing, the Company will have 212.8 million Shares held by 3 substantial shareholders, of which 182 million will be subject to voluntary escrow (see Section 10.9), which means that they will not be able to be traded after Listing until the applicable escrow period ends.

New investors of the Company should note that liquidity post Listing may be constrained given a significant portion of the Company's Shares will be subject to escrow. The absence of any sale of Shares by the escrowed shareholders during this period may cause, or at least contribute to, limited liquidity in the market for the Shares.

(e) Price of Shares

The market price of Shares may fall or be made more volatile because of the relatively low volume of trading in the Shares particularly having regard to the number of Shares which are subject to voluntary escrow (see Section 10.9). When trading volume is low, significant price movement can be caused by the trading in a relatively small number of Shares.

Sales of a substantial number of Shares following the Offer, or the perception that these sales may occur, could also cause the market price of the Shares to decline. Sales by the Company's Shareholders of a substantial number of Shares after the Offer (which could, for example, occur on release of the Shares from escrow arrangements), or the expectation that such sales may occur, could significantly reduce the market price of the Shares. The Company may also offer additional Shares in subsequent offerings, which may adversely affect the market price of its Shares.

(f) Inability to pay dividends or make other distributions

In the short to medium term, the Company intends to reinvest all of its earnings in order to grow the business and does not intend to pay dividends or make other distributions to Shareholders. The ability for future dividends or other distributions to be paid by the Company will be contingent on its ability to generate positive cash flows. There is no guarantee that dividends will be paid on Shares in the future, as this is a matter to be determined by the Board in its discretion, and the Board's decision will have regard to, amongst other things, the financial performance and position of the Company relative to its capital expenditure and other liabilities and its business plans and objectives.

(g) Shareholder dilution

In the future, the Company may elect to issue Shares or other securities in capital raisings to fund growth or acquisitions that MyDeal may decide to make, or as consideration for such acquisitions. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of such issues of Shares or other securities.

(h) Litigation Risks

MyDeal may in the ordinary course of its business be subject to litigation, claims, disputes and regulatory investigations, including by customers, suppliers, government agencies, regulators or other third parties. These disputes may be related to warranties, product descriptions, personal injury, health, environmental, safety or operational concerns, negligence or failure to comply with applicable laws and regulations. There can be no assurance that legal claims will not be made against MyDeal or that any insurance will be adequate to cover liabilities resulting from any such claim.

(i) Taxation

An investment in Shares involves taxation and duty considerations which differ for each Shareholder dependent on their individual financial affairs. Each prospective Shareholder is encouraged to seek independent financial advice about the consequences of acquiring Shares pursuant to the Offer, from a taxation and duty viewpoint and generally.

Any changes to the current rate of the Company's income tax in Australia or abroad may affect Shareholder returns. Any changes to relevant tax laws, the way they are interpreted and applied or to the current rate of taxes could have an adverse effect on the Company's financial performance or results. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend imputation or franking and Shareholder returns.

Section 5

Board, Management and Governance



5 Board, Management and Governance

5.1 Board of Directors

The Board has a broad range of skills and experience including industry and business knowledge, financial management and corporate governance experience. The following table details the directors, their positions and independence:

Name	Position	Independence ¹
Paul Greenberg	Non-Executive Chairman	Yes
Sean Senvirtne	Executive Director	No
Chris Tait	Non-Executive Director	No
James Joughin	Non-Executive Director	Yes

Note:

1. The Company has assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles. Chris Tait is not considered independent due to his relationship with Henslow, the Corporate Adviser to the Company.

5.2 Experience and background

Executive & Experience



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 Pty Ltd), 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.



Sean Senvirtne

Chief Executive Officer

Sean is the founder and CEO of MyDeal, and since inception has led the organisation to over \$103m Gross Transaction Value in FY2020.

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.

5 Board, Management and Governance

Executive & Experience



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.



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: ST1) 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).

Each Director has confirmed to the Company that they anticipate being available to perform their duties as Non-Executive or Executive Director, as the case may be, without constraints from other commitments.

5.3 Director disclosures

No Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company in the last 10 years that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

5.4 Executive team

The Company has a highly experienced executive team as set out below:

Name	Position
Sean Senvirtne	Chief Executive Officer
Joshua Mangan	Chief Operations & Finance Officer
Dean Ramler	Chief Merchandising Officer
Kate Dockery	Chief Product Officer
Pankaj Sharma	Head of Technology
Kevin Nanda	Financial Controller
John Barkle	Marketing Manager

Executive & Experience



Sean Senvirtne

Chief Executive Officer

See Section 5.2 above.



Joshua Mangan

Chief Operations & Finance Officer

Joshua was previously the COO at Flippa where he was responsible for leading cross functional teams across 3 continents.

Prior to Flippa, Joshua was the COO/CFO of the SitePoint Group of companies which comprises a number of tech companies including SitePoint, Flippa and previously 99designs.

Prior to moving to industry, Joshua spent over 5 years at BDO Australia (formerly PKF Chartered Accountants) specialising in corporate recovery and insolvency matters. Joshua holds a Bachelor of Commerce from La Trobe University and is a member of Chartered Accountants Australia & New Zealand.



Dean Ramler

Chief Merchandising Officer

Dean co-founded Milan Direct in 2006, which was Australia's largest pure play online retailer of furniture prior to its acquisition by Temple & Webster in 2015. Dean was part of the executive team at Temple & Webster and managed the Milan Direct business and established the private label and import functions which did not exist at Temple & Webster prior to the Milan Direct acquisition.

Prior to Milan Direct, Dean worked in the family furniture business which goes back three generations, with Dean's grandfather setting up a local furniture manufacturing factory in Melbourne in the 1950s. Dean grew up working in the family's furniture retail stores and getting a hands on education in the furniture workshops with his dad and grandfather.

Dean holds a Bachelor of Business Marketing and Bachelor of Business Management from Monash University.

5 Board, Management and Governance

Executive & Experience



Kate Dockery

Chief Product Officer

Kate is a founding member of MyDeal and has been involved in many aspects of the business including operations, customer service and product. Since 2017, Kate has focused solely on product management, and has played a critical role in the development of MyDeal's proprietary technology including integrations/connections with e-commerce platforms and channel partners.

Kate has a Bachelor of Arts (Media & Communications) from Swinburne University of Technology.



Pankaj Sharma

Head of Technology

Pankaj joined MyDeal in 2016 and has over 12 years of software engineering experience, primarily focused on Microsoft web technologies. Prior to working at MyDeal, Pankaj worked as a consultant at Global Logic where he was responsible for delivering web based solutions and features for large US based clients.

Pankaj holds a Bachelor of Computer Science (Hons) from Dr. A.P.J. Abdul Kalam Technical University.



Kevin Nanda

Financial Controller

Kevin joined MyDeal in 2014 and has over 7 years' experience in accounting and finance.

Kevin is a Certified Practicing Accountant (CPA), and holds a Masters of Applied Finance and a Bachelor of Commerce from Monash University.



John Barkle

Marketing Manager

John joined MyDeal in 2016 and has over 10 years' experience in the media and advertising industry. Prior to joining MyDeal, John worked for Dentsu Aegis Network agency Columbus as a Performance Executive working on government, education and retail clients.

5.5 Directors' remuneration

5.5.1 Non-Executive director remuneration

The Company has entered into an appointment letter with each of its Non-Executive Directors. The following sets out the Non-Executive Directors' annual remuneration payable for the year ending 30 June 2021:

Director	Director's fees	Options (proposed) ¹
Paul Greenberg	\$100,000 including superannuation	400,000
Chris Tait	\$60,000 including superannuation	210,000
James Joughin	\$60,000 including superannuation	210,000

1. The Options are proposed to be issued after Listing under the Equity Incentive Plan on the terms summarised in Sections 5.7 and 10.5. There will be no Options on issue at Listing. No additional fees are payable to Directors for chairing Board committees.

5.5.2 Executive Director Remuneration

Please see Section 5.6 for a summary of the remuneration and benefits payable by the Company to its executive director, Sean Senvirtne.

5.6 Executive remuneration and employment agreements

Sean Senvirtne – Chief Executive Officer

Sean Senvirtne is employed by E-Com in the position of Chief Executive Officer. From Listing, Mr. Senvirtne will receive a fixed annual remuneration of A\$350,000 plus compulsory superannuation contributions by E-Com. Mr. Senvirtne may be eligible to receive other employment benefits in connection with the performance of his duties under his employment agreement, including short term incentives (see Section 5.7.2 for details of a proposed short term incentive plan and cash bonus) and awards under the Equity Incentive Plan.

Mr. Senvirtne is eligible to participate in the Company's new Equity Incentive Plan (as summarised in Section 5.7). The Board intends to grant Mr. Senvirtne 4,000,000 Options after Listing under the Equity Incentive Plan on the terms summarised in Sections 5.7 and 10.5.

Under the terms of Mr. Senvirtne's employment contract, E-Com has the right to terminate Mr. Senvirtne's employment by giving 12 months' written notice. Mr. Senvirtne can also resign from his employment on 12 months' written notice. In either case, E-Com can elect in its discretion to make a payment in lieu of that notice to Mr. Senvirtne or to place Mr. Senvirtne on garden leave for all or part of that notice period.

After termination of employment, the employment contract provides that Mr. Senvirtne will be subject to non-competition restrictions within Australia, New Zealand and any country in Asia, and non-solicitation of clients and non-poaching of employees restrictions, in each case for a maximum period of 24 months.

Mr. Senvirtne's employment contract acknowledges that E-Com owns all right, title and interest in or derived from the intellectual property rights developed or created by Mr. Senvirtne in connection with his employment. Intellectual property rights include, among other things, all designs, copyright, know how, trade secrets and other results of intellectual effort in the technological, artistic and commercial fields.

5 Board, Management and Governance

Joshua Mangan – Chief Operations & Finance Officer

Joshua Mangan is employed by E-Com in the position of Chief Operations & Finance Officer. From Listing, Mr. Mangan will receive a fixed annual remuneration of A\$250,000 plus compulsory superannuation contributions by E-Com. Mr. Mangan may be eligible to receive other employment benefits in connection with the performance of his duties under his employment agreement, including short term incentives or awards under the Equity Incentive Plan.

Mr. Mangan is eligible to participate in the Company's new Equity Incentive Plan (as summarised in Section 5.7). The Board intends to grant Mr. Mangan 800,000 Options after Listing under the Equity Incentive Plan on the terms summarised in Sections 5.7 and 10.5.

Under the terms of Mr. Mangan's employment contract, E-Com has the right to terminate Mr. Mangan's employment by giving 6 months' written notice. Mr. Mangan can also resign from his employment on 6 months' written notice. In either case, E-Com can elect in its discretion to make a payment in lieu of that notice to Mr. Mangan or to place Mr. Mangan on garden leave for all or part of that notice period.

After termination of employment, the employment contract provides that Mr. Mangan will be subject to non-competition restrictions within Australia, New Zealand and any country in Asia, and non-solicitation of clients and non-poaching of employees restrictions, in each case for a maximum period of 24 months.

Mr. Mangan's employment contract acknowledges that E-Com owns all right, title and interest in or derived from the intellectual property rights developed or created by Mr. Mangan in connection with his employment. Intellectual property rights include, among other things, all designs, copyright, know how, trade secrets and other results of intellectual effort in the technological, artistic and commercial fields.

Dean Ramler – Chief Merchandising Officer

Dean Ramler is employed by E-Com in the position of Chief Merchandising Officer. From Listing, Mr. Ramler will receive a fixed annual remuneration of A\$150,000 plus compulsory superannuation contributions by E-Com. Mr. Ramler may be eligible to receive other employment benefits in connection with the performance of his duties under his employment agreement, including short term incentives or awards under the Equity Incentive Plan.

Mr. Ramler is eligible to participate in the Company's new Equity Incentive Plan (as summarised in Section 5.7). The Board intends to grant Mr. Ramler 1,070,000 Options after Listing under the Equity Incentive Plan on the terms summarised in Sections 5.7 and 10.5.

Under the terms of Mr. Ramler's employment contract, E-Com has the right to terminate Mr. Ramler's employment by giving 3 months' written notice. Mr. Ramler can also resign from his employment on 3 months' written notice. In either case, E-Com can elect in its discretion to make a payment in lieu of that notice to Mr. Ramler or to place Mr. Ramler on garden leave for all or part of that notice period.

After termination of employment, the employment contract provides that Mr. Ramler will be subject to non-competition restrictions within Australia and any country in Asia, and non-solicitation of clients and non-poaching of employees restrictions, in each case for a maximum period of 18 months.

Mr. Ramler's employment contract acknowledges that E-Com owns all right, title and interest in or derived from the intellectual property rights developed or created by Mr. Ramler in connection with his employment. Intellectual property rights include, among other things, all designs, copyright, know how, trade secrets and other results of intellectual effort in the technological, artistic and commercial fields.

Other executives

All other executives are employed under written employment agreements with E-Com. The key terms and conditions of their employment include:

- remuneration packages comprising fixed annual remuneration and discretionary short-term incentives;
- eligibility to participate in the Company's Equity Incentive Plan (as summarised in Sections 5.7 and 10.5);
- express provisions protecting E-Com's confidential information and intellectual property;
- termination notice provisions of 2 to 3 months; and
- post-termination restraints for a period of 6 to 9 months.

5.7 Incentive Plans

5.7.1 Equity Incentive Plan

The Company has adopted an Equity Incentive Plan (**Equity Incentive Plan**) in order to assist in the motivation and retention of selected employees, officers or consultants of the Company. The Equity Incentive Plan is designed to align the interests of eligible participants with those of the Company by providing an opportunity for eligible participants to receive an equity interest in the Company as an award. Under the Equity Incentive Plan, eligible participants may be offered performance rights, options, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.

A summary of the Equity Incentive Plan is set out below. The Directors are entitled to participate in the Equity Incentive Plan.

Awards

Under the Equity Incentive Plan, the Company may offer or issue to eligible participants:

- (a) **Options:** Options are rights to be issued a share in the Company upon payment of an exercise price and satisfaction of vesting conditions specified in the Equity Incentive Plan or in the offer for the award.
- (b) **Performance Rights:** Performance Rights are rights to be issued a share in the Company for nil exercise price upon satisfaction of vesting conditions specified in the offer for the award.
- (c) **Deferred Share Awards:** Deferred Share Awards are shares issued to eligible participants:
 - (i) who elect to receive shares in lieu of any wages, salary, director's fees, or other remuneration; or
 - (ii) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment,and that may be forfeited if vesting conditions specified in the offer are not satisfied.
- (d) **Exempt Share Awards:** Exempt Share Awards are issues of shares for no consideration or an issue price which is at a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the *Income Tax Assessment Act 1997* (Cth) from time to time) of the total value or discount received by each eligible participant will be exempt from tax.

(collectively, **Awards**).

The maximum number of Awards that may be issued under the Equity Incentive Plan is 5% of the number of Shares on issue at the time of issue as set out below, which at the time of Listing will be 12,941,365.

After Listing, the Company intends to issue 9,965,000 Options under the Equity Incentive Plan to Directors and certain key employees and one consultant as set out in Section 10.5. See Section 10.12 for the proposed Options to be issued to the consultant. These are proposed to be issued within 6 months of Listing.

The terms of the Options proposed to be granted post-Listing to Directors and employees are as set out below:

5 Board, Management and Governance

Name	Number of options	Exercise price	Vesting conditions	Escrow	Expiry
Paul Greenberg (Chairman)	50,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	150,000	Offer Price	Service market based vesting conditions (24 months after Listing, provided Share price has reached \$1.50 ¹ at any time during that period)		5 years from vesting date
	150,000	1.5 x Offer Price	Service market based vesting conditions (36 months after Listing, provided the Share price has reached \$1.50 ¹ at any time during the relevant period)		5 years from vesting date
	50,000	1.5 x Offer Price	Service market based vesting conditions (48 months after Listing, provided the Share price has reached \$1.50 ¹ at any time during the relevant period)		5 years from vesting date
James Joughin (Non-executive Director)	10,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	100,000	Offer Price	Service market based vesting conditions (24 months after Listing, provided the Share price has reached \$1.50 ¹ at any time during that period)		5 years from vesting date
	100,000	1.5 x Offer Price	Service market based vesting conditions (36 months after Listing, provided the Share price has reached \$1.50 ¹ at any time during that period)		5 years from vesting date
Chris Tait (Non-executive Director)	10,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	100,000	Offer Price	Service market based vesting conditions (24 months after Listing, provided the Share price has reached \$1.50 ¹ at any time during that period)		5 years from vesting date
	100,000	1.5 x Offer Price	Service market based vesting conditions (36 months after Listing, provided Share price has reached \$1.50 ¹ at any time during that period)		5 years from vesting date

Name	Number of options	Exercise price	Vesting conditions	Escrow	Expiry
Sean Senvirtne (Director and CEO)	3,000,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	1,000,000	20 cents	Service based vesting condition (24 months after Listing)		5 years from vesting date
Kate Dockery (Chief Product Officer)²	900,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	550,000	20 cents	Service based vesting condition (24 months after Listing)		5 years from vesting date
Josh Mangan (Chief Operating & Financial Officer)	350,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	450,000	20 cents	Service based vesting condition (24 months after Listing)		5 years from vesting date
Dean Ramler (Chief Merchandising Officer)	350,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	720,000	20 cents	Service based vesting condition (24 months after Listing)		5 years from vesting date
Other Employees	850,000	Offer Price	Share price reaching \$1.50 ¹ at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years
	650,000	20 cents	Service based vesting condition (24 months after Listing)		5 years from vesting date

1. Based on VWAP over a consecutive 20 trading day period.

2. Kate Dockery is considered to be an associate and related party of Sean Senvirtne under the ASX Listing Rules.

Under the rules of the Equity Incentive Plan and the terms of these proposed grants, the Options:

- cannot be sold or transferred without the consent of the Company, and will not be quoted on the ASX; and
- do not entitle the holder to receive dividends, attend or vote at general meetings, receive distributions on a winding up of the Company or participate in future share issues (except if the Company makes a pro-rata bonus issue to the holders of Shares, in which case the Option when exercised will entitle the holder to the number of bonus shares which would have been issued to the holder if the Option had been exercised prior to the relevant record date).

5 Board, Management and Governance

The Options proposed to be issued to the Non-Executive Directors are being issued as part of their overall remuneration package, as the cash component of their remuneration is relatively modest, and to incentivise the Directors to remain on the Board post-Listing. The Board has determined that it is appropriate to remunerate and incentivise the Directors in the form of Options in light of this. The Board determined the remuneration of the Non-Executive Directors including the value of Options aligns with market payments for the relative positions, and considers them appropriate and equitable given the time commitment and value which is expected to be contributed by each such Director.

The Options with a \$0.20 exercise price proposed to be issued to employees are being issued to recognise and reward their past efforts and performance to date, as many have worked at MyDeal for some time and have received relatively modest salaries, particularly when MyDeal was conserving cash as an early stage company, and to remunerate and incentivise such employees to stay with MyDeal, as the loss of any of these employees could have a detrimental effect on the Company. The Board has determined that it is appropriate to remunerate and incentivise these employees in the form of Options in light of this. The number of Options to be granted has been determined based on their tenure, salary and other employee benefits paid compared to market rates, and overall contribution to the business, which the Board considers is appropriate and equitable given their contribution to MyDeal to date and the importance of retaining these employees post-Listing.

If these Options are issued, the applicable vesting conditions are satisfied and they are all exercised, the Company will issue an additional 9,640,000 Shares, which represents 3.72% of the Shares on issue at Listing.

Details of the remuneration payable to the Directors is set out in Sections 5.5.1 and 5.6. Details of the securities in the Company held by the Directors is set out in Section 5.8.2. Sean Senvirtne paid only a nominal amount for his existing Shares held.

Eligible Participants

Awards may be granted to:

- (a) an employee, officer, director or consultant of the Company to whom, or who falls within a class of employees to whom, the Board determines that an offer is to be made under the Equity Incentive Plan; or
- (b) a person who satisfies the eligibility criteria (if any) determined by the Board for a proposed offer.

Price

The Board has discretion to determine the issue price and/or exercise price for Awards.

Principal conditions to issues

An offer cannot be made under the Equity Incentive Plan if the aggregate of the following would, upon acceptance of the offer, exceed 5% of the number of Shares on issue at time of the offer:

- (a) the number of Shares which are the subject of the offer of Awards;
- (b) the total number of Shares which are the subject of any outstanding offer of Awards;
- (c) the total number of Shares issued during the previous three years under this Equity Incentive Plan or any other employee share scheme extended only to employees of the Company (adjusted if necessary in each case for capital re-organisations), but not including existing Shares transferred to a participant in the Equity Incentive Plan after having been acquired for that purpose; and
- (d) the total number of Shares which would be issued under all outstanding Awards that have been granted but which have not yet been exercised, terminated or expired, assuming all such Awards were exercised and ignoring any vesting conditions,

but disregarding any offer made, or Award offered or issued, or Share issued by way of or as a result of:

- (e) an offer to a person situated outside Australia at the time of receipt of the offer;
- (f) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;

- (g) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or
- (h) of offer made under a disclosure document or Product Disclosure Statement as defined in the Corporations Act.

Vesting and exercise of Awards

The Awards held by a participant in the Equity Incentive Plan will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Equity Incentive Plan. Vesting conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

If vesting conditions or other vesting events are not specified in the offer and the offer does not expressly state to the effect that no vesting conditions apply, specified conditions as set out in the Equity Incentive Plan will apply.

The Board may, in its discretion, also determine that the Company may issue loans (including limited recourse loans) to participants to use for the acquisition of Shares as part of an Award under the Equity Incentive Plan.

Change of control

If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards other than Exempt Share Awards notwithstanding that the restriction period in respect of such Awards has not expired, provided that the takeover bid or other transaction would result in a person who does not control the Company at the time the Awards are issued achieving control of more than 50% of the Shares in the Company. The Board may, in its discretion, waive unsatisfied vesting conditions in relation to some or all Awards in the event of such a takeover or other transaction.

Clawback

If any vesting conditions of an Award are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the Equity Incentive Plan, the Board may determine that the relevant Awards expire and are incapable of being exercised (if not yet exercised), or it may otherwise recover from the relevant participant some or all shares issued upon exercise of the Awards or any proceeds received from the sale of those shares.

Re-organisation of share capital

If, prior to the exercise of an Award, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Awards of the participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

5.7.2 Short Term Incentive Plan

The Company proposes to adopt a short term incentive plan post-Listing (**STIP**). While the form and awards under the STIP are yet to be determined, it is proposed that Sean Senvirtne will be entitled to an annual cash bonus of up to 30% of his annual base remuneration. Receipt of 100% of this cash bonus will be subject to the achievement of certain milestones. These milestones, and the eligibility of other employees to participate in the STIP, will be determined by the Remuneration and Nomination Committee post-Listing.

5.8 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

5 Board, Management and Governance

5.8.1 Remuneration of Directors

Please see Section 5.5 for a summary of the fees and remuneration paid by the Company to its Directors.

Under the Company's Constitution, each Director (other than a Managing Director or an Executive Director) may be paid remuneration for ordinary services performed as a Director. Under the Constitution, the maximum aggregate annual cash fee pool from which Non-Executive Directors may be paid for their service, exclusive of expense reimbursement and equity grants, cannot exceed \$750,000. Any increase to the aggregate amount needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate. This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

5.8.2 Directors' interests in Securities

Director	Shares held as at the Prospectus Date	Convertible Notes held as at the Prospectus Date	Shares held as of completion of the Offer	Options proposed to be granted post completion of the Offer	Percentage holding immediately following the Offer	Percentage holding of Shares immediately following the grant of proposed Options (fully diluted)
Paul Greenberg	0	\$0.45 million ²	0.59 million	0.40 million	0.23%	0.37%
Sean Senvirtne	131.76 million ¹	0	126.88 million	5.45 million ⁴	49.02%	49.23%
Chris Tait	0	\$0.025 million	0.032 million	0.21 million	0.01%	0.09%
James Joughin	0	\$0.10 million ³	0.13 million	0.21 million	0.05%	0.13%

1. Includes 4.39 million Shares held by Sean's partner, Kate Dockery. Sean's shares are held by him in his capacity as trustee of the Kandy Temple Trust.

2. Held by a related entity, Jam Pad Investments Pty Ltd ACN 628 633 198.

3. Held by a related entity, Penbury Grange Pty. Ltd. ACN 077 993 054 as trustee for the Joughin Family Superannuation Fund ABN 32 882 792 347.

4. Includes 1.45 million Options proposed to be granted to Sean's partner Kate Dockery.

5.8.3 Indemnification of Directors and Officers

The Company has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, 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 Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company 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.

5.8.4 Agreements with Henslow

As noted above, Chris Tait is a shareholder and director of Henslow. Henslow entered into an agreement on 15 July 2020 with E-Com to act as Corporate Adviser to the Company in respect of the Offer.

Henslow is currently retained as the Corporate Adviser to the Company and is to be paid a retainer of \$10,000 per month for a minimum period of six months, payable on completion of the Offer. In addition, Henslow will receive a success fee on completion of the Offer as set out in Section 10.12 for the corporate advisory services provided in connection with the Offer.

5.8.5 Related party interests

Other than as set out below or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- the compensation arrangements with Directors and executive officers, which are described in this Section 5.7.2; and
- the indemnification arrangements with the Directors which are described in Section 5.8.3.

Kate Dockery, Chief Product Officer, is Sean Senvirtne's partner. The Company will pay amounts to Kate Dockery in accordance with the terms of her employment agreement. Kate is also entitled to participate in the Equity Incentive Plan and the Board proposes to issue 1,450,000 Options to Kate shortly after Listing on the terms summarised in Section 5.7.

Paul Greenberg, Non-Executive Chairman, has entered into a contractor agreement with E-Com in respect of the provision of consultancy services in connection with the Offer under which an entity controlled by him, RetailTech Capital Pty Limited ACN 639 392 368, will receive a fee of \$20,000, excluding GST. These consultancy services will terminate on Listing.

Sean Senvirtne, the Founder and Chief Executive Officer of MyDeal, has previously received payments totalling \$9,277 in his capacity as trustee of the Kandy Temple Trust in respect of executive services provided by him between December 2018 and May 2019. No payments will be made to Sean in this capacity following Listing in respect of these services. No additional amounts will be payable by the Company in respect of services provided by Sean as an executive director, other than to reimburse any expenses properly incurred in that capacity. The remuneration payable to Sean will be provided under the terms of his employment agreement summarised at Section 5.6 above.

5.8.6 Policy for approval of related party transactions

The Company's Audit and Risk Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which any parties related to the Company, including its executive officers, Directors, beneficial owners of more than 5% of the Company's Shares, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest.

The Audit and Risk Committee will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the Audit and Risk Committee determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the ASX Listing Rules and the Corporations Act.

5.9 Corporate Governance

The Board is committed to best practice corporate governance and compliance arrangements for the Company to the extent appropriate given the Company's size and circumstances. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations for Australian listed entities (**ASX Corporate Governance Principles**) to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Corporate Governance Principles are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the ASX Corporate Governance Principles in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and provide reasons for not following it. Sections 5.9.4 and 5.9.5 set out a brief summary of the approach currently adopted by the Company in relation to the ASX Corporate Governance Principles. More broadly, this section summarises the key aspects of the Company's corporate governance framework.

5 Board, Management and Governance

5.9.1 Board Appointment and Composition

Composition of the Board

As at the Prospectus Date, the Company has four Directors serving on the Board, and will continue to have the same four Directors at Listing. Detailed biographies of these Directors are provided in Section 5.2.

Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must disclose all actual or potential conflicts of interest. A Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest, except with the approval of the remaining Directors and subject to the Corporations Act.

The Company considers that a Director is an independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.

Board Charter

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles. A copy of the Company's Board Charter is available on the Company's website at investors.mydeal.com.au. The Company will also send you a copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

5.9.2 Board's role in risk oversight

The Board's role in risk oversight includes receiving reports from management and the Audit and Risk Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal/regulatory risks. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles. A copy of the Company's Board Charter is available on the Company's website at investors.mydeal.com.au. The Company will also send you a paper copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

5.9.3 Board Committees

As set out below, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the relevant committee charter (which has been prepared having regard to the ASX Corporate Governance Principles) adopted by the Company. A copy of the charter for the committees listed below is available on the Company's website at investors.mydeal.com.au. The Company will also send you a free paper copy of its charter should you request a copy during the Offer Period.

Committee	Overview	Members
Audit and Risk Committee	<p>Responsible for monitoring and advising the Board on the Company's audit and regulatory compliance policies and procedures.</p> <p>Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor.</p> <p>Monitors and develops the Company's risk strategy, including assessing the effectiveness of the Company's internal controls and risk management framework and making recommendations for improvement.</p>	<p>James Joughin (Chair)</p> <p>Chris Tait</p> <p>Paul Greenberg</p>
Remuneration and Nomination Committee	<p>Responsible for advising the Board on the composition of the Board and its committees, evaluating potential Board candidates and advising on their suitability, and ensuring appropriate succession plans are in place.</p> <p>Establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. The Remuneration and Nomination Committee is also responsible for reviewing the performance of the Company's executive officers with respect to these elements of compensation.</p>	<p>Chris Tait (Chair)</p> <p>James Joughin</p> <p>Paul Greenberg</p>

5.9.4 Corporate governance policies

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and is available on the Company's website at investors.mydeal.com.au.

- **Code of Conduct** – This policy sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees;
- **Continuous Disclosure and Shareholder Communications Policy** – Once listed on ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations. This policy also sets out practices which the Company will implement to ensure effective communication with its Shareholders;
- **Risk Management Policy** – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business;
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws;
- **Diversity Policy** – This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees;
- **Whistleblower Policy** – This policy sets out how and to whom staff may make confidential reports regarding illegal practices or violations of policies of the Company. The Policy sets out processes to follow up and investigate reports and how to respond to them; and
- **Anti-Bribery and Corruption Policy** – This policy describes the Company's zero tolerance policy towards bribery and corruption. The policy sets out practices that constitute bribery and corruption and is designed to assist the Company, subsidiaries, Board and all employees avoid committing acts of bribery or corruption.

The Company will send you a free paper copy of any of the above policies should you request a copy during the Offer Period.

5 Board, Management and Governance

5.9.5 ASX Corporate Governance Principles

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles. A brief summary of the approach currently adopted by the Company is set out below.

Principle 1 – Lay solid foundations for management and oversight

The Board's responsibilities are defined in the Board Charter. The Company has also established a clear delineation between the Chairman's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon the Chief Executive Officer and certain other officers of the Company. The Remuneration and Nomination Committee regularly reviews and evaluates the performance of senior executives.

Principle 2 – Structure the Board to be effective and add value

The Company's Board is comprised of two independent Directors and two non-independent directors, and the roles of Chairman and Chief Executive Officer are exercised by two separate individuals. The Company's Chairman is also an independent director as required by Principle 2. As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance. However, the Board Charter provides for an annual self-assessment of the Board's performance to be provided to the Remuneration and Nomination Committee.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

The Company has approved a statement of values and inculcated those values across the organisation. The Company has also adopted a Code of Conduct, a Securities Trading Policy, a Diversity Policy, a Whistleblower Policy, an Anti-Bribery and Corruption Policy and a policy and procedure for related party transactions.

Principle 4 – Safeguard the integrity of corporate reports

The Company has established an Audit and Risk Committee which complies with the ASX Corporate Governance Principles to oversee the management of financial and internal risks.

Principle 5 – Make timely and balanced disclosure

The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure and Shareholder Communications Policy.

Principle 6 – Respect the rights of Shareholders

The Company has adopted a Continuous Disclosure and Shareholder Communications Policy for Shareholders wishing to communicate with the Board. The Company seeks to recognise numerous modes of communication, including electronic communication via its website, to ensure that its communication with Shareholders is frequent, clear and accessible.

All Shareholders are invited to participate at the Company's annual general meeting, either in person or by representative. The Board regards the annual general meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditors.

Principle 7 – Recognise and manage risk

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. In addition, the Board has established the Audit and Risk Committee to provide focused support in key areas. Regular internal communication between the Company's management and Board supplements the Company's quality system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

Principle 8 – Remunerate fairly and responsibly

The Company has established a Remuneration and Nomination Committee as set out in Section 5.9.3. The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.

Section 6

Financial Information



6 Financial Information

6.1 Introduction

This section sets out the financial information for Mydeal.com.au Limited (**Company** or **MyDeal**) and its controlled entities (together, **Group**).

MyDeal was incorporated on 2 April 2020 to become the holding company of the Group following a corporate restructure of the Group which was implemented on 18 September 2020 (**Restructure**). Under Restructure, the shareholders in E-Com (Aus) Pty Ltd (**E-Com**) exchange their shares in E-Com for a proportionate number of Shares in MyDeal. Prior to the Restructure, E-Com was the parent company of the Group, however, the effect of the Restructure was to interpose MyDeal as the new legal parent of the Group. While MyDeal will become the legal parent of E-Com, this will not result in a business combination for accounting purposes. When preparing the financial information for MyDeal, the Restructure will be accounted for as a capital reorganisation by MyDeal. The financial statements of the Group will present a continuation of the existing E-Com and its controlled entities financial statements. Assets and liabilities will be recorded at their existing values in the statement of financial position for the Group. The statement of financial performance for the Group will be a continuation of the existing statement of financial performance for E-Com and its controlled entities. As MyDeal was only incorporated on 2 April 2020, there is no standalone historical financial information for MyDeal. As such, the financial information contained in this Section is the consolidated financial information for E-Com and its subsidiary, Duke Living Pty Ltd.

The financial information for the Group contained in this Section includes:

- a. Statutory historical financial information of the Group, which are audited, being the:
 - Statutory Historical Consolidated Statements of Financial Performance for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
 - Statutory Historical Consolidated Statement of Financial Position as at 30 June 2020; and
 - Statutory Historical Consolidated Statements of Cash Flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020,

(together the “**Statutory Historical Financial Information**”); and

- b. Pro forma historical financial information of the Group, being the:
 - Pro forma Historical Consolidated Statements of Financial Performance for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
 - Pro forma Historical Consolidated Statement of Financial Position as at 30 June 2020; and
 - Pro forma Historical Consolidated Statements of Cash Flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020,

(together the “**Pro forma Historical Financial Information**”).

The Statutory Historical Financial Information and Pro forma Historical Financial Information together form the **Financial Information**.

Also summarised in this Section are:

- a. the basis of preparation and presentation of Financial Information (Section 6.2);
- b. changes in accounting standards (Section 6.3);
- c. explanation of certain non-IFRS financial measures (Section 6.4);
- d. the pro forma adjustments to the audited Statutory Historical Financial Information and reconciliations between the audited Statutory Historical Financial Information and the Pro Forma Financial Information (refer to Sections 6.5.3, 6.6.1 and 6.7.2);
- e. management’s discussion and analysis of the Financial Information (Section 6.8);
- f. MyDeal’s proposed dividend policy (Section 6.9); and
- g. significant accounting policies (Appendix 1).

6.2 Basis of preparation and presentation of Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information has been prepared to present the Company on a consolidated basis and the future financial statements of the Company will be presented on this basis.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards, including the Australian Accounting Interpretations (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form and does not contain all of the disclosure provided in an annual financial report prepared in accordance with the Australian Accounting Standards and the Corporations Act. The Financial Information 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.

All items are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Information is presented in Australian dollars (A\$) which is the Company's functional and presentation currency. Some numerical figures included in this Section have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Section are due to rounding.

Certain significant accounting policies relevant to the Financial Information are disclosed in Appendix 1.

The Company has one reportable segment under AASB 8: Operating Segments.

The Statutory Historical Financial Information has been derived from the audited consolidated financial statements of the Company and controlled entities for FY2018, FY2019 and FY2020. The historical financial statements for FY2018, FY2019 and FY2020 have been audited by Pitcher Partners, which issued unmodified audit opinions in respect of FY2018, FY2019 and FY2020.

The Pro forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information with pro forma adjustments made.

6.3 Changes in accounting standards

AASB 16: Leases

AASB 16: replaces AASB 117: Leases and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
 - ii. property, plant or equipment, the applies the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

6 Financial Information

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the group elected to apply the modified retrospective method, whereby the lease liability, and right of use asset, was measured at the present value of the remaining lease payments, discounted at the group's incremental borrowing rate.

6.4 Explanation of certain non-IFRS financial measures

The Company uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this section as 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes that this non-IFRS financial information provides useful information to readers in measuring the performance and position of MyDeal. However, investors are cautioned not to place undue reliance on any non-IFRS measures and should consider the measures as supplemental to, as opposed to replacement for, financial information presented in accordance with AAS.

As non-IFRS measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning and may differ to the way other companies calculate similar measures.

The non-IFRS financial measures that are referred to in this Prospectus are as follows:

- EBITDA is earnings before interest, taxation, depreciation, amortisation and impairment charges;
- EBIT is earnings before interest and taxation;
- Gross Transaction Value (**GTV**) is the total value of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST;
- Net Transaction Value (**NTV**) represents GTV after deducting refunds, chargebacks, discounts and coupons;
- Average order value is the value derived by dividing Gross Transaction Value by total transaction count;
- Take rate is calculated as sales revenue as percentage of NTV; and
- Working capital is defined by the Company as trade and other receivables, inventory and other current assets less trade and other payables and other current liabilities.

6.5 Statement of Financial Performance

6.5.1 Statutory and Pro forma Historical Consolidated Statements of Financial Performance

The table below sets out the Statutory and Pro forma Historical Consolidated Statements of Financial Performance of MyDeal for the years ended 30 June 2018, 30 June 2019 and 30 June 2020. Section 6.5.3 sets out details and explanations of the pro forma adjustments made to the Statutory Historical Consolidated Statements of Financial Performance.

Table 1: Statutory and Pro forma Historical Consolidated Statement of Financial Performance

A\$	Notes	Statutory			Pro forma		
		FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Sales Revenue	1	4,853,675	4,961,221	15,335,680	4,853,675	4,961,221	15,335,680
Other revenue	2	876,494	439,663	426,995	644,296	439,663	426,995
Total Revenue		5,730,169	5,400,884	15,762,675	5,497,971	5,400,884	15,762,675
Advertising expense	3	2,097,990	1,835,033	8,575,077	2,097,990	1,835,033	8,575,077
Employee benefits expense	4	3,239,348	2,217,709	2,908,672	4,280,079	3,267,950	3,573,265
Merchant fees	5	459,348	442,598	1,472,908	459,348	442,598	1,472,908
Occupancy expense	6	141,638	210,524	74,496	12,729	25,135	74,496
Professional fees	7	286,788	225,704	480,537	286,788	178,149	368,089
Software expenses	8	412,632	507,608	1,147,345	412,632	507,608	1,147,345
Other expenses	9	271,742	287,311	434,471	871,818	887,387	1,034,547
EBITDA		(1,179,317)	(325,603)	669,169	(2,923,412)	(1,742,976)	(483,052)
Depreciation and amortisation expense	10	90,127	90,290	286,228	217,996	223,641	286,228
EBIT		(1,269,444)	(415,893)	382,941	(3,141,408)	(1,966,617)	(769,280)
Finance costs	11	4,285	1,856	51,309	14,817	10,612	19,044
Profit/(Loss) Before Tax		(1,273,729)	(417,749)	331,632	(3,156,225)	(1,977,228)	(788,324)
Income tax benefit	12	-	-	517,600	804,108	543,738	825,588
Net profit/(Loss) after Tax		(1,273,729)	(417,749)	849,232	(2,352,118)	(1,433,491)	37,264

Notes:

- Revenue comprises the commission on sales transacted through the MyDeal.com.au platform, which includes base commission rate, transaction fee, subscription fee and refund fee. Revenue also includes (i) advertising income received by the company from monetising the Group's digital asset and (ii) revenue from private label sales.
- Other revenue is made of research & development tax incentive receivable, FY2020 government cash boost and forex gain. A pro forma adjustment was made in FY2018 for reversal of 2017 concessional R&D income given 2 years of such income was reported in 2018.
- Advertising expense predominantly relates to cost-per-click advertising.
- Employee benefits expense contains all employees' remuneration obligations from salary, superannuation, and associated taxes. For pro forma purposes, Directors' benefits, additional key management personnel, incremental remuneration of the key management (excluding employee share option costs) of the Group for running a listed company have been accounted for.
- Merchant fees relates to the processing of transactions on the MyDeal.com.au platform.
- Occupancy expense reflects the ongoing cost of running the Company's headquarter office. The retrospective adjustment of AASB 16: Leases has been reflected in the pro forma accounts for FY2018 and FY2019.
- Professional fees relate to accounting & bookkeeping fees, consulting, legal and recruitment expenses.
- Software expense comprise software subscriptions, website design & development and website hosting.
- For pro forma purposes, additional costs associated with operating as a listed company have been recognised which includes ASX annual fees, share registry services, corporate secretarial services, insurance and investor relations.
- Depreciation and amortisation reflect the depreciation of the company's plant & equipment, furniture and motor vehicle over useful life, amortisation expense on the software intangibles over useful life and amortisation of lease based on AASB 16: Leases.
- Finance costs relates to the interest on the company credit card expenses, interest expense on the convertible note issued and interest expense on lease based on AASB 16: Leases. For Pro forma purposes interest on lease based on AASB 16: Leases is included and interest on convertible note has been excluded.
- Income tax benefit is the amount of income tax benefit attributable to the pre-tax accounting loss adjusted for permanent differences. Statutory Consolidated Statement of Financial Performance only recognised this income tax benefit in FY2020 when recoupment of income tax losses was considered probable. For Pro Forma purposes the income tax benefit is recognised on an annual basis.

6 Financial Information

6.5.2 Key operating metrics

The table below sets out a summary of MyDeal's key financial and other operational metrics for FY2018, FY2019 and FY2020 derived from the Pro forma Historical Consolidated Statements of Financial Performance.

Table 2: Key operating metrics

	Notes	Pro forma		
		FY2018	FY2019	FY2020
Gross Transaction Value	1	41,497,609	39,051,222	103,316,957
GTV growth	2	35.77%	-5.90%	164.57%
Net Transaction Value	3	39,553,641	36,596,829	93,964,503
NTV growth	4	34.32%	-7.48%	156.76%
Sales revenue	5	4,853,675	4,961,221	15,335,680
Sales revenue growth	6	40.31%	2.22%	209.11%
Average order value (AOV)	7	165.44	168.42	139.91
Average order value growth	8	-9.44%	1.80%	-16.92%
Take rate	9	12.27%	13.56%	16.32%
Unique visitors	10	6,667,745	6,418,725	17,199,501
Unique visitors growth	11	41.27%	-3.73%	167.96%
Conversion rate	12	3.76%	3.61%	4.29%
Conversion rate growth	13	6.12%	-3.97%	18.85%
Transactions	14	250,831	231,872	738,433
Transactions growth	15	49.91%	-7.56%	218.47%
Employee benefits relative to GTV	16	10.31%	8.37%	3.46%
Advertising spend relative to GTV	17	5.06%	4.70%	8.30%

Notes:

1. GTV is the total value of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.
2. The percentage of growth in GTV calculated with reference to GTV in the prior period.
3. NTV represents GTV after deducting refunds, chargebacks, discounts and coupons.
4. The percentage of growth in NTV calculated with reference to NTV in the prior period.
5. Sales revenue represents revenue reported in the Consolidated Statement of Financial Performance (i.e. commission, transactions fees, advertising revenue, subscription fees, seller onboarding fees, and refund fees) and private label sales.
6. The percentage of growth in Sales Revenue calculated with reference to Sales Revenue in the prior period.
7. AOV is calculated as GTV divided by the number of transactions.
8. The percentage of growth in AOV calculated with reference to AOV in the prior period.
9. Take rate represents sales revenue as a percentage of NTV.
10. The number of unique users who visited the MyDeal website in the relevant period per Google Analytics data.
11. The percentage of growth in visitors with reference to visitors in the prior period.
12. Number of transactions calculated as a percentage of unique visitors.
13. The percentage of growth in conversion rate with reference to conversion rate in the prior period.
14. Number of individual transactions in the relevant period.
15. The percentage of growth in transactions with reference to transactions in the prior period.
16. Employee benefits expense calculated as a percentage of GTV.
17. Advertising expense calculated as a percentage of GTV.

6.5.3 Pro forma adjustments to the Statutory Historical Consolidated Statement of Financial Performance

The table below sets out the pro forma adjustments that have been made to the Company's statutory historical profit or loss to derive the pro forma historical profit or loss.

Table 3: Pro forma adjustments to the statutory historical profit or loss before and after tax

A\$	Notes	Historical		
		FY2018	FY2019	FY2020
Statutory EBITDA		(1,179,317)	(325,603)	669,169
Incremental listed public company costs	1	(1,640,807)	(1,650,317)	(1,264,669)
Impact of AASB 16: Leases	2	128,909	185,389	
Capital raising costs	3		47,555	112,448
R&D income adjustment	4	(232,198)		
Pro forma EBITDA		(2,923,412)	(1,742,976)	(483,052)
Statutory Profit/(Loss) after tax		(1,273,729)	(417,749)	849,232
Incremental listed public company costs	1	(1,640,807)	(1,650,317)	(1,264,669)
Impact of AASB 16: Leases	2	(9,492)	43,283	
Capital raising costs	3		47,555	112,448
R&D income adjustment	4	(232,198)		
Interest expense on convertible notes	5			32,265
Income tax benefit adjustment	6	804,108	543,738	307,988
Pro forma Profit/(Loss) after tax		(2,352,118)	(1,433,491)	37,264

Notes:

1. Incremental listed public company costs include increase in personnel payroll (excluding employee share option costs), Directors' fees, ASX annual fee, insurance, company secretarial, share registry and other additional costs associated with running a listed company.
2. Adjustment to reflect the application of AASB 16: Leases as if it had been in place since the start of FY2018. The Pro forma Historical Statement of Financial Performance will show depreciation relating to the right-of-use asset and interest relating to the lease liability rather than rent expense being shown as an operating expense. As a result of the adoption of AASB 16: Leases, operating expenses have decreased and amortisation and interest expense increased, and the timing of expense recognition will change due to the change from a straight-line rental expense to amortisation and interest expenses.
3. Removal of expensed capital raising costs, which are not related to the Offer.
4. This adjustment represents reversal of 2017 concessional R&D income given 2 years of such income was reported in 2018.
5. Reversal of interest expense on the existing convertible notes to reflect the capital structure of the Company upon completion of the Offer.
6. This adjustment represents annual recognition of income tax benefit considered probable of recovery from generation of future assessable income.

6.6 Statement of Financial Position

6.6.1 Statutory and Pro forma Historical Consolidated Statements of Financial Position

The table below sets out the Statutory Historical Consolidated Statement of Financial Position of MyDeal as at 30 June 2020, pro forma adjustments and the Pro forma Historical Consolidated Statement of Financial Position. The pro forma transactions comprise the effect of the issue of additional Convertible Notes since 1 July 2020, and the effect of completion of the Offer, as if all the pro forma transactions had occurred or were in place as at 30 June 2020.

The Pro forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes and is not represented as being necessarily indicative of the Company's view of its financial position upon completion of the Offer or at a future date. Further information on the sources and uses of the Offer proceeds is contained in Section 8.4.

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Table 4: Statutory and Pro forma Historical Consolidated Statement of Financial Position

		Statutory	Pro forma transactions				Pro forma
A\$	Notes	30 June 2020	Post 1 July 2020 Convertible Note issue	Impact of conversion of Convertible Notes	Impact of the Offer	Transaction cost	30 June 2020
Current assets							
Cash and cash equivalents	1	16,808,955	300,000		23,750,000	(3,041,329)	37,817,626
Receivables		736,716					736,716
Inventories	2	384,981			11,250,000		11,634,981
Other assets		782,408					782,408
Total current assets		18,713,060	300,000		35,000,000	(3,041,329)	50,971,731
Non-current assets							
Intangible assets		219,967					219,967
Plant and equipment		69,395					69,395
Lease Asset		280,749					280,749
Deferred Tax Asset		550,120					550,120
Total non-current assets		1,120,231					1,120,231
Total assets		19,833,291	300,000		35,000,000	(3,041,329)	52,091,962
Current liabilities							
Payables		13,694,627					13,694,627
Borrowings		12,667					12,667
Provisions		226,269					226,269
Lease liability		152,326					152,326
Current tax liability		32,520					32,520
Other liabilities		1,385,635					1,385,635
Total current liabilities		15,504,044					15,504,044
Non-current liabilities							
Borrowings	3	3,082,265	371,178	(3,453,443)			-
Provisions		34,775					34,775
Lease Liability		154,482					154,482
Total non-current liabilities		3,271,522	371,178	(3,453,443)			189,257
Total liabilities		18,775,566	371,178	(3,453,443)			15,693,301
Net assets		1,057,725	(71,178)	3,453,443	35,000,000	(3,041,329)	36,398,661
Equity							
Share capital	4	5,150,102		3,453,443	35,000,000	(3,041,329)	40,562,216
Accumulated losses	5	(4,092,377)	(71,178)				(4,163,555)
Total equity		1,057,725	(71,178)	3,453,443	35,000,000	(3,041,329)	36,398,661

Notes:

1. Adjustments to cash and cash equivalents includes anticipated cash proceeds from the Offer not immediately utilised, cash proceeds from convertible notes issued in FY2021 and estimated transaction costs.
2. Adjustment in inventory reflects proceeds from the Offer to be utilised to acquire inventory for the private label business.
3. Adjustments to borrowings reflects convertible notes issued by the Group which converts to equity at the IPO.
4. Adjustments to share capital reflects capital proceeds of the shares issued, the conversion of the convertible notes and capitalised transaction costs.
5. Adjustment to accumulated losses reflects the capitalised interest expense incurred on the convertible notes between 1 July 2020 and conversion at IPO.

6.7 Historical Consolidated Statement of Cash Flows

6.7.1 Statutory and Pro forma Historical Consolidated Statement of Cash Flows

The table below sets out the Statutory and Pro forma Historical Consolidated Statements of Cash Flows of the Company for the years ended 30 June 2018, 30 June 2019 and 30 June 2020. It is noted that the receipts from customers represents total cash received by MyDeal for facilitating transactions (which includes funds received on behalf of suppliers), with MyDeal's revenue (commission, transactions fees, advertising revenue, subscription fees, seller onboarding fees, refund fees and private label sales) being withheld from payments to suppliers.

Table 5: Statutory and Pro forma Historical Consolidated Statement of Cash Flows

A\$	Notes	Statutory			Pro forma		
		FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Cash flow from operating activities							
Receipt from customers	1	44,988,498	41,371,115	106,603,916	44,756,300	41,371,115	106,603,916
Payment to suppliers and employees	2	(47,682,168)	(41,317,281)	(94,611,324)	(49,188,552)	(42,747,802)	(95,763,545)
Interest received		68,352	32,817	22,080	68,352	32,817	22,080
Interest paid	3	(4,285)	(1,856)	(104)	(14,817)	(10,612)	(104)
Net cash provided by/(used in) operating activities		(2,629,603)	84,795	12,014,568	(4,378,717)	(1,354,482)	10,862,347
Cash flow from investing							
Payment for plant and equipment		(6,096)	(6,529)	(45,074)	(6,096)	(6,529)	(45,074)
Payment for intangibles		(98,418)	(22,550)	(278,733)	(98,418)	(22,550)	(278,733)
Net cash used in investing activities		(104,514)	(29,079)	(323,807)	(104,514)	(29,079)	(323,807)
Cash flow from financing activities							
Proceeds from borrowings				2,950,000	-	-	2,950,000
Repayment of borrowings		(11,955)	(13,637)	(24,919)	(11,955)	(13,637)	(24,919)
Principal portion of lease payment	4			(149,578)	(123,891)	(163,485)	(149,578)
Net cash used in financing activities		(11,955)	(13,637)	2,775,503	(135,846)	(177,122)	2,775,503
Reconciliation of cash							
Cash at beginning of the financial year		5,034,017	2,287,945	2,330,024	5,034,017	2,287,945	2,330,024
Net increase/(decrease) in cash held		(2,746,072)	42,079	14,466,264	(4,619,077)	(1,560,683)	13,314,043
Cash at end of financial year		2,287,945	2,330,024	16,796,288	414,940	727,262	15,644,067

Notes:

1. Pro forma adjustment relates to reversal of 2017 concessional R&D income given 2 years of such income was reported in 2018.
2. The pro forma adjustments include incremental listed public company costs, application of AASB 16: Leases and reversing actual rent paid.
3. Pro forma adjustment relates to notional interest based on the application of AASB 16: Leases.
4. Pro forma adjustment relates to principal repayment based on the application of AASB 16: Leases.

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6.7.2 Pro forma adjustments to the Statement of Cash Flows

Table 6: Pro forma adjustments to statutory net cash flows

A\$	Notes	FY2018	FY2019	FY2020
Cash flow from operating activities				
Statutory operating cash flow		(2,629,603)	84,795	12,014,568
Adjustment to Receipts from customers	1	(232,198)	-	-
Adjustment to Payment to suppliers and employees	2	(1,506,384)	(1,430,521)	(1,152,221)
Adjustment to Interest Paid	3	(10,532)	(8,756)	-
Pro forma operating cash flow		(4,378,717)	(1,354,482)	10,862,347
Cash flow from investing activities				
Statutory investing cash flow		(104,514)	(29,079)	(323,807)
Pro forma investing cash flow		(104,514)	(29,079)	(323,807)
Cash flow from financing activities				
Statutory financing cash flow		(11,955)	(13,637)	2,775,503
Adjustment to principal portion of lease payment	4	(123,891)	(163,485)	-
Pro forma financing cash flow		(135,846)	(177,122)	2,775,503
Statutory cash flow movement				
		(2,746,072)	42,079	14,466,264
Pro forma adjustment		(1,873,005)	(1,602,762)	(1,152,221)
Pro forma cash flow movement		(4,619,077)	(1,560,683)	13,314,043

Notes: Refer to table 5 notes.

6.8 Management discussion and analysis of the Financial Information

The below provides a discussion of key factors that affected MyDeal's operations and financial performance during FY2018, FY2019 and FY2020 and which MyDeal expects may continue to affect operating and financial performance in the future.

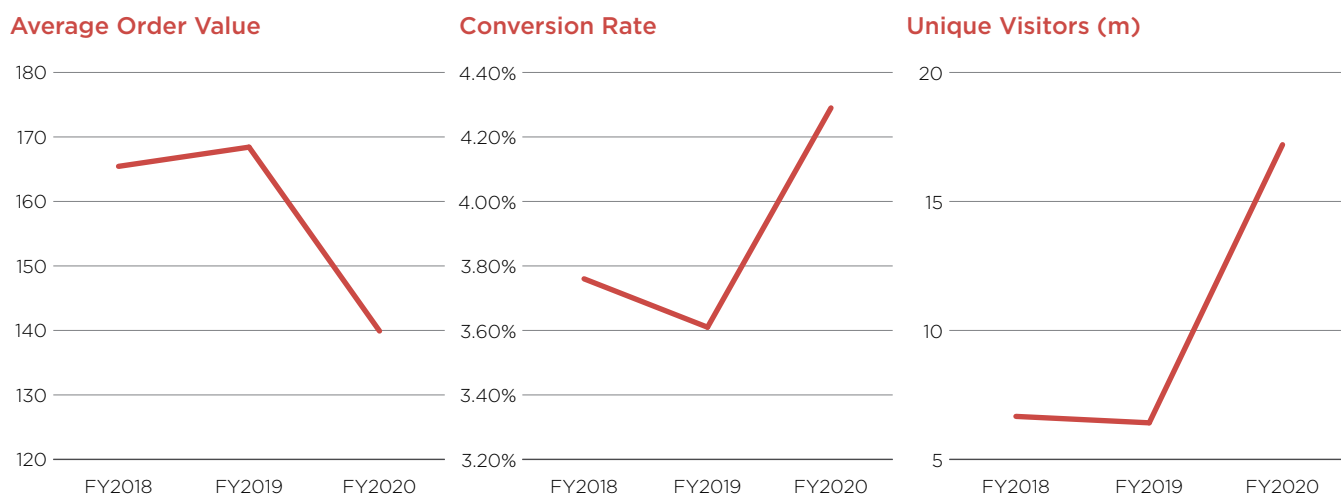
The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected the Company's historical operating and financial performance, nor everything that may affect the Company's operating and financial performance in the future.

The information in this section should be read in conjunction with the risk factors set out in Section 4 and the other information contained in this Prospectus.

6.8.1 Marketplace drivers

Gross Transaction Value (GTV) is the total value of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST. GTV is a function of the number of unique visitors to the MyDeal website, the conversion rate of those visitors and the average order value.

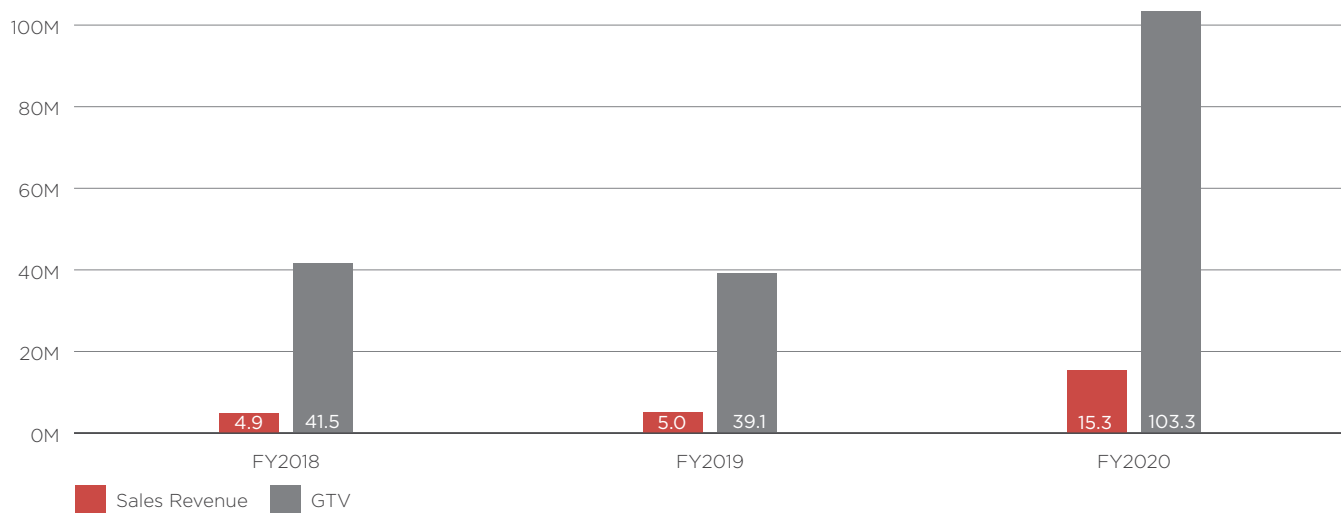
The following charts represent the historical trends of unique visitors, conversion rate and average order value.



As MyDeal is primarily an agent (facilitating sales between sellers and customers), rather than a principal seller, MyDeal does not recognise NTV (GTV after deducting refunds, chargebacks, discounts and coupons) as sales revenue. Rather, MyDeal recognises the following items as sales revenue:

- the commission charged on NTV attributed to third-party sellers; plus
- other fees it charges sellers (i.e. transaction fees, subscription fees, advertising revenue, seller onboarding fees); plus
- private label sales in which it acts as a principal seller (\$281,209 in FY2020).

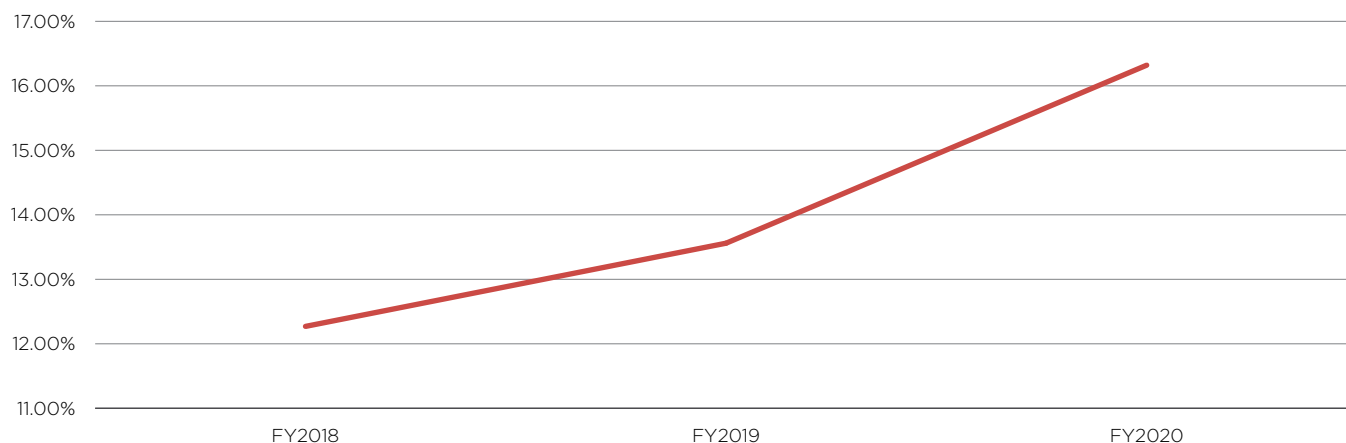
The following chart depicts MyDeal's GTV against its sales revenue in FY18, FY 19 and FY20 (in \$Am).



6 Financial Information

Take rate is calculated as sales revenue as a percentage of NTV. The following chart represents the historical trend of take rate.

Take Rate



6.8.2 Discussion of pro forma historical financial performance

Table 7 sets out below the Pro forma Historical Consolidated Financial Performance for FY2018 and FY2019.

Table 7: Selected pro forma historical results: FY2018 and FY2019

A\$	Pro forma		
	FY2018	FY2019	Change
Sales Revenue	4,853,675	4,961,221	107,546
Other revenue	644,296	439,663	(204,633)
Total Revenue	5,497,971	5,400,884	(97,087)
Advertising expense	2,097,990	1,835,033	(262,957)
Employee benefits expense	4,280,079	3,267,950	(1,012,129)
Merchant fees	459,348	442,598	(16,750)
Occupancy expense	12,729	25,135	12,406
Professional fees	286,788	178,149	(108,639)
Software expenses	412,632	507,608	94,976
Other expenses	871,818	887,387	15,569
EBITDA	(2,923,412)	(1,742,976)	1,180,436
Depreciation and amortisation expense	217,996	223,641	5,645
EBIT	(3,141,408)	(1,966,617)	1,174,792
Finance costs	14,817	10,612	(4,205)
Profit/(Loss) Before Tax	(3,156,225)	(1,977,228)	1,178,997
Income tax benefit/(expense)	804,108	543,738	(260,370)
Net profit/(Loss) after Tax	(2,352,118)	(1,433,491)	918,627

Revenue

In FY2019, and notwithstanding an 6% decrease in GTV, the Group recorded a modest increase in sales revenue of \$107,546. During FY2018 and FY2019, the Group focused on operational transformation and cost control to increase its business efficiencies by, inter-alia:

- streamlining onboarding of new sellers via a simple process which includes initial quality assurance and compliance;
- improving its customer service function with sellers now playing an active role in the customer service process; and
- automating some of its business processes to improve business efficiencies.

The Group allocated resources to the aforementioned activities as Management considered it needed to undertake improvements within the business prior to embarking on its next growth phase.

Operating expenses

The Group's total operating expenses of \$ 7,143,860 in FY2019 reflected a decrease of 15% relative to FY2018 attributable to, inter-alia, the following:

- advertising expenses: A decrease of 13% or \$262,957 in FY2019 reflected the reduced focus on growing the topline of the business and therefore less advertising spend; and
- employee benefits expense: A 24% or \$1,012,129 reduction in employee benefits expense costs reflected the improvements in business efficiencies and therefore lower headcounts needed to undertake the same level of operations.

EBITDA

Notwithstanding the modest increase in revenue, the EBITDA loss of \$1,742,976 in FY2019 was a material improvement on FY2018 reflecting an improvement of \$1,180,436 which can be largely attributed to the decrease in operating expenses as explained above.

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Loss after tax

The improvement in the FY2019 loss after tax was consistent with the improvement in EBITDA for that period. Table 8 sets out below the Pro forma Historical Consolidated Financial Performance for FY2019 and FY2020.

Table 8: Selected pro forma historical results: FY2019 and FY2020

A\$	Pro forma		
	FY2019	FY2020	Change
Sales Revenue	4,961,221	15,335,680	10,374,459
Other revenue	439,663	426,995	(12,668)
Total Revenue	5,400,884	15,762,675	10,361,791
Advertising expense	1,835,033	8,575,077	6,740,044
Employee benefits expense	3,267,950	3,573,265	305,316
Merchant fees	442,598	1,472,908	1,030,310
Occupancy expense	25,135	74,496	49,361
Professional fees	178,149	368,089	189,940
Software expenses	507,608	1,147,345	639,737
Other expenses	887,387	1,034,547	147,160
EBITDA	(1,742,976)	(483,052)	1,259,924
Depreciation and amortisation expense	223,641	286,228	62,587
EBIT	(1,966,617)	(769,280)	1,197,336
Finance costs	10,612	19,044	8,432
Profit/(Loss) Before Tax	(1,977,228)	(788,324)	1,188,904
Income tax benefit	543,738	825,588	281,850
Net profit/(Loss) after Tax	(1,433,491)	37,264	1,470,754

Revenue

In FY2020, the Group recorded a significant increase in sales revenue of \$10,374,459 off the back of 164% increase in GTV for that period (and by way of further support for the material increase in GTV, monthly GTV for April 2020, May 2020, June 2020 and July 2020 have been provided below). Subsequent to its operational transformation in FY2019, the Group's objectives were to increase revenue and grow market share.

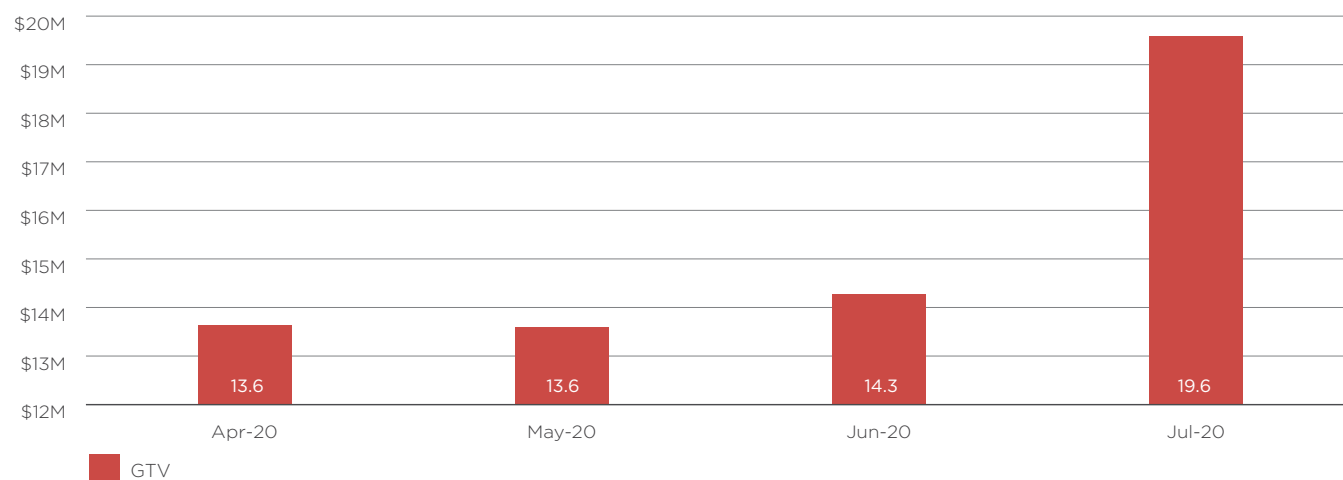
The increase in revenue was underpinned by the following:

- its upgraded platform infrastructure which made it easier for the business to onboard new sellers at scale;
- leveraging artificial intelligence to maximise its return on investment for its advertising initiatives;
- full year benefit of new revenue streams introduced to the business in FY19, including transactions fees, advertising revenue, subscription fees, onboarding fees and private label products; and
- the impact of COVID-19 in the second half of FY2020 which may have accelerated the adoption rate of online retail.

FY2020 sales revenue included private label sales of \$281,209, which were generated towards the tail end of FY2020 when MyDeal established its private label offering.

Monthly GTV for April 2020, May 2020, June 2020 and July 2020 are as follows:

GTV



Operating expenses

The Group's total operating expenses of \$ 16,245,727 in FY2020 reflected an increase of 127% relative to FY2019 attributable to, inter-alia, the following:

- advertising expenses: An increase of 367% or \$6,740,044 in FY2020 reflected the shift in focus back to growing the revenue and market share of the business;
- merchant fees: merchant fees are directly correlated to GTV and the increase in merchant fees by \$1,030,310 is in line with the significant growth in GTV experienced by the Group; and
- software expenses: the Group has also experienced a 126% increase in its software expenses in FY2020, which reflects the Group commitment in leveraging off technological advances such as artificial intelligence in assisting the Group in meeting its growth objectives.

EBITDA

The 127% increase in operating costs in FY2020 was more than offset by the strong revenue growth which resulted in a material EBITDA improvement in FY2020. The FY2020 EBITDA loss was \$483,052 representing a reduction in the EBITDA loss from FY2019 of \$1,259,924.

Profit after tax

The Group realised a modest profit after tax of \$37,264 for FY2020, which was consistent with the improvement in EBITDA for that period.

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6.8.3 Discussion of pro forma historical cash flows: FY2018 to FY2020

Table 9 sets out below the Pro forma Historical Consolidated Statement of Cash Flow for FY2018 and FY2019.

Table 9: Selected pro forma cash historical cash flow results: FY2018 and FY2019

A\$	Pro forma		
	FY2018	FY2019	Change
Cash flow from operating activities			
Receipts from customers	44,756,300	41,371,115	(3,385,185)
Payments to suppliers and employees	(49,188,552)	(42,747,802)	6,440,750
Interest received	68,352	32,817	(35,535)
Interest paid	(14,817)	(10,612)	4,205
Net cash provided by operating activities	(4,378,717)	(1,354,482)	3,024,235
Cash flow from investing activities			
Payment for plant and equipment	(6,096)	(6,529)	(433)
Payment for intangibles	(98,418)	(22,550)	75,868
Net cash used in investing activities	(104,514)	(29,079)	75,435
Cash flow from financing activities			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(11,955)	(13,637)	(1,682)
Principal portion of lease payments	(123,891)	(163,485)	(39,594)
Net cash provided by/(used in) financing activities	(135,846)	(177,122)	(41,276)
Reconciliation of cash			
Cash at beginning of the financial year	5,034,017	2,287,945	(2,746,072)
Net increase in cash held	(4,619,077)	(1,560,683)	3,058,393
Cash at end of financial year	414,940	727,262	312,321

Table 10: Selected pro forma cash historical cash flow results: FY2019 and FY2020

A\$	Pro forma		
	FY2019	FY2020	Change
Cash flow from operating activities			
Receipts from customers	41,371,115	106,603,916	65,232,801
Payments to suppliers and employees	(42,747,802)	(95,763,545)	(53,015,743)
Interest received	32,817	22,080	(10,737)
Interest paid	(10,612)	(104)	10,508
Net cash provided by operating activities	(1,354,482)	10,862,347	12,216,829
Cash flow from investing activities			
Payment for plant and equipment	(6,529)	(45,074)	(38,545)
Payment for intangibles	(22,550)	(278,733)	(256,183)
Net cash used in investing activities	(29,079)	(323,807)	(294,728)
Cash flow from financing activities			
Proceeds from borrowings	–	2,950,000	2,950,000
Repayment of borrowings	(13,637)	(24,919)	(11,282)
Principal portion of lease payments	(163,485)	(149,578)	13,907
Net cash provided by/(used in) financing activities	(177,122)	2,775,503	2,952,625
Reconciliation of cash			
Cash at beginning of the financial year	2,287,945	2,330,024	42,079
Net increase in cash held	(1,560,683)	13,314,043	14,874,726
Cash at end of financial year	727,262	15,644,067	14,916,805

Operating activity cash flow

Cash receipts from customers decreased from \$44,756,300 to \$41,371,115 from FY2018 to FY2019, which was in line with the focus of the Company to improve business efficiencies rather than pursuing revenue and market share growth. From FY2019 to FY2020, cash receipts from customers substantially increased from \$41,371,115 to \$106,603,916 representing a 158% increase. Given the close correlation between cash receipts from customers and GTV, such increase is in line with GTV and is underpinned by a shift of the Company strategies to pursue revenue and market share growth in FY2020 and the impacts of COVID-19 in the second half of FY2020 which may have accelerated the adoption rate of online retail.

From FY2019 to FY2020, payments to suppliers and employees changed by 124% from \$42,747,802 to \$95,763,545 compared to a 13% decrease in the previous period.

Overall, the Company has a positive working capital cycle given receipts are received from customers in advance of when the Company has remit payments to its sellers.

6 Financial Information

Changes in investing activities

In FY2020, as part of the Company's growth strategy and to improve its technological offering, the group has increased its investment in intangible assets by \$256,183.

Activities in financing cash flows

Proceeds from borrowing in FY2020 reflect the issuance of convertible notes that will convert to Shares on the Allotment Date.

6.8.4 Proposed Equity Incentive Plan

The Company has adopted an Equity Incentive Plan in order to assist in the motivation and retention of selected employees, officers or consultants of the Company. For a summary of the Equity Incentive Plan, refer to Section 5.7.

Subject to the necessary approvals, it is currently proposed that after listing on the Australian Securities Exchange, the Company issues up to 9,965,000 options under its Equity Incentive Plan in FY2021.

Should the proposed 9,965,000 options be issued under the Equity Incentive Plan, the Company is estimating to incur a Share Based Payment expense per the table below.

A\$	FY2021	FY2022	FY2023	FY2024	FY2025
Share Based Payment Expense	1,077,475	2,697,098	1,438,881	124,391	1,205

Given no options will be issued and no offer will be made by the Company prior to the completion of the Listing, and the proposed issue is subject to the necessary approvals post listing, the financial effect of this proposed issue of options has not been treated as a pro-forma adjustment.

6.9 Dividend policy

MyDeal intends to invest all cashflow into the business in order to maximise its growth over the next 24 months from Listing therefore no dividends are expected to be paid in the near-term. The payment of dividends by the Group is at the discretion of the Directors and will be a function of a number of factors including the general business environment, the operating results and financial condition of the Group, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Group, and any other factors that the Directors of the Group may consider relevant.

No assurances can be given by any person, including the Directors of the Group, about the payment of any dividend and the level of franking on any such dividend. The Group does not currently have in place any dividend reinvestment plan.

A modern kitchen scene with a dark countertop, blue cabinets, and a red overlay containing the section title. The kitchen features a dark countertop with various items including a coffee machine, a toaster, a vase with green flowers, and a sink. The background is a light blue wall with a red overlay on the right side.

Section 7

Investigating Accountant's Report

7 Investigating Accountant's Report



Pitcher Partners Corporate Pty. Ltd.

ABN 28 082 323 868
AFS LICENCE NO. 229841

Level 13, 664 Collins Street
Docklands, VIC 3008

Level 1, 80 Monash Drive
Dandenong South, VIC 3175

Postal address
GPO Box 5193
Melbourne, VIC 3001

p. +61 3 8610 5000

23 September 2020

The Directors
MyDeal.com.au Limited and
MyDeal.com.au SaleCo
Limited
Level 1water
446 Collins Street
Melbourne VIC 3000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON MYDEAL.COM.AU LIMITED'S HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

We have been engaged to report on the Historical Financial Information and Pro Forma Historical Financial Information of MyDeal.com.au Limited (the Company, or MyDeal) and its controlled entities (together, the **Group**) for the years ending 30 June 2018, 30 June 2019 & 30 June 2020. The Historical Financial Information has been prepared for inclusion in the Prospectus dated on or about 23 September 2020 to be issued by MyDeal and MyDeal.com.au SaleCo Limited in connection with the proposed issue and sale of ordinary shares in MyDeal (the Prospectus).

Unless otherwise defined in this report, expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) holds the appropriate AFSL under the *Corporations Act 2001*.

Background

The Group operates an online retail marketplace, MyDeal.com.au, earning a commission on the sales on this marketplace.

The principal purpose of this offering is to raise capital to accelerate growth initiatives. Proceeds from the offering will be used to expand the workforce to deliver growth initiatives, increase the current marketing expenditure, investment in inventory and promotion of "white label" brand and bolstering the balance sheet to further support these growth initiatives.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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.



pitcher.com.au

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate to review the following Historical Financial Information of the Group included in the Prospectus:

- the statutory historical consolidated statements of Financial Performance for the years ended 30 June 2018, 30 June 2019 & 30 June 2020;
- the statutory historical consolidated statement of Financial Position as at 30 June 2020; and
- the statutory historical consolidated statements of Cash Flows for the 30 June 2018, 30 June 2019 & 30 June 2020.

(collectively, the “Historical Financial Information”).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company’s adopted accounting policies. The Historical Financial Information has been extracted from the financial reports of the Group for the years ended 30 June 2018, 30 June 2019 & 30 June 2020, which was audited by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued unmodified audit opinions on these financial reports. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate to review the following pro forma historical financial information of the Group included in the Prospectus:

- the pro forma consolidated statements of Financial Performance for the years ended 30 June 2018, 30 June 2019 & 30 June 2020;
- the pro forma consolidated statement of Financial Position as at 30 June 2020; and
- the pro forma consolidated statements of Cash Flows for the 30 June 2018, 30 June 2019 & 30 June 2020

(collectively, the “Pro Forma Historical Financial Information”).

(the Historical Financial Information, together with the Pro Forma Historical Financial Information is the “Financial Information”)

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Group, after adjusting for the effects of pro forma adjustments described in section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the transactions to which the pro forma adjustments relate, as described in sections 6.5.3, 6.6.1 and 6.7.2 of the Prospectus, as if those transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the pro forma Historical Financial Information does not represent the company’s actual or prospective financial position, financial performance, or cash flows.

7 Investigating Accountant's Report

Directors' responsibility

The directors of MyDeal are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any Financial Information used as a source of the Financial Information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 6.1 of the Prospectus, and comprising:

- the statutory historical consolidated Statements of Financial Performance of the Group for the years ended 30 June 2018, 30 June 2019 & 30 June 2020;
- the statutory historical consolidated Statement of Financial Position as at 30 June 2020; and
- the statutory historical consolidated Statements of Cash flows for the years ended 30 June 2018, 30 June 2019 & 30 June 2020;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in section 6.1 of the Prospectus, and comprising:

- the pro forma consolidated statements of Financial Performance of the Group for the years ended 30 June 2018, 30 June 2019 & 30 June 2020;
- the pro forma consolidated statement of Financial Position as at 30 June 2020; and
- the pro forma consolidated statements of Cash flows for the years ended 30 June 2018, 30 June 2019 & 30 June 2020

are not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Restriction on Use

Without modifying our conclusions, we draw attention to section 6.2 of the Prospectus, which describes the purpose of the Financial Information prepared, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for another purpose.

Liability

Pitcher Partners Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Declaration of Interest

Pitcher Partners Corporate does not have any interest in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

PITCHER PARTNERS CORPORATE PTY LTD



S SCHONBERG

Executive Director and Representative

7 Investigating Accountant's Report



Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 13
664 Collins Street
DOCKLANDS VIC 3008
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Financial Services Guide

Version dated: 8 November 2018

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by MyDeal.com.au Limited to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you have the right to lodge a complaint with the Australian Financial Complaints Authority ("AFCA"). AFCA is a not-for-profit, approved external complaints resolution scheme which provides a free consumer service. Complaints may be submitted to AFCA at:

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1800 931 678
Fax: +61 3 9613 6399
Internet: <https://www.afca.org.au>

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.



Section 8

Details of the Offer

8 Details of the Offer

8.1 What is the Offer?

The Offer

The Company is offering for subscription 35 million New Shares under the Offer to raise in aggregate a total of \$35 million. The Shares are being offered at an issue price of \$1.00 per Share (**Offer Price**). SaleCo is offering 5 million Sell Down Shares under the Offer for sale at the Offer Price to raise in aggregate \$5 million, which will be paid to Selling Shareholders as set out in Section 8.2 below.

It is expected there will be 258.8 million Shares on issue at the time of Listing and all Shares will rank equally with each other. The rights and liabilities attaching to the Shares are set out in Section 10.7.

The Offer is made on the terms, and are subject to the conditions, set out in this Prospectus.

Structure of the Offer

The Offer comprises:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia, New Zealand, Hong Kong and Singapore and a number of other authorised jurisdictions to apply for Shares; and
- the Broker Firm Offer, which is open to Australian resident retail investors and sophisticated investors who have received a firm allocation from their broker.

No general public offer of Shares will be made under the Offer.

The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policies described in Sections 8.6 and 8.7.

The Offer Shares will be issued or transferred (as applicable) to successful Applicants on the Allotment Date.

The Company in consultation with the Joint Lead Managers reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

8.2 SaleCo

The Selling Shareholders have executed a sell down deed with SaleCo (**Sell Down Deed**) under which they have agreed to sell some of their Shares held as at the Prospectus Date. The total number of Shares which the Selling Shareholders have agreed to sell is 5 million (**Sell Down Shares**).

SaleCo is offering these Sell Down Shares for sale under the Offer, at the same price as the Company is offering new Shares under the Offer, being the Offer Price.

Under the Sell Down Deed, SaleCo will acquire the Sell Down Shares from the Selling Shareholders and transfer them to certain Applicants on the Allotment Date. The aggregate price payable by SaleCo to the Selling Shareholders for these Shares is the Offer Price multiplied by the number of Sell Down Shares that are acquired by SaleCo.

8.3 Is the Offer underwritten?

The Offer has been fully underwritten by the Joint Lead Managers and Underwriters pursuant to an Underwriting Agreement, under which the Joint Lead Managers and Underwriters have been appointed to arrange and manage the Offer and act as joint lead managers, bookrunners and underwriters of the Offer. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers and Underwriters to terminate the Underwriting Agreement, is set out in Section 9.10.

8.4 Use of Funds

Use of funds	\$	% of funds raised
Payment to Selling Shareholders	\$5.0 million	12.50%
Investment in Personnel	\$7.0 million	17.50%
Advertising and branding expenditure	\$11.5 million	28.75%
Inventory investment	\$11.25 million	28.13%
Working capital	\$2.25 million	5.62%
Costs of the Offer	\$3.0 million	7.50%
Total uses	\$40.0 million	100%

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Board believes that the Company's current cash reserves, its cashflow from existing operations, plus the net proceeds of the Offer will be sufficient to fund the Company's stated business objectives, including:

- growing MyDeal's private label business;
- continuing to invest in its proprietary technology including development and launching the MyDeal mobile apps; and
- investing in advertising to grow the MyDeal customer base and brand.

8.5 Summary terms of the Offer

What type of security is being offered?	Shares (being fully paid ordinary shares in the Company).
What rights and liabilities are attached to the security being offered?	A description of the Shares, including rights and liabilities attaching to them is set out in Section 10.7.
What is the Offer Price?	<p>The Offer Price per Share is \$1.00.</p> <p>Successful Applicants under the Broker Firm Offer and the Institutional Offer will pay the Offer Price for Shares acquired in the Broker Firm Offer and the Institutional Offer.</p>
What is the Offer Period?	<p>The key dates, including details of the Offer Period are set out on page 3 in the Important Dates section.</p> <p>The proposed opening date for acceptance of the Offer will be 1 October 2020 or such later date as may be prescribed by ASIC. The Offers are expected to remain open until 5:00 pm (AEST) 12 October 2020.</p> <p>The Directors reserve the right to open and close the Offer at any other date and time, without prior notice.</p> <p>No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.</p>

8 Details of the Offer

What are the cash proceeds to be raised?	<p>\$40 million will be raised if the Offer proceeds.</p> <p>Of this, the Company will receive \$35 million for the issue of the New Shares (prior to deductions for Offer costs) with \$5 million to be paid to the Selling Shareholders as proceeds for the sale of the Sell Down Shares.</p>
Is the Offer underwritten?	<p>The Offer is fully underwritten by the Joint Lead Managers.</p> <p>In the event the Company does not receive Applications for the full amount of 40 million Shares under the Broker Firm Offer and the Institutional Offer, the Joint Lead Managers and Underwriters will subscribe for, or procure subscriptions for any shortfall.</p> <p>Refer to Section 9.10 for full details of the Underwriting Agreement.</p>
Who can apply?	<p>The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Brokers and who have a registered address in Australia. You should contact your Broker to determine whether you can receive a firm allocation from them under the Broker Firm Offer.</p> <p>The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares under the Offer.</p>
What is the minimum and maximum Application size under the Broker Firm Offer?	<p>The minimum Application under the Broker Firm Offer and the Institutional Offer is \$2,000 for 2,000 Offer Shares, with incremental multiples of 500 Offer Shares (i.e. incremental multiples of at least \$500).</p> <p>There is no maximum Application under the Broker Firm Offer and the Institutional Offer.</p> <p>The Joint Lead Managers and Underwriters, in consultation with the Company, reserves the right to reject any Application or to allocate a lesser number of Shares than applied for.</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Company and the Joint Lead Managers and Underwriters having regard to the allocation policy outlined in Sections 8.6 and 8.7.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients. For further information on the Broker Firm Offer see Section 8.6. For further information on the Institutional Offer see Section 8.7.</p>
Will the Shares be quoted?	<p>The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List and will seek quotation of the Shares on ASX under the code 'MYD'. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 22 October 2020, subject to ASX confirmation.</p> <p>It is the responsibility of each Applicant to confirm their own holdings before trading on ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at its own risk.</p> <p>To the maximum extent permitted by law, the Company, SaleCo, the Directors of the Company and SaleCo, the Existing Holders, the Share Registry, the Corporate Adviser and the Joint Lead Managers and Underwriters disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their initial holding statements, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.</p>
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about 19 October 2020.</p>

Are there any escrow arrangements?	Yes. Refer to Section 10.9 in relation to the voluntary escrow arrangements that will apply after completion of the Offer.
Is there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. See Section 10.12 for details of various fees payable by the Company to the Corporate Adviser, Joint Lead Managers and Underwriters.
Are there any tax considerations?	The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. A general overview of the Australian taxation implications of investing in the Company is set out in Section 10.11. The information in Section 10.11 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.
What should you do with any enquiries?	The Prospectus and information about the Offer can be accessed in electronic form at investors.mydeal.com.au . If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser. If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 737 760 (within Australia) or (+61) 2 9290 9600 (outside Australia) between 8:30am and 5:30pm AEST.

8.6 Broker Firm Offer

Who can apply?

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. If you have received a firm allocation of Shares from your Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

How to apply?

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5:00pm (AEST) on the Closing Date or any earlier closing date as determined by your Broker.

Applications for Shares must be for a minimum of 2,000 Shares and payment for the Shares must be made in full at the issue price of A\$1.00 per Share. There is no maximum number or value of Shares that may be applied for under the Offer. However, the Company and the Joint Lead Managers reserve the right to reject or scale back any Applications in the Offer. The Company may determine a person to be eligible to participate in the Offer and may amend or waive the Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Offer opens at 9am (AEST) on 1 October 2020 and is expected to close at 5:00pm (AEST) on 12 October 2020. The Company and the Joint Lead Managers may elect to close the Offer or extend the Offer, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

8 Details of the Offer

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

Payment methods

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided to you by that Broker.

Acceptance of Applications

An Application in the Broker Firm Offer is an offer by the Applicant to apply for the amount of Shares specified in the Application Form, at the Offer Price on the terms and conditions set out in this Prospectus and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Joint Lead Managers, in agreement with the Company, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Application Monies

Application monies received under the Broker Firm Offer will be held in a special purpose bank account until Shares are issued to successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied, will be mailed a refund (without interest) for all or part of their Application Monies, as applicable. No refunds due solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on the Application Form.

Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers under the Broker Firm Offer will be determined by agreement between the Joint Lead Managers and Underwriters and the Company. It is a matter for Brokers as to how they allocate Shares among their retail clients. There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply.

The Company reserves the right in its absolute discretion to not issue Shares to Applicants under the Broker Firm Offer and may reject any Application or allocate a lesser amount of Shares than those applied for at its absolute discretion.

8.7 Institutional Offer

Who can apply?

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares. Application procedures for the Institutional Offer have been, or will be, advised to the Institutional Investors by the Joint Lead Managers and Underwriters. Shares acquired by Institutional Investors as part of the Institutional Offer will be allotted or transferred under this Prospectus.

Allocation policy under the Institutional Offer

The allocation of Shares for Institutional Investors applying for Shares in the Institutional Offer will be by agreement between the Joint Lead Managers and Underwriters and the Company. Participants in the Institutional Offer have been, or will be, advised of their allocation of Shares, if any, by the Joint Lead Managers and Underwriters.

The Company and Joint Lead Managers and Underwriters have absolute discretion regarding the basis of allocation of Shares among the Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had applied for.

The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Listing;
- the Company's desire to establish a wide spread of institutional shareholders;
- overall level of demand under the Broker Firm Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that the Company and the Joint Lead Managers and Underwriters considered appropriate.

8.8 Discretion regarding the Offer

The Company may withdraw the Offer at any time before settlement of the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid.

8 Details of the Offer

8.9 Substantial Holders

The table below sets out the interests of the Existing Holders as at the date of this Prospectus and immediately following the Offer who hold a substantial interest in Securities of the Company (that is, a relevant interest in Shares with voting power of 5% or more). The table does not reflect any Shares which the Existing Holders may subscribe for under the Offer.

	Date of Prospectus		Immediately following the Offer		Post grant of proposed Options	
	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares	Number of Shares (fully diluted)	Percentage of Shares (fully diluted)
Sean Senvirtne as trustee for Kandy Temple Trust ¹	131.8 million	60.0%	126.9 million	49.0%	132.3 million	49.2%
Gandel Invest	49.9 million	22.7%	51.4 million	19.9%	51.4 million	19.1%
Silver Globe	34.5 million	15.7%	34.5 million	13.3%	34.5 million	12.8%
Total	216.2 million	98.5%	212.8 million	82.2%	218.2 million	81.1%

1. Includes 4.39 million Shares held by, and 1.45 million Options proposed to be granted to, Kate Dockery, Sean Senvirtne's partner.

8.10 ASX listing

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the official list of ASX and for its Shares to be granted official quotation by ASX. The Company is not currently seeking a listing of its Shares on any stock exchange other than ASX.

The fact that ASX may admit the Company to the official list of ASX and grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies received by the Company will be refunded without interest as soon as practicable.

8.11 CHESS and issuer sponsored holdings

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following the Allotment Date, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Security holders Holder Identification Number (HIN) for CHESS holders or, where applicable, the Security holders Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

8.12 Tax implications of investing in the Company

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A general overview of the Australian taxation implications of investing in the Company are set out in Section 10.11 and are based on current tax law and ATO tax rulings. The information in Section 10.11 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

8.13 Foreign selling restrictions

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

Offer only made where lawful to do so

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Prospectus who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

8 Details of the Offer

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

8.14 Further information

The Prospectus and information about the Offer can be accessed in electronic form at investors.mydeal.com.au.

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 737 760 (within Australia) or (+61) 2 9290 9600 (outside Australia) between 8:30am and 5:30pm AEST.

8.15 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated or transferred in a way described in this Prospectus) or no Shares at all;
- authorised the Company, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that the Company does not intend to pay dividends in the near term and that any dividends paid in the future may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold, pledged, transferred in the United States, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

Section 9

Material Contracts



9 Material Contracts

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.1 Seller Terms and Conditions

MyDeal acts as a limited agent of the seller to provide a facility (the online marketplace) for the sale of products and vouchers by sellers to end customers. The agency is limited to facilitating the transactions between sellers and customers by making available the marketplace platform, collecting payments from customers and remitting such payments to sellers (after deducting its commission and any other transaction fees), and providing certain support services.

Each seller is granted a limited, non-exclusive, non-transferable, revocable, royalty-free licence to use the MyDeal marketplace, subject to, among other things:

- the seller meeting or exceeding the obligations and service level performance criteria contained in the service level agreement, which forms part of a seller's agreement with MyDeal; and
- the seller complying with all applicable laws, regulations and codes (including the *Competition and Consumer Act 2010* and the Australian Consumer Law), and not infringing the intellectual property rights of any person.

The seller is responsible for the supply and delivery of products to customers. Under the terms, sellers indemnify MyDeal against certain losses and damage including any loss or damage arising out of any wrongful use of the marketplace by sellers, breach of the seller terms and conditions or any law and any claims by customers or other third parties arising out of an act, omission or negligence of the seller.

MyDeal may terminate or suspend a seller's account, or remove any product or voucher listing from the marketplace, at any time in its sole and absolute discretion.

9.2 User Agreements

MyDeal's relationships with customers are regulated by the terms of its standard user agreement. This agreement acknowledges that MyDeal acts as a limited agent only as described above, that MyDeal is not responsible for the delivery and supply of products and vouchers purchased on the marketplace and that by purchasing a product or voucher on the marketplace the user is entering into a legal binding agreement with the relevant seller.

Under the user agreement, MyDeal guarantees that:

- the customer will receive the products they purchase; and
- the products will match the description on the marketplace.

These guarantees are limited to a full refund of the purchase price, including delivery charges. This refund guarantee policy is subject to certain conditions including that the customer has first contacted the relevant seller in attempt to resolve any problem with their order.

9.3 AWS Customer Agreement

The MyDeal online marketplace platform is hosted and supported by Amazon Web Services, Inc (**AWS**). The terms and conditions governing the provision of these hosting and other services by AWS are on AWS' standard terms. These standard terms provide that:

- MyDeal is responsible for its end users (being the users of its marketplace platform) and is required to ensure that any such user complies with MyDeal's obligations under its customer agreement with AWS.
- AWS may change or discontinue the services from time to time. AWS must provide 12 months' notice prior to discontinuing any material functionality of a service used by MyDeal, except in certain circumstances such as where it would be economically or technically burdensome.

9 Material Contracts

- AWS may suspend MyDeal's access to the services without prior notice in certain circumstances, including if it determines that MyDeal or a user of MyDeal's marketplace platform is in breach of the customer agreement, including its payment obligations, or if MyDeal or a user of MyDeal's marketplace platform poses a security risk to AWS' services or a third party, could adversely impact AWS' systems or the systems or content of any other AWS customer or could subject AWS, its affiliates or any third party to liability.
- AWS may terminate MyDeal's customer agreement for convenience at any time on 30 days' notice, or for cause without prior notice. AWS' right to terminate for cause includes if any of AWS' third party providers who provide software or technology as part of AWS' services expires or terminates, or if AWS has a right to suspend MyDeal's access to the services.
- MyDeal indemnifies and agrees to hold AWS harmless for and against any losses it may suffer in a broad range of circumstances, including in respect of MyDeal's use of the AWS services, a breach of MyDeal's customer agreement or a breach of law by MyDeal or a user of MyDeal's marketplace platform.
- The services are provided by AWS 'as is'. Except as required by law, AWS makes no warranties in respect of the services, including that the services will be uninterrupted, error free or free from harmful components or that any content will be secure. AWS' liability in connection with the services is largely excluded to the fullest extent permitted by law, and where such liability cannot be excluded is limited to any fees paid in the 12 months before the liability arose.
- AWS can amend the terms at any time, provided that it must provide 90 days notice before making any adverse changes to a service level agreement.

9.4 Salesforce Marketing Cloud

E-Com has entered into a fixed term contract with SFDC Australia Pty Ltd ABN 91 109 182 989 (**Salesforce**) which expires on 10 June 2024 for subscriptions to certain 'Salesforce Marketing Cloud' branded and other ancillary services and products, being a marketing platform that has multiple tools for managing customer interactions (including through automation) across various channels including email, SMS and digital advertising (**Salesforce Agreement**). These services are provided on Salesforce's standard terms. The standard terms which form part of the Salesforce Agreement provide that:

- The term of the Salesforce Agreement for the relevant services will automatically renew for 1 year unless E-Com gives notice at least 30 days prior to the end of the expiry of the Salesforce Agreement, at the then applicable list price.
- The Salesforce Agreement may be terminated by either party for cause, being a material breach of the Salesforce Agreement by the other party that has not be cured within 30 days of that party receiving written notice of the breach or the other party becoming the subject of certain insolvency events. If Salesforce terminates the agreement for cause, E-Com must pay any unpaid fees for the remainder of the term of the Salesforce Agreement. If E-Com terminates the agreement for cause, it is entitled to be refunded any prepaid fees, but must pay any fees payable for the period up to termination.
- Salesforce warrants that during the term the administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of customer data, being data and information submitted by or for E-Com to the services, will be as described in certain documentation, that it will not materially decrease the overall security of the services or the overall functionality of the services (excluding third party applications that interoperate with a service) and that the services will perform materially in accordance with certain documentation. Salesforce otherwise disclaims all warranties in respect of the services.
- E-Com's exclusive remedy for a breach of these warranties is termination, in accordance with the termination for cause provision described above.
- Each party's liability under the Salesforce Agreement (other than E-Com's liability to pay the agreed fees, but including under the indemnities) is limited to the total amount paid by E-Com for the services in the 12 months preceding the date on which the liability arose, and neither party is liable to the other party for any loss of profits, revenue or goodwill or any indirect or consequential loss.

9.5 Agreement with Zendesk

E-Com has entered into a 1 year contract with Zendesk for a subscription to certain customer support software and services. The term of the subscription expires on 8 October 2020. Under the terms and conditions of this subscription:

- Zendesk may modify the features and functionality of the services during the term of the subscription, but must provide commercially reasonable advance notice of any deprecation of any material feature or functionality.
- Zendesk may amend the terms and conditions from time to time by providing 10 days prior notice.
- The subscription will automatically renew for a further 1 year term, at the then applicable rates, unless notice is given at least 30 days prior to the end of the term.
- A party may terminate if the other party is in material breach and that breach has not been cured within 30 days of that party receiving notice of the breach, or if a party is subject to certain insolvency related events. If E-Com terminates the agreement, it is entitled to a refund of any prepaid fees relating to the period after termination.
- Zendesk must maintain appropriate administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of data submitted and stored into the services in accordance with certain published policies.
- The services are provided on an 'as is' and 'as available' basis by Zendesk. Other than a limited warranty in respect of the performance of the services and to the maximum extent permitted by law, Zendesk disclaims all warranties in respect of the services, and limits its liability to the subscription charges paid by E-Com in respect of the 12 months prior to the event giving rise to liability.
- The agreement is governed by the laws of the State of California.

9.6 eStore Logistics

Duke Living entered into a logistics services agreement with eStore Logistics Pty Ltd ACN 133 521 972 (**eStore**) on 4 June 2020, under which eStore provides logistics services such as warehousing, distribution and transport (**Logistics Agreement**).

Under the Logistics Agreement, Duke Living has agreed to exclusively use eStore for warehousing, distribution and logistics services in Australia during the term. The logistics services are provided at certain agreed rates, which are subject to fixed annual increases each calendar year. Duke Living is required to procure a minimum quantity of services monthly.

The Logistics Agreement commenced on 1 May 2020 and continues for a term of one year. The Logistics Agreement is renewable for a further period of one year upon written agreement of the parties. Either party may terminate the Logistics Agreement for convenience on three months written notice, or immediately following an event of default occurring in respect of the other party, such as a breach of a material provision of the Logistics Agreement which is not cured within 10 business days.

Duke Living has provided an indemnity under the Logistics Agreement for any loss or damage suffered by eStore in respect of a claim from a third party arising from or connected to a breach of the Logistics Agreement by E-Com, E-Com's negligence or wilful misconduct or there being a defect or fault in any stock or any leakages or emissions from any stock.

9.7 Shopify Partner Agreement

E-Com is party to an agreement with Shopify Inc. dated 14 August 2018, under which Shopify provides E-Com a right to use its order creation API so as to allow MyDeal to provide an application which allows merchants to integrate their Shopify business with MyDeal's marketplace (**Shopify App**).

The agreement provides for a revenue sharing arrangement in respect of sales created on the Shopify App. Shopify has the right to modify the agreement at any time, but must give reasonable notice prior to modifying the fees or making a significant change.

9 Material Contracts

The agreement automatically renews for successive 1 year periods unless either party gives the other party at least 30 days' written notice of non-renewal prior to the end of the current term. The current term of the agreement expires on 13 August 2021. Shopify has the right to terminate the agreement for convenience by providing 30 days' written notice to E-Com. Each party has the right to terminate the agreement if the other party is in material breach and fails to cure that breach within 30 days of receiving a notice requesting it to do so.

The Shopify API is provided 'as is' and Shopify makes no warranties, and disclaims all express or implied warranties, in respect of the API, including that it will be error-free or free from harmful components.

Shopify's liability under the agreement is excluded, and any liability which cannot be excluded is limited to the fees that were paid by E-Com in the six months preceding the event giving rise to the claim. The agreement includes a broad indemnity in favour of Shopify.

Shopify has the right to remove the Shopify App from the Shopify App Store at any time for any reason, and to terminate or suspend access to the API at any time. Shopify reserves the right to update the API from time to time, and E-Com is required to use the most current version at all times, which may require it to make changes to the Shopify App.

The agreement is governed by the laws of the Province of Ontario and the laws of Canada.

9.8 Access ChannelAdvisor Agreement

E-Com is party to an agreement with ChannelAdvisor (AU) Pty Ltd (**ChannelAdvisor**) dated 15 May 2018, pursuant to which ChannelAdvisor provides marketplace management software and services to E-Com, principally an integration solution which help sellers efficiently upload products to the MyDeal marketplace platform, update uploaded products and manage orders for such products.

E-Com pays ChannelAdvisor an annual maintenance fee and monthly fees based on a percentage of the value of merchandise processed via the ChannelAdvisor integration.

The agreement automatically renews for successive 1 year periods unless either party gives the other party at least 180 days written notice of non-renewal prior to the end of the current term. The current term of the agreement expires on 15 May 2021.

No services warranties are provided by ChannelAdvisor. Accordingly, E-Com has little rights available if, for example, the ChannelAdvisor integration experiences any interruptions or failures.

Under the agreement, E-Com is responsible for maintaining the availability and reliability of certain components necessary to enable integration with the ChannelAdvisor platform. ChannelAdvisor may issue non-compliance notices in the event that there is any availability or reliability failures on the part of E-Com in maintaining such components. If such a failure is not repaired within a prescribed cure period (which varies according to the severity of the incident) or is considered an extreme high severity incident, ChannelAdvisor may suspend the integration and impose certain non-compliance fees.

Except for certain exempt claims, each party's liability under the agreement is limited to the sum of \$25,000 and neither party is liable to the other for any indirect or consequential loss. Mutual indemnities are given by the parties for certain third party claims, for example intellectual property infringement.

9.9 Lease

E-Com is party to a lease with Twinkle Investments Pty Ltd ACN 604 735 631 dated 7 April 2016 (**Lease**) under which it leases office space located at Level 1, 446 Collins Street, Melbourne, Victoria. The Lease expires on 15 April 2022.

Under the Lease, E-Com pays an annual rent, which is increased annually by a fixed percentage, plus contributions to building outgoings. The rent is payable monthly in advance. Under the Lease, E-Com receives a rental incentive which is being taken predominately in the form of a rental abatement until 16 April 2021. If the lease is terminated before this date due to E-Com's default, a proportionate part of the incentive will be repayable.

Events of default include a failure to pay rent when due, a failure to meet any other obligation under the Lease and certain insolvency events occurring in respect of E-Com.

9.10 Underwriting Agreement

The Offer is fully underwritten by the Joint Lead Managers pursuant to an underwriting agreement dated on or around the date of this Prospectus between the Joint Lead Managers, the Company and the SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to joint lead manage the Offer and act as underwriters for the Offer.

For the purpose of this Section 9.10, Offer Documents includes (amongst others) the following documents:

- the pathfinder prospectus (**Pathfinder**) for the Offer and any document that supplements or replaces the Pathfinder;
- this Prospectus (including any supplementary or replacement prospectus) and any Application Form; and
- any investor presentation, roadshow presentation or marketing presentation used in connection with the Institutional Offer or the Broker Firm Offer.

Fees and expenses

Subject to the Joint Lead Managers satisfying their underwriting obligations under the Underwriting Agreement, the Company has agreed to pay the Joint Lead Managers a management fee of 2.0% of the proceeds of the Offer and an underwriting fee equal to 3.0% of the proceeds of the Offer. The fees will be split evenly between the Joint Lead Managers.

In addition, each Joint Lead Manager has agreed to reimburse the Company an amount of \$32,500 (being in aggregate 2.0% of the offer proceeds raised under the Offer from investors introduced by the Company), and an amount of \$100,000 of the underwriting fee received from the Company.

Termination events

If any of the following events occur before 4.00pm on the settlement date for the Offer, any Joint Lead Manager may, at any time by notice given to the Company, SaleCo and the other Joint Lead Manager immediately, without cost or liability, terminate the Underwriting Agreement:

- a statement in the Prospectus is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from the Prospectus (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- the Company or SaleCo:
 - › issues or, in the reasonable opinion of the terminating Joint Lead Manager, is required under section 719 of the Corporations Act to lodge a Supplementary Prospectus; or
 - › lodges a Supplementary Prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers in circumstances required by the Underwriting Agreement;
- at any time the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the close of the Bookbuild and stays at or below that level for at least 2 consecutive trading days;
- any voluntary escrow deed is withdrawn, varied, terminated, rescinded, altered, amended or breached or failed to be complied with, other than with the consent of the Joint Lead Managers;
- the Company or SaleCo or any of their directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;

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- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions or conditions reasonably satisfactory to the Company and the Joint Lead Managers, to:
 - › the Company's admission to the official list of ASX on or before the listing approval date; or
 - › the quotation of all of the Company's Shares, including the Offer Shares, on ASX or for the Company's Shares, including the Offer Shares, to be traded through CHESS on or before the Quotation Date,or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions or conditions reasonably satisfactory to the Company and the Joint Lead Managers) or withheld;
- any of the following notifications are made in respect of the Offer:
 - › ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
 - › ASIC holds a hearing under section 739(2) of the Corporations Act;
 - › an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document; or
 - › any person (other than the Joint Lead Managers) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent;
- the Company or SaleCo does not provide a Closing Certificate as and when required by the Underwriting Agreement;
- if all or any part of the contracts that are material to the business of the Group or any of the material contracts summarised in Section 9 (other than standard term user and seller agreements):
 - › is terminated (other than expiration of the Zendesk agreement);
 - › ceases to have effect, otherwise than in accordance with its terms; or
 - › is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
- the Company or SaleCo withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- SaleCo or any Group Member becomes insolvent, or there is an act or omission which is likely to result in a Group Member becoming insolvent;
- an event specified in the Offer timetable up to and including the Settlement Date is delayed by more than 2 Business Days (other than a delay agreed to between the parties or permitted under the Underwriting Agreement);
- the Company is prevented from allotting and issuing (as applicable) the Offer Shares or SaleCo is prevented from transferring sale Shares within the time required by the Offer timetable, the Offer Documents, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- the Company, without the prior written consent of the Joint Lead Managers:
 - › alters the issued capital of the Company or a Group Member (other than pursuant to an employee share or option plan or other issue described in the Prospectus or as permitted under the Underwriting Agreement); or
 - › disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group Member (other than as permitted under the Underwriting Agreement);
- if a regulatory body withdraws or revokes; or amends, any regulatory approvals required for any of the Company or SaleCo to perform its obligations under this Agreement or to carry out the transactions contemplated by the Offer Documents;

- there is after execution of this Agreement an event, occurrence or non-occurrence, or development of an existing event, occurrence or non-occurrence, which makes it illegal or, in the case of an event, occurrence or non-occurrence that makes it commercially impracticable for the Joint Lead Managers to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of Offer Shares, or that causes the Joint Lead Managers to delay satisfying a material obligation under the Underwriting Agreement, including:
 - › any acts, statute, order, rule, regulation, directive or requirement of any governmental authority, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
 - › any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, bargo, action or inaction by a governmental authority, or any other event similar to those mentioned above;
- any director of the Company, Josh Mangan (COO) or Dean Ramler (Chief Merchandising Officer) vacates their office or there is any change in the persons holding the offices that they hold on the date of this agreement;
- any of the following occur:
 - › a director or proposed director named in the Pathfinder or Prospectus of the Company is charged with an indictable offence;
 - › any governmental agency commences any public action against the Company or SaleCo any of their respective directors in their capacity as a director of the Company, or announces that it intends to take action; or
 - › any director or proposed director named in the Pathfinder or Prospectus of the Company is disqualified from managing a corporation under Part 2D.6.

Further, if any of the following events occur before 4.00pm on the settlement date of the Offer, a Joint Lead Manager may only terminate the Underwriting Agreement if the Joint Lead Manager has reasonable grounds to believe that the event (a) has or is reasonably likely to have a materially adverse effect on the success, settlement, outcome or marketing of the Offer or on the ability of the Joint Lead Manager to market, promote or settle the Offer, or the willingness of investors to subscribe for the Offer Shares, or (b) will, or is likely to give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention or involvement of contravention of an applicable law by the Joint Lead Manager or its affiliates:

- a statement in any of the Offer Documents (other than the Prospectus) is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from the Offer Document (other than the Prospectus) (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- any person (other than the Joint Lead Managers) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- in the reasonable opinion of the terminating Joint Lead Manager, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Documents which relate to a future matter, or any statement or estimate in the Offer Documents which relate to a future matter is unlikely to be met in the projected timeframe;
- if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or any of the Material Contracts, are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Joint Lead Manager) or if all or any part of such contract is amended or varied without the prior written consent of the Joint Lead Managers or is breached;
- if any of the standard term user or seller agreements summarised in Section 9:
 - › is terminated;
 - › ceases to have effect, otherwise than in accordance with its terms; or
 - › is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal;

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- the Due Diligence Report or verification material or any other information supplied by or on behalf of the Company or SaleCo to the Joint Lead Managers in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those respectively disclosed in any Offer Document or the public information;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, Hong Kong, Singapore or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Agreement);
- there is a contravention by the Company or SaleCo or any other Group Member of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts) or any other applicable law or regulation;
- any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act or any other applicable law or regulation;
- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company or SaleCo (whether jointly or severally) is breached, becomes not true or correct or is not performed;
- the Company or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;
- the Company varies any term of its constitution without the prior written consent of the Joint Lead Managers;
- the commencement of legal proceedings against the Company, SaleCo, any other Group Member or against any director of the Company or any other Group Member in that capacity;
- any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a Group Member to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Hong Kong, Singapore, the People's Republic of China, the United States, the United Kingdom, South Korea, the Democratic People's Republic of Korea, a member state of the European Union or Russia, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- a statement in any Closing Certificate is false, misleading, inaccurate or untrue or incorrect; and
- any of the following occurs:
 - › a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - › any adverse effect on the financial markets in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong or the United States, or in foreign exchange rates or any development involving a prospective change or break up in political, financial or economic conditions in any of those countries; or
 - › trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading (including the occurrence of a Level 3 cross-market trading halt).

Conditions, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers as well as common conditions precedent, including the receipt by the Joint Lead Managers of the final, signed due diligence committee report and that ASX will grant certain waivers and ASIC will grant certain modifications in relation to the Offer.

The representations and warranties given by the Company and SaleCo relate to matters such as conduct of the Company and SaleCo, power and authorisations, information provided by the Company and SaleCo, information in this Prospectus and compliance with laws and the ASX Listing Rules. The Company also provides additional representations and warranties in connection with the business and affairs of the Company including in relation to litigation, working capital and insolvency.

The Company's undertakings include that it will not, until 120 days after Completion, issue (or agree to issue) or indicate in any way that it may or will issue or agree to issue any Shares or other securities that are convertible or exchangeable into Shares without the prior consent of the Joint Lead Managers. This undertaking is subject to certain exceptions, including any issue made pursuant to this Prospectus, an employee share plan or conversion of securities described in the Prospectus.

Indemnity

Subject to certain exclusions relating to, among other things, fraud, gross negligence, wilful default or wilful misconduct of any indemnified party, the Company agrees to keep the Joint Lead Managers and any of its related bodies corporate and affiliates and its representatives indemnified from losses suffered by them in connection with the Offer or the appointment and role of the Joint Lead Managers pursuant to the Underwriting Agreement.

Section 10

Additional Information

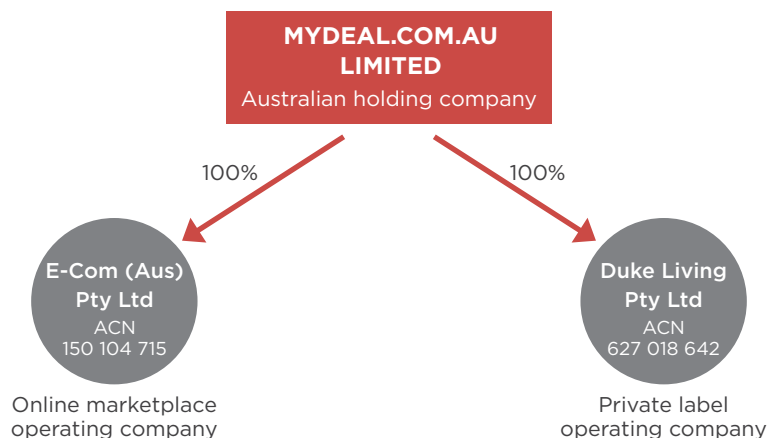


10 Additional Information

10.1 Incorporation

The Company was incorporated in Victoria, Australia, on 2 April 2020 and converted to a public company on 14 August 2020.

10.2 Group structure



The subsidiaries of the Company were each incorporated in Victoria, Australia.

10.3 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

Class of Security	Number
Shares	219,490,369
Convertible Notes	3,350,000

10.4 Capital structure following the Offer

On the Allotment Date all of the Convertible Notes will be automatically converted into Shares in accordance with the terms of issue of the Convertible Notes. The Company will issue 4,336,937 Shares on the conversion of the Convertible Notes.

As at the Allotment Date, the issued share capital of the Company will comprise the following:

Class of Security	Number
Shares	258,827,306

10.5 Options

The Board intends to make initial grants of Options to Directors, members of the executive team, certain other key employees of the Group and an external consultant after Listing. The Options will be issued for a nil issue price. Each new Option will entitle the holder to subscribe for one Share at the specified exercise price. These grants of Options will be made under the new Equity Incentive Plan. See Section 5.7 for a summary of the Equity Incentive Plan and details of the proposed grants to directors and employees. See Section 10.12 for details of the proposed grants to a consultant. It is anticipated that these grants will be made within 6 months of Listing.

10 Additional Information

10.6 SaleCo

SaleCo has been established to facilitate the sale of some of the Shares held by the Selling Shareholders. SaleCo was incorporated in Victoria, Australia on 14 August 2020. It is a special purpose vehicle. The sole shareholder is Sean Senvirtne, the founder of MyDeal. The directors of SaleCo are Sean Senvirtne, Chris Tait and Paul Greenberg.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement described in Section 9.10 and the Sell Down Deed described in Section 8.2.

10.7 Rights attaching to the Shares

Immediately after issue and allotment, the Shares will be fully paid and will rank *pari passu* with the Shares currently on issue.

Detailed provisions relating to the rights attaching to the Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Company's Constitution, free of charge by contacting the Company on (+61) 3 9999 1091.

The key provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below:

Each Share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (as at Listing there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the ASX Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

10.8 Existing Holders

The table below sets out the interests of the Existing Holders as at the date of this Prospectus and immediately following the Offer. The table does not reflect any Shares which the Existing Holders may subscribe for under the Offer.

	Date of Prospectus		Immediately following the Offer	
	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares
Sean Senvirtne as trustee for Kandy Temple Trust ¹	131.8 million	60.0%	126.9 million	49.0%
Gandel Invest	49.9 million	22.7%	51.4 million	19.9%
Silver Globe	34.5 million	15.7%	34.5 million	13.3%
Other Existing Shareholders	3.3 million	1.6%	3.2 million	1.2%
Holders of Convertible Notes (excluding Gandel Invest)	–	–	2.8 million	1.1%
New Shareholders	–	–	40.0 million	15.5%
Total	219.5 million	100%	258.8 million	100%

1. Includes 4.39 million Shares held by Kate Dockery, Sean Senvirtne's partner.

10.9 Escrow Arrangements

Certain Existing Holders will be restricted from dealing in their Shares under voluntary escrow agreements with the Company. The table below sets out the periods during which certain Shareholders are restricted from dealing in their Shares pursuant to the above restrictions immediately following completion of the Offer.

Holder	Number of Shares held after completion of the Offer	% of share capital after completion of the Offer	Number of Shares subject to escrow on completion of the Offer	% of Shares subject to escrow after completion of the Offer	No of Shares released from escrow 12 months post IPO	No of Shares released from escrow 18 months post IPO	No of Shares released from escrow 24 months post IPO
Sean Senvirtne ^{1,2}	126.88 million	49.02%	126.88 million	100%	19.03 million	–	107.85 million
Gandel Invest	51.44 million	19.87%	25.72 million	50%	25.72 million	–	–
Silver Globe	34.51 million	13.33%	29.34 million	85%	–	14.67 million	14.67 million
Former Employees ¹	3.20 million	1.24%	2.72 million	85%	–	1.36 million	1.36 million
Management	1.62 million	0.63%	1.62 million	100%	0.24 million	–	1.38 million
Henslow related Shareholders	0.10 million	0.04%	0.10 million	100%	0.10 million	–	–
Paul Greenberg	0.59 million	0.23%	0.59 million	100%	0.09 million	–	0.50 million
James Joughin	0.13 million	0.05%	0.13 million	100%	0.02 million	–	0.11 million
Chris Tait	0.03 million	0.01%	0.03 million	100%	0.00 million	–	0.03 million
Joene Baker	0.06 million	0.02%	0.06 million	100%	0.01 million	–	0.05 million
Total			187.19 million	72.3%	45.21 million	16.03 million	125.95 million

1. Excludes Shares being sold under the Sell Down Deed.

2. Includes 4.39 million Shares held by Kate Dockery, Sean Senvirtne's partner.

Immediately following Listing, the Company's free float will be 27.7%. In aggregate, 187.2 million Shares representing approximately 72.3% of total Shares on issue immediately following Listing will be subject to voluntary escrow arrangements.

As set out in Sections 5.7 and 10.12, the Company proposes to grant a number of Options post-Listing. Certain of these Options and the Shares issued on their exercise will also be subject to voluntary escrow arrangements.

10 Additional Information

See Sections 5.7 and 10.12 for details of the voluntary escrow arrangements in respect of the proposed Options. Shareholders that have agreed to voluntary escrow arrangements may be released early from those restrictions to enable:

- (a) the Shareholder to accept an offer under a takeover bid in relation to their escrowed Shares, or to tender its Shares into a bid acceptance facility established in connection with a takeover bid, if holders of at least half of the Shares the subject of the bid that are not held by the escrowed Shareholders, have accepted the takeover bid or tendered (and not withdrawn) their Shares into the bid acceptance facility;
- (b) the escrowed Shares held by the escrowed Shareholders to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act which has received all necessary approvals;
- (c) a buyback of Shares or similar process which has been made available to holders of Shares on a pro rata basis; or
- (d) a transfer on the incapacity of the escrowed Shareholder or controller of that Shareholder, provided that the transferee has agreed to be bound by a deed containing substantially the same voluntary escrow terms and the transfer will not result in a change in beneficial ownership.

10.10 Ownership restrictions

The sale and purchase of shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 10.10 contains a general description of these laws.

10.10.1 *Foreign Acquisitions and Takeovers Act 1975 (Cth)* and Federal Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (FATA) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates, or 40% or more by two or more unassociated foreign persons and their associates, where the acquisition meets a threshold value (which varies by investor type and industry). The threshold for all acquisitions has been temporarily reduced to \$0 due to the impacts of the COVID-19 pandemic. In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A “direct interest” is an interest of 10% in the entity but may include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting. An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without a no objection notification or contravening a condition in a no objection notification.

10.10.2 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of relevant interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer’s (or another party’s) voting power in that company would increase from 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

10.11 Australian taxation implications of investing under the Offer

This section provides a general overview of certain Australian tax consequences for Australian resident investors who acquire Shares through the Offer. The comments in this section are based on the Australian taxation laws (including established interpretations of those laws) and understanding of the practice of the ATO as at the Prospectus Date.

This section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex, and the investor's own circumstances may affect the taxation outcomes of making an investment in the Company. It is therefore recommended that investors seek independent professional advice having regard to their own specific circumstances in considering an investment in the Company.

This section does not consider Shareholders that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, are foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

This section does not constitute financial product advice as defined in the Corporations Act. Taxation issues, such as (but not limited to) those covered by this section, are only one of the matters an investor needs to consider when making a decision about a financial product.

The tax consequences in this section do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in administrative practice or interpretation by the relevant authorities. If there is such a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications will depend on each Shareholder's specific circumstances.

Taxation of dividends

Dividends may be paid to Shareholders by the Company. The Company may attach "franking credits" to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Australian tax resident shareholders will be required to include dividends in their assessable income in the income year in which the dividends are paid (as opposed to when the dividend is declared). To the extent that the dividends are franked, subject to the comments below, the associated franking credits should also be included in the Australian tax resident Shareholder's assessable income (that is, the dividends are required to be "grossed-up"). In such circumstances, the Shareholders are subject to tax at their rate of tax on the grossed-up dividends received (but may be entitled to a tax offset for the associated franking credits as discussed below).

To the extent that the dividends are unfranked, there is no gross-up (or tax offset) and Australian resident Shareholders should be subject to tax at their applicable rate of tax on the unfranked dividends received.

Where the franking credit is included in the Shareholder's assessable income, the Shareholder should generally be entitled to a corresponding tax offset against tax payable by the Shareholder. The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, the Shareholder may be entitled to a tax refund (for Shareholders that are individuals and complying Superannuation Funds) or the excess franking credits converted into a carry forward loss (for Shareholders that are companies).

There are certain limitations imposed by the Australian taxation law which may prevent a shareholder from obtaining the benefit of any franking credits. In this regard, Shareholders seeking to claim tax offsets for franking credits must be "qualified persons" in respect of the relevant dividends.

In order to be a qualified person, and to be eligible for the franking credit and tax offset, an Australian tax resident shareholder must satisfy the 'holding period' rule and the 'related payments' rule. In broad terms, shareholders who have held their Shares "at risk" for at least 45 days (excluding the dates of acquisition and disposal) should be qualified persons and should be able to claim a tax offset for the amount of franking credits received.

10 Additional Information

The holding period rule should not apply to individual Australian resident shareholders whose total franking tax offsets (for all franked distributions received in the income year) do not exceed \$5,000 for the income year, as they should generally be deemed to be qualified persons. Special rules apply to arrangements which involve the making of related payments to pass on the benefit of any dividends paid, or in the context of franked dividends received via trusts or partnerships.

In addition to the holding period rule and the related payments rule, there are a number of other integrity provisions which can apply to arrangements that exhibit features such as dividend stripping, dividend washing, franking credit trading and franking credit streaming. Where these integrity provisions apply, the shareholder does not include the amount of the franking credit in their assessable income, nor are they entitled to a tax offset for the franking credit. These rules are complex, and shareholders should seek their own taxation advice in respect of the application of these provisions.

Taxation of future share disposals

The disposal of a Share held by an Australian resident Shareholder on capital account will constitute a capital gains tax (CGT) event. A capital gain will arise where the cost base of the Share (being the amount paid to acquire the Share, plus specific costs that relate to the acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, the cash proceeds received on disposal). Similarly, the Shareholder will make a capital loss where the capital proceeds received for their Shares are less than the reduced cost base of their Shares.

Where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for at least 12 months prior to the CGT event, the Shareholder will prima facie be entitled to a CGT discount on the disposal of the shares.

If the CGT discount applies, a capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. The Board recommends that Shareholders that are trustees seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Tax file number and Australian Business Number

A Shareholder is not obliged to quote a tax file number (**TFN**), or where relevant, Australian Business Number (**ABN**), to the Company. However, if a TFN or ABN is not quoted and no exemption applicable, income tax may be required to be deducted by the Company at the highest marginal rate (currently 45%) plus Medicare Levy (currently 2%) from certain dividends paid.

A Shareholder that holds Shares as part of an enterprise may quote its ABN instead of its TFN. Non-residents are exempt from this requirement.

Stamp Duty

No Australian stamp duty should be payable by a Shareholder on the issue or acquisition of Shares pursuant to the Offer. Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a shareholder provided the Company remains listed on the ASX.

Goods and services tax

Under current Australian GST Law, GST should not be applicable to the issue, acquisition or transfer of Shares, irrespective of whether the shareholder is registered for GST or not. However, GST is likely to be applicable on any fees paid on brokerage services received in relation to the share transaction. The ability to recover any GST paid in relation to this transaction as an input tax credit would vary according to individual circumstances and as such this should be reviewed by shareholders prior to making any claim.

10.12 Interests of experts and advisers

Other than as set out below, or as otherwise disclosed in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Royal Bank of Canada and Morgans Corporate Limited have acted as Joint Lead Managers and Underwriters to the Offer. The Company has paid or agreed to pay the fees and expenses referred to in Section 9.10 in respect of these services under the Underwriting Agreement.

Henslow Pty Limited has acted as the Corporate Adviser to the Company in relation to the Offer. The Company has paid or agreed to pay \$350,000 (plus disbursements and GST) in respect of these services.

Pitcher Partners Proprietary Limited has acted as the Australian Investigating Accountant and provided the Investigating Accountant's Report in Section 7. The Company has paid or agreed to pay an amount of approximately \$70,000 (plus disbursements and GST) in respect of these services. Further amounts may be paid to Pitcher Partners Proprietary Limited in accordance with its normal time-based charges.

Maddocks has acted as the Australian legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately \$275,000 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to Maddocks in accordance with its normal time-based charges.

Pitcher Partners Advisors Proprietary Limited has acted as the provider of tax services in connection with the Offer and prepared the tax summary in Section 10.11 of this Prospectus. The Company has paid or agreed to pay an amount of approximately \$15,500 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to Pitcher Partners Advisors Proprietary Limited in accordance with its normal time-based charges.

Machel Pty Ltd trading as Machel Advisory Services has provided consultancy services to the Company in respect of the Offer. The Company has paid or agreed to pay an amount of up to \$125,000 (plus disbursements and GST) in respect of these services. Further, it is proposed that the director of Machel Advisory Services, Yanese Chellapen, will be granted 325,000 Options following Listing under the Equity Incentive Plan as set out in Section 5.7.

Neither Machel Pty Ltd nor Yanese Chellapen hold a relevant interest in any securities in the Company as at the Prospectus Date, and will not hold any such interest at Listing unless they participate in the Offer.

No consideration will be paid by Yanese Chellapen for the issue of his proposed Options. The exercise price in respect of the Options and the percentage of the Company's issued capital that they represent are set out in the table below. The Company believes that these proposed Options have an aggregate value of \$129,250 based on a valuation conducted by the Company.

10 Additional Information

Tranche	Number of Options	Exercise Price	Vesting Conditions	Escrow	Expiry	% of issued capital ¹
1	175,000	Offer Price	Share price reaching \$1.50 ² at any time prior to Expiry	Shares issued on exercise will be subject to escrow until the date which is 24 months after Listing	5 years	0.07%
2	100,000	\$0.20	24 months after Listing provided that he has provided advisory services to the Company in the 12 months prior to that date		5 years from vesting date	0.04%
3	50,000	1.5 x Offer Price	36 months after Listing provided that he has provided advisory services to the Company in the 12 months prior to that date and the Share price has reached \$1.50 ² at any time during the service period		5 years from vesting date	0.02%
Total	325,000					0.12%

1. Percentage of the Company's issued capital that the Options will convert into if exercised (based on the Company's fully diluted capital structure at Listing).

2. Based on VWAP over a consecutive 20 trading day period.

GrilloHiggins has provided legal services to the Group in connection with the Offer. The Company has paid or agreed to pay an amount of approximately \$65,000 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to GrilloHiggins in accordance with its normal time-based charges.

The Company will pay these amounts and other expenses of the Offer out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of the expenses of the Offer is set out in Section 8.4.

10.13 Offer expenses

The Company has paid or will pay all of the costs associated with the Offer. If the Offer proceeds, the total estimated cash expenses in connection with the Offer (including underwriting, management, advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately \$3,041,329.

A summary of the Offer costs is set out below:

Offer Costs	\$
Joint Lead Manager fees	1,845,000
Corporate Adviser fees	522,500
Legal fees	302,500
Investigating accountant fees	77,000
Tax advisory fees	17,050
ASX Listing fee	233,279
Other costs	44,000
Total	3,041,329

10.14 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Morgans Corporate Limited has consented to being named as Joint Lead Manager and Underwriter to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Morgans Corporate Limited;
- Royal Bank of Canada has consented to being named as Joint Lead Manager and Underwriter to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Royal Bank of Canada;
- Henslow Pty Limited has consented to being named as Corporate Adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Henslow Pty Limited;
- Pitcher Partners Proprietary Limited has consented to being named in the Corporate Directory of this Prospectus as the Company's Investigating Accountant and to the inclusion of its Investigating Accountant's Report in Section 7 in the form and context in which it appears;
- Maddocks has consented to being named in the Corporate Directory of this Prospectus as the Australian legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Maddocks;
- Pitcher Partners Advisors Proprietary Limited has consented to being named in this Prospectus as the tax due diligence service provider to the Company and the provider of the taxation summary in Section 10.11 of this Prospectus, but it does not make any other statement in this Prospectus, nor is any other statement in this Prospectus based on any statement by Pitcher Partners Advisors Proprietary Limited;
- Pitcher Partners has consented to being named in this Prospectus as the auditor of the Company, but it does not make any statement in this Prospectus, nor is any other statement in this Prospectus based on any statement by Pitcher Partners; and
- Boardroom Pty Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company. Boardroom Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Boardroom Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

10 Additional Information

10.15 ASX and ASIC waivers and confirmations

ASIC has granted relief from, and modifications to, section 707(3) of the Corporations Act so as to permit the 'on-sale' of the Shares issued on the conversion of the Convertible Notes without such sales being deemed an indirect issue for the purposes of that section.

The Company has obtained in-principle advice from ASX regarding confirmation that the mandatory escrow restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B do not apply to the Company as it has a track record of revenue acceptable to ASX.

The Company has applied for a waiver from ASX Listing Rule 10.14 in relation to the issue or grant of 6,270,000 Options to the Directors and Kate Dockery (being the partner of a Director) as set out in Section 10.5 under the Equity Incentive Plan described in Section 5.7, within 12 months of Listing.

Details of any securities issued under the Equity Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that a waiver from the requirement to seek shareholder approval for the issue of securities under ASX Listing Rule 10.14 was granted from ASX.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Equity Incentive Plan after the ASX waiver has been granted and who were not named in this Prospectus will not participate in the Equity Incentive Plan until approval is obtained if required under ASX Listing Rule 10.14.

10.16 Legal proceedings

To the knowledge of the Directors, at the Prospectus Date there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved, which the Company believes is likely to have a material impact on the business or the financial results of the Company.

10.17 Recipient Created Tax Invoices

E-Com issues 'recipient created tax invoices' (**RCTIs**) to sellers, which E-Com uses to claim input tax credits in respect of the GST payable by it to sellers. In order to issue an RCTI, the recipient of the taxable supply is required to have an 'RCTI agreement' with the supplier. It has come to the Company's attention that the form of RCTI agreement that E-Com was using to sellers was technically not compliant with some of the requirements of the relevant legislative instrument, being *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No.1) 2000* (**the Determination**). As a result, there is a risk that the RCTIs that E-Com has issued historically may be invalid. This issue has not impacted E-Com's GST payments, which have all been paid in full. E-Com has now amended its RCTI agreement so that it is compliant in all respects, has voluntarily disclosed the technical non-compliance with past RCTIs to the Commissioner of Taxation (**Commissioner**) and has requested the Commissioner to exercise his discretion to treat the RCTIs that have been issued as valid tax invoices. While any invalid RCTIs previously issued can be reissued to ensure that all input tax credits are validly claimed, the Commissioner may impose a penalty as a result of the technical non-compliance with the Determination historically. The maximum amount of this potential penalty is \$832,000 but E-Com has provided submissions to the Commissioner as to why this should not apply given the nature of the non-compliance.

10.18 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

10.19 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10.20 Statement of Directors

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Section 11

Defined Terms



11 Defined Terms

In this Prospectus:

Active Customer	A customer who has bought products through the MyDeal platform in the last 12 months.
Active Seller	A seller who has sold products through the MyDeal platform in the last three months.
AEST	Australian Eastern Standard Time.
AFSL	Australian Financial Services Licence.
Allotment Date	The date on which the Shares are allotted under the Offer.
API	Application programming interface.
Applicant	A person who submits a valid Application Form and required Application Monies pursuant to this Prospectus.
Application	An application for Shares under this Prospectus.
Application Monies	Money submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying this Prospectus for investors to apply for Shares under the Offer.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning ascribed to that term in the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Listing Rules	The official Listing Rules of ASX as amended or waived and applicable to the Company from time to time.
ATO	The Australian Taxation Office.
Board	The board of directors of the Company.
Broker	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Company to act as a broker to the Offer.
Broker Firm Offer	The offer described at Section 8.6.
CAGR	Compound annual growth rate.
CGT	Capital Gains Tax.
Closing Date	The date that the Offer closes.
Company	MyDeal.com.au Limited (ACN 640 108 130).
Constitution	The constitution of the Company.
Convertible Notes	The convertible notes originally issued by E-Com which have been assigned to the Company and which will convert into Shares on the Allotment Date.
Corporate Adviser or Henslow	Henslow Pty Limited.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).

11 Defined Terms

Duke Living	Duke Living Pty Ltd (ACN 627 018 642) or the private label business it operates, as the context requires.
Directors	The directors (including any alternate directors) of the Company as at the date of this Prospectus.
E-Com	E-Com (Aus) Pty Ltd (ACN 150 104 715).
Existing Holders	The persons that hold Shares and/or Convertible Notes at the Prospectus Date.
Exposure Period	The seven day period after the date of lodgement of the Original Prospectus with ASIC (as extended by ASIC (if applicable)).
Gandel Invest	Aavasan Pty Ltd (ACN 078 023 846).
Group	The Company, Duke Living and E-Com.
Institutional Applicant	An Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA), and excluding a retail client within the meaning of section 761G of the Corporations Act.
Institutional Investor	A person eligible to be an Institutional Applicant.
Institutional Offer	The offer described at Section 8.7.
Joint Lead Managers	Morgans Corporate Limited (AFSL 235407) and Royal Bank of Canada (trading as RBC Capital Markets) (AFSL 246521).
Listing	Admission of the Company to the official list of ASX.
New Shares	The new Shares being offered by the Company under this Prospectus.
Offer	The offer of Shares to raise up to \$40 million.
Offer Period	The period during which investors may subscribe for Shares under the Offer.
Offer Price	\$1.00 per Offer Share.
Offer Shares	New Shares and/or Sell Down Shares.
Option	An option to acquire Shares.
Original Prospectus	The Prospectus issued by the Company and SaleCo dated 23 September 2020.
Prospectus	This Prospectus for the offer of Shares to raise up to \$40 million (including the electronic form of this Prospectus).
Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 23 September 2020.
Retail Applicant	An Applicant who is not an Institutional Applicant.
SaleCo	MyDeal.com.au SaleCo Limited (ACN 643 509 862).
Security	Includes a Share which is the subject of the Offer and any other right, or any other equity interest in the Company.
Sell Down Shares	The Shares being offered for sale by SaleCo on behalf of the Selling Shareholders under this Prospectus.

Selling Shareholders	Certain Existing Holders who have elected to sell part of their holdings to SaleCo as described in Section 8.2.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Share Registry	Boardroom Pty Limited.
Silver Globe	Silver Globe Investments Pty Ltd (ACN 152 290 974) as trustee for the Silver Globe Investment Trust.
SKU	Stock keeping unit.
Underwriting Agreement	The underwriting agreement between the Company, SaleCo and the Joint Lead Managers summarised at Section 9.10 of this Prospectus.
US Person	Citizens and residents of the United States of America.
VWAP	Volume weighted average market price.

The background image is a photograph of a modern interior. On the left, a wooden side table holds a green ceramic teapot and a matching cup on a saucer. Behind the table is a large potted plant with broad, dark green leaves. To the right is a blue upholstered armchair with a wooden frame. The wall is a dark blue with a subtle paneling detail. The floor is a light-colored wood. The overall aesthetic is clean and contemporary.

Appendix 1

Significant Accounting Policies

Appendix 1 Significant Accounting Policies

The following summary represents the significant accounting policies adopted in the preparation of the Financial information disclosed in the Prospectus.

a. Basis of preparation

The Financial Information has been prepared to present the Company on a consolidated basis and the future financial statements of the Company will be presented on this basis.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form and does not contain all of the disclosure provided in an annual financial report prepared in accordance with the Australian Accounting Standards and the Corporations Act. The Financial Information 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.

All items are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Information is presented in Australian dollars (A\$) which is the Company's functional and presentation currency.

b. Principles of consolidation

The Financial Information comprises the financial statements of the consolidated 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-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

c. Revenue from contracts with customers

The Group derives revenue from commission on the sale of goods by third-party sellers, transaction fees, advertising services, subscription fees and refund fees as well as the sale of goods in its capacity as a principal.

Revenue is recognised, as or when, goods are transferred to the customer or the Group has fulfilled its service obligations, 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.

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.

Appendix 1 Significant Accounting Policies

d. Other revenue and other income

Government grants

Government grants, including Research and Development Incentives, are recognised when the grant income can be reliably measured and the conditions attached to them, if any, have been completed.

Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

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 recognized directly in equity.

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:

- the Group's business model for managing the financial assets; and
- 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.

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.

Convertible notes

Convertible notes are debt instruments that can be converted into ordinary shares of the Company, by the Company, 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 model.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables 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. 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 assets	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

Appendix 1 Significant Accounting Policies

j. 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.

k. 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.

I. Employee benefits

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.

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.

Retirement benefit obligations

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.

Share-based payments

Equity-settled share-based payments are provided to employees and others providing similar services via the MyDeal long term incentive plan. The equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expressed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Appendix 1 Significant Accounting Policies

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 recognized 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.

MyDeal.com.au Limited

ACN 640 108 130

Broker Firm Application Form

This is an Application Form for Shares in MyDeal.com.au Limited (**Company**) on the terms set out in the Prospectus dated 23 September 2020. Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 2,000 Shares and multiples of 500 shares thereafter. This Application Form and your payment must be received by **5.00pm (Sydney Time) on the closing date**.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus dated 23 September 2020 contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.

The Share Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website <https://www.boardroomlimited.com.au/corp/privacy-policy>

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to another person unless included in or accompanied by the Prospectus dated 23 September 2020. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. During the Offer period, the Company will send you a free copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A Number of Shares you are applying for <div style="border: 1px solid black; display: inline-block; width: 200px; height: 20px; margin-bottom: 5px;"></div> <div style="display: inline-block; width: 100px; text-align: center;">x \$1.00 per Share =</div> <div style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; margin-top: 5px;"></div> <small>Minimum of 2,000 Shares to be applied for and multiples of 500 thereafter</small>	B Total amount payable <div style="display: flex; align-items: center;"> <div style="margin-right: 5px;">\$</div> <div style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></div> </div>
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C Write the name(s) you wish to register the Shares in (see reverse for instructions)
 Applicant #1

 Name of Applicant #2 or <Account Designation>

 Name of Applicant #3 or <Account Designation>

D Write your postal address here
 Number/Street

 Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

 Applicant #3

Applicant #2

G Cheque payment details – PIN CHEQUE(S) HERE. Cheque to be made in accordance with the instruction from your broker. If payment is made by cheque, enter cheque details below.

Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque Amount A\$
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H Contact telephone number (daytime/work/mobile) **Contact Name**

E-mail Address

Broker Reference – Stamp Only

Broker Code	Advisor Code
<div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div>	<div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; display: inline-block; width: 40px; height: 20px;"></div>

<ul style="list-style-type: none"> ✓ have read the Prospectus in full; ✓ have received a copy of the electronic Prospectus or a print out of it; ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus. ✓ Declare that the Application Form and all details and statements made by me/us are complete and accurate; 	<ul style="list-style-type: none"> ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus; ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company; ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it; 	<ul style="list-style-type: none"> ✓ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus); ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion; ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us; 	<ul style="list-style-type: none"> ✓ am/are over 18 years of age; ✓ agree to be bound by the constitution of the Company; ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital; ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and 	<ul style="list-style-type: none"> ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia.
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C Write your **full name**. Initials are not acceptable for first names.

D Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**

F Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus medicare levy.

G Applicants pay their Application Monies to their Broker in accordance with the relevant Broker's directions. Please contact your broker for further instructions.

H Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Monies.

Note that **ONLY** legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Mail your completed Application Form with your cheque(s) or bank draft attached to your broker, and complete the broker details below:

[illegible]

It is not necessary to sign or otherwise execute the Application Form.

MyDeal.com.au Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of shares held) to be included in the Company's share register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and discloses your information please contact the Company at the address or telephone number shown in the Prospectus.

MyDeal.com.au Limited

ACN 640 108 130

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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

Proposed ASX Code

MYD

Investigating Accountant

Pitcher Partners Proprietary Limited

Level 13
664 Collins Street
Docklands VIC 3008

Joint Lead Managers

Royal Bank of Canada

Level 47
2 Park Street
Sydney NSW 2000

Morgans Corporate Limited

Level 29
123 Eagle Street
Brisbane QLD 4000

Corporate Adviser

Henslow Pty Limited

Level 18
126 Phillip Street
Sydney NSW 2000

Australian Legal Adviser

Maddocks Lawyers

Level 27, Angel Place
123 Pitt Street
Sydney NSW 2000

Registry

Boardroom Pty Limited

Grosvenor Place
Level 12, 225 George Street
Sydney NSW 2000

