

MüDeal

Annual Report 2021

ACTIVE CUSTOMERS UP

83% YoY

MyDeal continues to deliver
strong and sustainable growth



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A person wearing a dark green ribbed sweater is holding a large stack of plates. The stack consists of approximately 10 white plates at the bottom and 5 light green plates on top. The person's hands are visible, holding the plates from the sides. The background is a solid light green color.

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

**WELCOME TO OUR INAUGURAL
ANNUAL REPORT**

2021 Highlights

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

\$218.1m

Gross Sales, YoY growth ↑111%

\$38.3m

Revenue, YoY growth ↑149.6%

\$42.7m

Cash, YoY growth ↑\$25.9m

**STRONG MOMENTUM
IN PRIVATE LABEL**

**GROSS SALES OF \$8.8M AT
43.1% GROSS MARGIN, FOLLOWING
SOFT LAUNCH IN LATE FY20**

MyDeal

894k

Active customers, YoY growth ↑ 83%



Successful launch of iOS and
Android apps in May 2021

385

sellers onboarded, supporting product
range of over 6 million SKUs

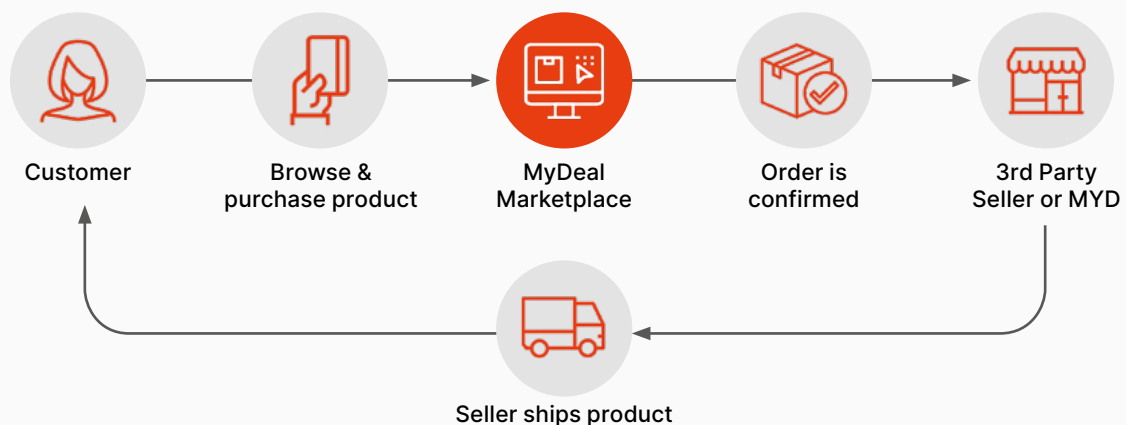
CADO OUTLIVE YOUR LIFE
MonocleGuide to Better Living
ACQUA BENESSERE

Who we are

- 1 At MYD, we make life more affordable for all Australians by offering the best value on the biggest range of home and lifestyle products.
- 2 Founded in 2011, MyDeal is an Australian e-commerce group that has successfully established an Australian online retail marketplace specialising in household goods such as furniture and homewares.
- 3 MyDeal operates a marketplace model that acts as an intermediary, facilitating transactions between consumers and sellers. MyDeal has developed proprietary technology which allows the marketplace to scale quickly whilst still retaining a low-cost operating model.
- 4 MyDeal has also established an instock offering comprising private label and third party branded stock.
- 5 MyDeal has over 894k Active Customers¹, 1151 Active Sellers² and over 6 million product SKU's³ across 2,000 categories. Over 2.1 million products were sold in FY21 on the platform.

WHO WE ARE AT A GLANCE

Online marketplace specialising in home and lifestyle goods



Attractive Business Model

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

Competitive Advantage

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



894k
Active
Customers



1,151
Active Sellers



>6m
Products listed



6.4m
Average Monthly
Website Visits

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

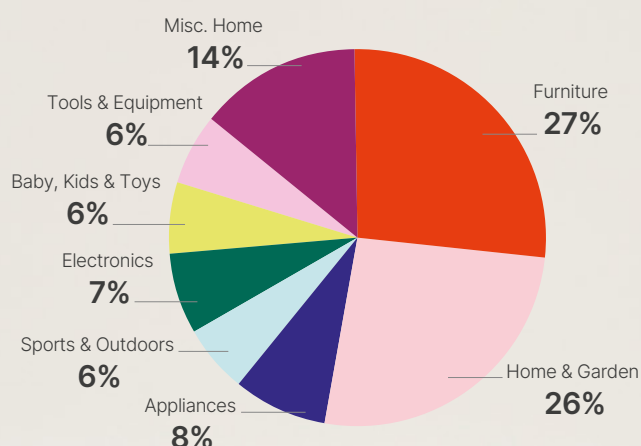
2 An "Active Seller" is a seller that has made a sale on the marketplace in the last three months.

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

What we do

- 1 MyDeal's primary business model is an online retail marketplace that facilitates the sale of products and/or services between consumers and sellers via its proprietary technology platform.
- 2 MyDeal'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 revenue streams including online direct sales of its instock products, transaction fees, advertising fees, subscription fees and Seller onboarding fees.
- 3 MYD is strongest in products that are traditionally found in the home.

KEY CATEGORIES ON THE MARKETPLACE



Top sub-categories include:



How we do it

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



Chairperson's Report

On behalf of the Board of MyDeal, it is my pleasure to present our inaugural annual report as an ASX listed company. Following a year in which MyDeal delivered exceptional results, outpacing the incredible growth in e-commerce adoption, cementing the businesses position as a dominant player in the home and lifestyle category.

In FY21, MyDeal delivered 111 per cent growth in Gross Sales⁴ to achieve a record \$218 million. With the acceleration in online shopping, MyDeal was well positioned to seize the opportunity to acquire a record level of new customers, with active customers increasing 83 per cent to just short of 900,000.

Perhaps more pleasingly from the Board's perspective is that these customers are staying loyal to MyDeal, with levels of repeat transactions and average transactions per customer reaching new highs. We see this as strong validation of the increasing recognition in the market of the MyDeal value proposition – we stand for offering customers a seamless experience in accessing an extensive range of over 6 million home and lifestyle products at competitive prices.

While the growth in FY21 was impressive, it is worth remembering that the Company is not an overnight success. MyDeal was on a strong growth trajectory well before the onset of the pandemic and FY21 is a result of building the business over the past ten years.

Despite being ten years in, we are still in the infancy of MyDeal's journey as the team says "we're only just getting started". We operate in a market that remains significantly underpenetrated by global standards and see continuing opportunities for market share gains over many years to come.

The executive team is currently working on a range of initiatives to drive continued growth, including driving penetration of our recently launched native mobile app, expanding the supply side of marketplace sellers, growing our private label and third-party brands, personalisation and loyalty, leveraging our proprietary marketplace technology for new marketplaces, and B2B sales, all underpinned by investment in brand and marketing.

The Board acknowledges the outstanding contribution from staff and management, both through the IPO process and during a year of significant scale up. We continue to employ the best and brightest in e-commerce, and it is our team that has been central to the delivery of the strong FY21 results and for this we commend them.



I would also like to thank our shareholders for their support through the IPO and in our first year of trading on the ASX. The successful IPO provided net proceeds of \$32 million and has underpinned our strong balance sheet. As at 30 June 2021, MyDeal had \$42.7 million in cash, leaving the company well capitalised to pursue future growth and to deliver sustainable returns to shareholders.

A handwritten signature in black ink, appearing to read 'P. Greenberg', written in a cursive style.

Paul Greenberg

Chairperson

We continue to employ the best and brightest in e-commerce, and it is our team that has been central to the delivery of the strong FY21 results and for this we commend them.

⁴ "Gross Sales" or "Gross Transaction Value" ("GTV") is a non-IFRS metric that represents the total value of transactions (unaudited) processed by MyDeal (including marketplace and instock), on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

CEO Letter & Review of Operations

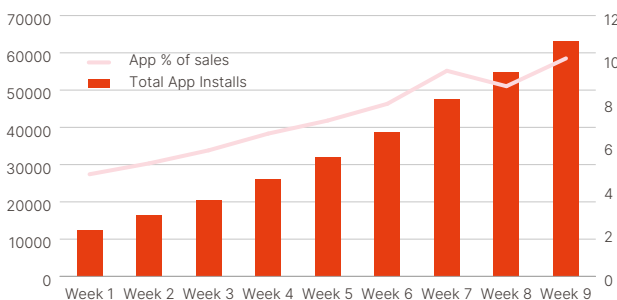
FY21 was a significant year for MyDeal. We entered the year as a \$103 million Gross Sales business and ended at \$218 million, growing 111 per cent. The strong results came through the delivery of key strategic milestones and operational execution of the MyDeal flywheel throughout the year.

LEVERAGING PROPRIETARY TECHNOLOGY

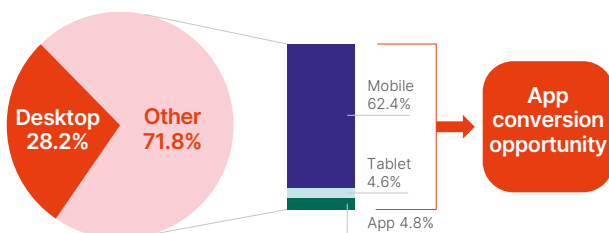
The seamless user experience, both for customers and sellers, of the MyDeal marketplace is underpinned by investment in our proprietary technology, including applying the latest in artificial intelligence and machine learning algorithms to our database which includes over 10 years worth of customer data. During the year a key milestone was the launch of the MyDeal native apps for iOS and Android in May.

After only nine weeks from launch, the app represented 10 per cent of Gross Sales and is already showing superior levels of engagement and conversion compared to a traditional web user. Moving forward we see considerable opportunity to drive traffic through the app given circa 67 per cent of web traffic currently comes through mobile devices.

Weekly app performance since launch



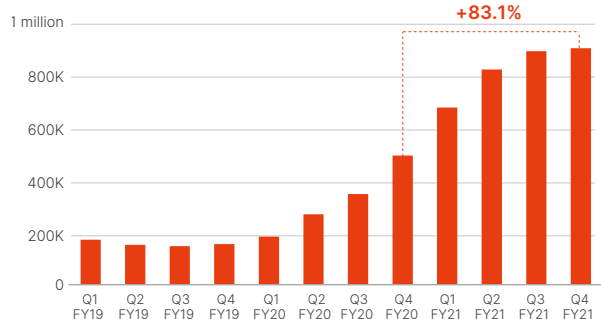
Given the app represented 4.8% of traffic and 8% of Gross Sales in July, continued growth in app visits is expected to drive an improvement in marketing ROI over time.



RECORD CUSTOMER ACQUISITION

FY21 was a year of significant customer acquisition, with our active customer numbers growing 83 per cent to 894,225 as at 30 June 2021. On average 6.4 million unique visitors accessed the site per month during FY21, attracted by the significant value on offer on the MyDeal website. We saw a 4.3% conversion⁵ to transaction, which continues to improve in line with user experience.

Active customers



LTM ROI in Marketing



With the focus on customer acquisition, sales and marketing spend increased to 11.3% of Net Transaction Value (NTV⁶), from 9.1% in FY20. Efficiency of spend remained consistent, with 12 month return on marketing investment maintained at 2.0, with higher average order values (AOV's) offsetting a modest increase in customer acquisition cost (CAC).

The marketing mix to date has been centred on digital and performance-based channels. Following the recent brand refresh, for the first time in FY22, the Company is introducing above the line marketing with an extensive multi-channel brand campaign through out-of-home, broadcast channels and sport events. The strategy is focused on increasing brand awareness and driving MyDeal into its next phase of growth.

⁵ Number of transactions calculated as a percentage of unique visitors.

⁶ "Net Transaction Value" (NTV) is Gross Sales or Gross Transaction Value after deducting refunds, chargebacks, discounts and coupons.

⁷ "Gross Profit per Customer" is calculated as total Gross Profit for FY21 divided by the total number of customers that transacted in FY21.

⁸ "New Customer Acquisition Cost" is calculated as the total marketing spend for FY21 x 58.1% (being the estimated percentage of marketing spent on new customer acquisition) divided by the number of new customers during FY21.



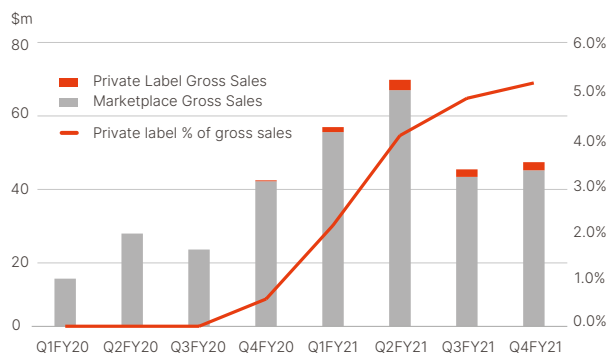
FY21 was a year of significant customer acquisition, with our active customer numbers growing 83 per cent to 894,225 as at 30 June 2021.

EXPANDING LOW-COST PRODUCT RANGE AND GROWING PRIVATE LABEL SALES

Through our integrations with major e-commerce platforms such as Shopify, Omnivore and Maropost, MyDeal facilitates the seamless onboarding of marketplace sellers, which saw the number of active sellers increase to 1,151 during the year, building our range of over 6 million products under a capital-lite model.

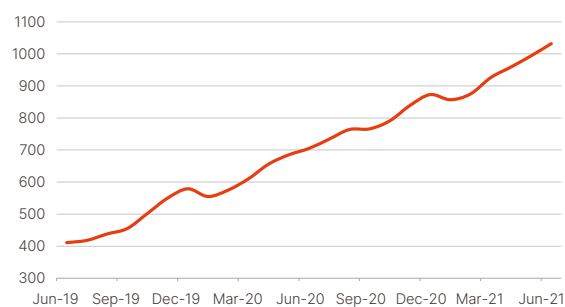
Due to continued growth, our private label offering is becoming an important contributor to our business and allows us to further deliver on our low-cost value proposition to our loyal customer base. After soft launching in late FY20, private label represented 4 per cent of Gross Sales in FY21 and the range exceeded 400 SKUs as at 30 June 2021. Private label offers highly attractive pricing to customers, and affords higher Gross Margins to the Company (FY21: 43.1%, target 35-40%). We see significant opportunity to build on this strong start in FY22, with our private label becoming a key lever to our growth.

Private label



Just as marketplace sellers are attracted by MyDeal's increasing scale in the home and lifestyle category, MyDeal is experiencing increasing demand from brands to access the platform. Going forward, the company will be complementing the growing private label and marketplace ranges with an additional in stock strategy in third party brands. Under the strategy, MyDeal directly sources inventory from brands and suppliers, providing another avenue for customers to access exceptional value, particularly on high repeat purchase items. This new channel excites our database, attracts new customers, builds trust and loyalty and provides yet another compelling reason for customers to shop with us more often.

Number of Unique Monthly Sellers



Number of Monthly Unique Products Sold



CEO Letter & Review of Operations continued

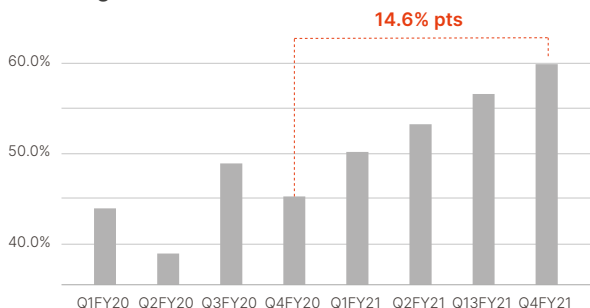
INCREASING CUSTOMER LOYALTY

With an enhanced product range, a personalised user experience and increasing recognition of the value on offer on the MyDeal platform, customers are coming into our ecosystem and returning time and time again for repeat purchases.

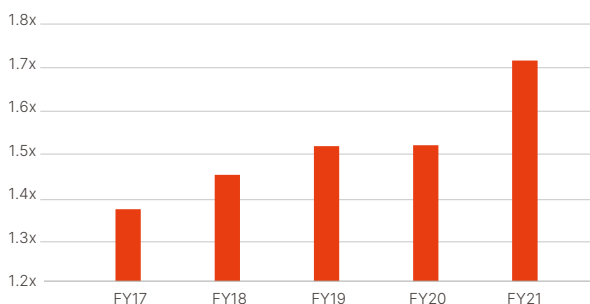
In Q4 FY21, 59.4 per cent of all transactions came from returning customers, a metric that improved in each quarter during the year, having started at 44.8 per cent in the prior corresponding period. The increasing trend in loyalty can also be seen in average transactions per customer increasing to 1.7⁹ for FY21, up from 1.5 in FY20.

MyDeal's focus on improving personalisation for users on site also contributed to the positive result. This initiative will ramp up further in FY22, with a focus on improving discovery by recommending relevant products, categories, brands, and sellers at scale using real time 1-to-1 AI technology. The year ahead will also see the launch of our loyalty rewards program which will incentivise repeat purchases.

Returning Customers



Average orders per customer

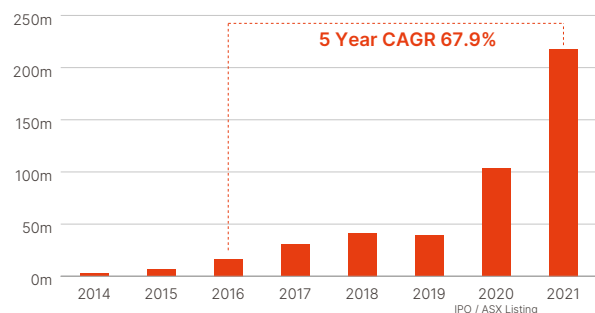


In Q4 FY21, 59.4 per cent of all transactions came from returning customers, a metric that improved in each quarter during the year, having started at 44.8 per cent in the prior corresponding period.

DRIVING SCALE

When I started this business 10 years ago, I could never have imagined where we would be today, delivering \$218 million in Gross Sales. Over the last 5 years, we have delivered a 67.9% CAGR, which was achieved with only \$5 million in external capital raised prior to the successful IPO in October 2021.

The record FY21 year was 10 years in the making



Now we set our sights very high and I can see there remains significant room for us to scale into an even bigger business than we are today, given we represent just three per cent of the growing \$7.8¹⁰ billion online market for household goods. We're only just getting started.

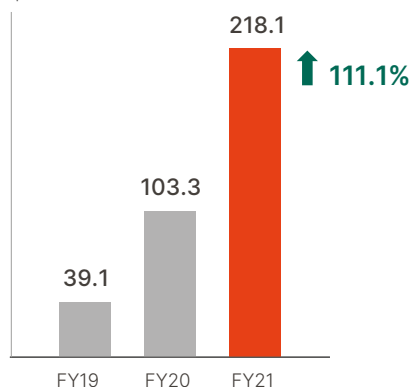
Our strategy is to prudently deploy our healthy cash balance of \$42.7 million and reinvest a growing top line back into the business, continuing the MyDeal flywheel and network effects across our ecosystem, and ultimately creating value for our shareholders.

Sean Senvirtne
Founder & CEO

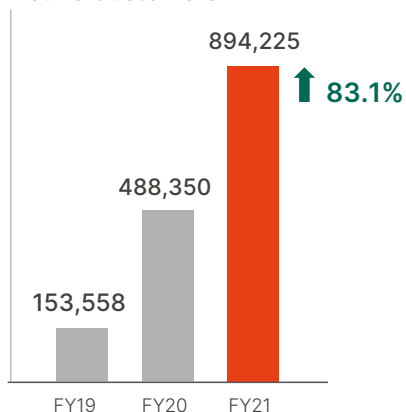
⁹ Average Orders per Customer is calculated by taking the total number of transactions in FY21 divided by total active customers in FY21.
¹⁰ Euromonitor International – Retailing in Australia, 2021 edition (May 2021) (TAM – Online Household Goods).

KPI Snapshot

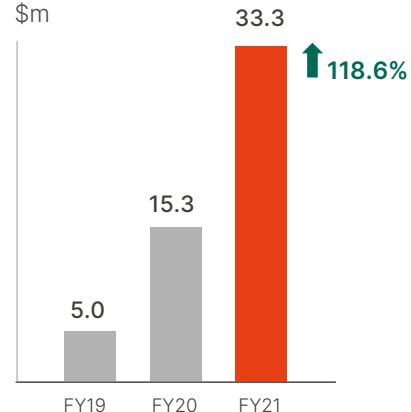
Gross Sales
\$m



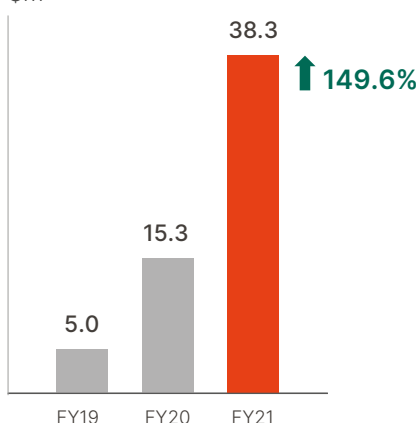
Active Customers



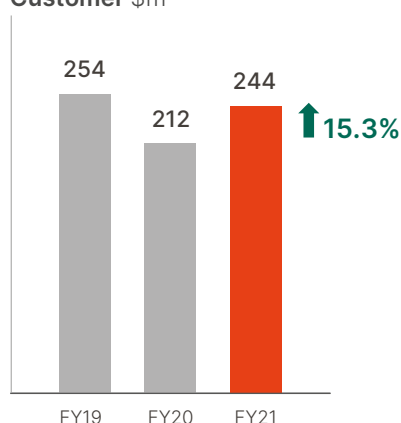
Gross Profit
\$m



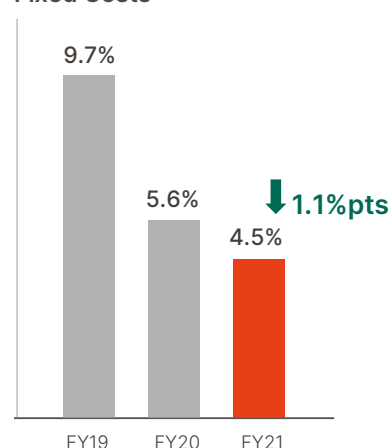
Revenue
\$m



Gross Sales per Active Customer \$m¹



Fixed Costs²



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

2 "Fixed costs includes all costs excluding distribution, marketing, merchant fees, finance costs, tax and IPO transaction costs.



Strategic Priorities

ASPIRATION AND STRATEGY

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

Build the biggest and best range of home and lifestyle products

- ✓ Secure recognised brands onto the platform including by sourcing and selling direct
- ✓ Invest in private label
- ✓ Invest in technology to accommodate all sell-side arrangements (e.g. dropship)

Invest in customer loyalty

- ✓ Loyalty program
- ✓ Mobile-first approach
- ✓ Personalisation and customer lifecycle marketing

Make MyDeal famous

- ✓ Overhaul and refresh the look, feel and personality of MyDeal
- ✓ Build a complete brand platform and showcase it across all channels
- ✓ Invest in 'above the line' advertising to build trust and credibility
- ✓ Make MyDeal famous for the joy and positive emotion of shopping and the positive feeling of securing a 'MyDeal Deal'

Become the marketplace of choice for all stakeholders

- ✓ Build enduring relationships with brands, sellers and suppliers
- ✓ Build tools and reporting to support our stakeholders
- ✓ Invest in people and culture
- ✓ Talk to our stakeholders and understand their needs arrangements (e.g. dropship)



**Consolidated
Financial
Report**

**FOR THE YEAR ENDED
30 JUNE 2021**

MüDeal

MYDEAL.COM.AU LIMITED

CONSOLIDATED FINANCIAL REPORT

For the year ended 30 June 2021

MyDeal.com.au Limited

And controlled entities

ABN: 60 640 108 130

MYDEAL.COM.AU LIMITED AND CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE YEAR ENDED

30 JUNE 2021

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Directors' Report

The directors present their report together with the financial report of the consolidated entity consisting of MyDeal.com.au Limited ("the Company") and the entities it controlled ("the Group"), for the financial year ended 30 June 2021 and auditor's report thereon.

DIRECTORS

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

Paul Greenberg – Chairman (appointed 10 August 2020)
Sean Senvirtne – Chief Executive Officer and Executive Director
James Joughin – (appointed 10 August 2020)
Christopher Tait – (appointed 10 August 2020)

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

The consolidated loss after income tax attributable to the members of the Group was \$5,855,329 (2020: profit after tax \$849,232).

REVIEW OF OPERATIONS

MyDeal.com.au Limited ("MyDeal.com.au") has delivered record Gross Sales of \$218.1 million (FY20: \$103.3 million), Net transaction value ("NTV") of \$204.6 million (FY20: \$94.0 million) and Gross Profit of \$33.3 million (FY20: \$15.3 million) for the year ended 30 June 2021 representing growth over the prior corresponding period of 111%, 118% and 119% respectively.

The Group recorded an EBITDA loss of \$4.4 million in FY21 (FY20: \$0.7 million profit) primarily due to a planned increase in advertising and promotional activity to support the Group's focus on customer acquisition and investment in the private label business.

Adjusted EBITDA which excludes the impact of transaction costs of \$0.4 million related to the Group's initial public offering was negative \$4.0 million.

MyDeal.com.au recorded a statutory loss before tax attributable to members of the Group of \$5.3 million (FY20: profit before tax \$0.3 million) and statutory loss after tax attributable to shareholders of \$5.9 million (FY20: profit after tax \$0.85 million).

The key drivers of performance in the year to 30 June 2021 were:

- Gross sales: the increase in Gross Sales was driven by continued growth in the Groups' active customer base which reached 894,225 at 30 June 2021, representing growth in excess of 83% year on year. Additionally, orders from repeat customers increased to 59.4% in Q4 FY21 up from 44.8% for the same time last year.
- Gross profit: Gross profit as a percentage of net transaction value (NTV) was stable at 16.3% (FY20: 16.2%) after including the recognition of cost of sales relating to the private label range.

Directors' Report

continued

- **Private Label:** The Group is executing on its strategy to increase private label as a percentage of Gross Sales (Q4 FY21 5.2% of Gross Sales¹) supported by investment in inventory during the year of \$4.9 million and expansion of the range to over 400 SKUs. The Group remains very excited about the growth and margin expansion opportunities this product range presents.
- **Operating Costs:** Operating costs increased during the period driven by an increase in advertising from 9.13% to 11.26% of NTV to support its customer acquisition strategy. Fixed costs² as a percentage of NTV decreased from 5.6% to 4.5%.
- From a balance sheet perspective, the Group remains well capitalised with a cash balance of \$42.7 million at June 2021. The Group recognised a tax expense during the period of \$0.6 million resulting from the derecognition of prior year deferred tax assets during the period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

MyDeal.com.au became the holding Company of the Group replacing E-Com (Aus) Pty Ltd ("E-Com") following a corporate restructure which was implemented on 18 September 2020 ("the Restructure"). Under the Restructure, the shareholders in E-Com exchanged their shares in E-Com for a proportionate number of shares in MyDeal.com.au Limited. The Restructure has been accounted for as a capital re-organisation. The financial statements of the Group present a continuation of the historical financial statements of E-Com and its controlled entities.

The Group raised \$40.0 million in an IPO of its shares in October 2020. Of this amount approximately \$5.0 million related to sell down shares. The residual proceeds provide the Group with funding to execute its growth strategy as outlined in the Group's prospectus including investment in personnel, advertising, inventory, working capital and the payment of the associated costs of the offer.

The Group also converted an outstanding convertible note of \$3.5 million to 4.3 million shares at the same time as the IPO.

On 22 October 2020, MyDeal.com.au Limited was admitted to the Official List of ASX Limited with the ASX code MYD.

There were no significant changes in the Group's state of affairs that occurred during the financial period, other than those referred to elsewhere in this report.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS

The Group will not be providing earnings guidance for the FY22 year. However, the Group will provide regular business updates during the period. July 2021 unaudited management accounts show positive year on year Gross Sales growth and the Group will remain focussed on customer acquisition and expanding its private label business during FY22.

ENVIRONMENTAL REGULATION

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

DIVIDEND PAID, RECOMMENDED AND DECLARED

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

¹ Q4 Private label revenue as a percentage of Q4 group gross sales.

² Fixed costs include all costs excluding distribution, marketing, merchant fees, finance costs, tax and IPO transaction costs.

SHARE OPTIONS GRANTED TO DIRECTORS AND OFFICERS

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

Total options granted	11,845,000
Directors	Options granted
Paul Greenberg	400,000
James Joughin	210,000
Chris Tait	210,000
Sean Senvirtne	4,000,000
Executives	Options granted
Joshua Mangan	800,000
Lachlan Freeman	200,000

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

SHARES UNDER OPTION

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

Date options granted	Number of unissued ordinary shares under option	Issue price of shares	Expiry date of the options
29/6/2021	5,895,000	\$1.0	29/06/2026
29/6/2021	350,000	\$1.0	17/10/2027
29/6/2021	1,405,000	\$1.0	29/06/2031
29/6/2021	450,000	\$1.5	29/06/2031
29/6/2021	1,000,000	\$0.2	17/10/2027
29/6/2021	2,570,000	\$0.2	29/06/2028
29/6/2021	175,000	\$0.2	29/06/2031

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

SHARES ISSUED ON EXERCISE OF OPTIONS

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

Directors' Report

continued

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a director of MyDeal.com.au Limited at any time during or since 1 July 2020 is provided below, together with details of the company secretary as at the year end.

Paul Greenberg

Non-Executive Chairman

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

Paul is widely regarded as the pioneer of online retail in Australia, having co-founded DealsDirect.com.au in 2004, which grew to become the single largest online retailer in Australia at the time. After the business was sold to private equity, he went on to establish NORA (National Online Retailers Association 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.

Board Committee membership:

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Other current Directorships:

Director of National Retail Association

Vice President of Federation of International Retail Associations

Directorships of other listed companies within the past three years:

N/A

James Joughin

Non-Executive Director

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

James has been the Chairman of the ASX listed Spirit Telecom (ASX:STI) since 16 June 2016, Director of Bio-Gene Technology Limited (ASX:BGT) since 1 March 2021 and holds a number of other directorships including at Viridian Financial Group Ltd, and Melbourne Institute of Technology Pty Ltd.

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

Board Committee membership:

Chair of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Other current Directorships:

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

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

Director of Viridian Financial Group Ltd

Director of Melbourne Institute of Technology Pty Ltd

Directorships of other listed companies within the past three years:

None

Chris Tait Non-Executive Director	Chris has over 25 years' experience advising both local and multinational companies. Chris became the head of Strategy and Acquisitions for WH Smith PLC, before moving to Melbourne to become the regional CFO for WH Smith Asia Pacific. Chris then became a founder of Henslow, the Corporate Adviser to MyDeal. Chris' skills focus on general strategic advice, mergers and acquisitions, private capital raises and transaction structuring. Chris is Chairman of Atomos Limited (ASX:AMS), and Henslow investee company, Credo Holdings Pty Ltd. Chris holds a BSc in Economics and Accountancy from City, University of London and is qualified as a Chartered Accountant from the Institute of Chartered Accountants in England & Wales. Board Committee membership: Member of the Audit and Risk Committee Chair of the Remuneration and Nomination Committee Other current Directorships: Director and Chairman of Atomos limited (ASX:AMS) since 13 May 2020 Chairman of Credo Holdings Pty Ltd Directorships of other listed companies within the past three years: None
Sean Senvirtne Chief Executive Officer	Sean is the founder and CEO of MyDeal, and since inception has led the organisation to over \$218m Gross Sales in FY2021. Prior to MyDeal, Sean ran several other online businesses including an online directory for restaurants, bars and nightclubs. Sean was named Business Leader of the Year at the Optus My Business Awards in 2016, as well as being named a finalist for Young Executive of the Year by The CEO Magazine. Board Committee membership: None Other current Directorships: None Directorships of other listed companies within the past three years: None
Vanessa Chidrawi Company secretary	Vanessa Chidrawi is a highly experienced governance professional, with a portfolio of domestic and international clients across various sectors. She had 12 years' private practice experience in commercial law and litigation, practicing for her own account in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for ASX200 and TSX-listed companies and has held senior executive positions in the mining industry across Australia and S-E Asia. Ms Chidrawi holds Bachelor of Law and Bachelor of Commerce qualifications and brings with her a wealth of experience in corporate governance, mergers and acquisitions, board advisory and capital raising in the listed company space. She currently acts as company secretary and governance advisor to 6 ASX-listed companies, including FINEOS Corporation plc and Wisr Limited.

Directors' Report

continued

DIRECTORS' MEETINGS

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

	Board of Directors		Audit Committee		Remuneration & Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Paul Greenberg	7	7	4	4	2	2
James Joughin	7	7	4	4	2	2
Chris Tait	7	7	4	4	2	2
Sean Senvirtne	7	7	4	4	2	2

DIRECTORS' INTERESTS IN SHARES OR OPTIONS

Directors' relevant interests in:	Ordinary shares of MyDeal.com.au Limited	Options over shares in MyDeal.com.au Limited
Paul Greenberg	1,687,855	400,000
James Joughin	128,261	210,000
Chris Tait	132,065	210,000
Sean Senvirtne	126,967,347	4,000,000

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

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

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

PROCEEDINGS ON BEHALF OF THE GROUP

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

AUDITOR'S INDEPENDENCE DECLARATION

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

NON-AUDIT SERVICES

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

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

- all non-audit services were subject to the corporate governance procedures adopted by MyDeal.com.au Limited and have been reviewed and approved to ensure they do not impact on the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for MyDeal.com.au Limited or any of its related entities, acting as an advocate for MyDeal.com.au Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of MyDeal.com.au Limited or any of its related entities.

	2021 \$	2020 \$
Amounts paid and payable to Pitcher Partners Melbourne for non-audit services:		
Taxation services	72,600	5,250
Total auditor's remuneration for non-audit services	72,600	5,250

TRUE AND FAIR VIEW

Non IFRS Measures

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

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

Gross Sales	Gross transaction value, on a cash basis, of products and services sold
Net Transaction Value (NTV)	Net transaction value represents Gross Sales after deducting refunds, chargebacks, discounts and coupons
EBITDA	Earnings before interest, tax, depreciation and amortisation
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation, share-based payment expense and non-recurring transaction costs associated with the Group's IPO

ROUNDING OF AMOUNTS

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

AFTER BALANCE DATE EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021, of the group, or
- the results of those operations, or
- the state of affairs, in financial years subsequent to 30 June 2021, of the group.

Directors' Report

continued

REMUNERATION REPORT (AUDITED)

The directors present the Group's 2021 remuneration report which details the remuneration information for MyDeal.com.au Limited's executive directors, non-executive directors and other key management personnel.

The report is structured as follows:

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

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

(i) Directors	Period of Responsibility	Position
Paul Greenberg	Appointed 10 August 2020	Chairman – Non-Executive
James Joughin	Appointed 10 August 2020	Director – Non-Executive
Chris Tait	Appointed 10 August 2020	Director – Non-Executive
Sean Senvirtne	Appointed 2 April 2020 ³	Director and Chief Executive Officer

(ii) Executives		
Josh Mangan	Appointed 16 September 2020 ⁴	Chief Operating Officer
Lachlan Freeman	Appointed 11 January 2021	Chief Financial Officer

There have been no changes to KMP after 30 June 2021 and the date the financial report was authorised for issue.

B. Remuneration policy and link to performance

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

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

Remuneration Framework

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

³ Sean Senvirtne was previously employed by E-Com (AUS) Pty Ltd (appointed 5 April 2011), now a subsidiary of MyDeal.com.au Limited.

⁴ Joshua Mangan was previously employed by E-Com (AUS) Pty Ltd (appointed 2 November 2017), now a subsidiary of MyDeal.com.au Limited.

Element	Purpose	Performance Metrics
STI	Reward for in-year performance	In FY21 STIs were in the form of cash. STI's were measured on the achievement of both financial and non-financial KPIs. In FY22 the Remuneration and Nomination Committee will formulate appropriate measures against which performance is measured in relation business level strategic priorities.
LTI	Alignment to long-term shareholder value	In FY21 LTIs were in the form of options in the Group. The LTI is designed to assist in the motivation and retention of selected employees and to align the interest of eligible participants with those of the Company and its shareholders. Options were issued with vesting criteria including either share price hurdles, service conditions or a combination of both. In FY22 the Remuneration and Nomination Committee will formulate appropriate measures in relation to shareholder returns and company performance.

Assessing performance and claw-back of remuneration

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

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

Reliance on external remuneration consultants

Given the early stage of the Group's listing, the Group has not officially engaged external remuneration consultants. The Board has taken legal advice on remuneration practices.

GROUP PERFORMANCE

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

	2021	2020	2019	2018	2017
Revenue	38,389,222	15,762,675	5,400,884	5,730,169	3,577,580
% increase/(decrease) in revenue	144%	192%	(6%)	60%	60%
Profit/(loss) before tax	(5,305,209)	331,632	(417,749)	(1,273,729)	(2,120,952)
% (Decrease)/increase in profit before tax	(1700%)	179%	67%	40%	(180%)
Change in share price (%)	–	–	–	–	–
Dividend paid to shareholders	–	–	–	–	–
Return of capital	–	–	–	–	–
Total remuneration of KMP	1,399,227	516,215	146,748	58,720	235,088
Total performance based remuneration	275,960	104,662	–	–	–

Directors' Report

continued

C. Remuneration expenses for key management personnel

(a) Directors' remuneration:

	Short-Term				Post-employment			Long-term	Share-based payments ⁵	TOTAL	Total performance-related	Options as % of total
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other \$	Superannuation \$	Retirement benefits \$	Termination benefits \$					
2021												
Paul Greenberg	83,714	-	-	-	7,953	-	-	-	88	91,755	0.1	0.1
James Joughin	45,662	-	-	-	4,338	-	-	-	48	50,048	0.1	0.1
Chris Tait	50,000	-	-	-	-	-	-	-	48	50,048	0.1	0.1
	179,376	-	-	-	12,291	-	-	-	184	191,851	0.1	0.1
2020												
Paul Greenberg	-	-	-	-	-	-	-	-	-	-	-	-
James Joughin	-	-	-	-	-	-	-	-	-	-	-	-
Chris Tait	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

5 The value of options granted to directors and key management personnel as part of their annual remuneration is calculated as at the grant date. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to the lesser of actual vesting date or 5 years.

(b) Executives' remuneration:

	Short-Term				Post-employment			Long-term		Share-based payments ⁶		Total performance-related		Options as % of total
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other ⁷ \$	Superannuation \$	Retirement benefits \$	Termination benefits \$	Incentive plans \$	Options \$	TOTAL	\$	%	%	
2021														
Sean Senvirtne	360,870	157,879	10,322	117,667	42,631	-	-	-	1,768	691,137		23.1		0.3
Josh Mangan	227,500	80,738	-	13,051	25,673	-	-	-	343	347,305		23.3		0.1
Lachlan Freeman	111,474	35,000	-	11,822	10,590	-	-	-	48	168,934		20.7		0.0
	699,844	273,617	10,322	142,540	78,894	-	-	-	2,159	1,207,376		22.8		0.2
2020														
Sean Senvirtne	216,754	101,662	-	-	30,250	-	-	-	-	348,666		29.2		-
Josh Mangan	149,690	3,000	-	353	14,506	-	-	-	-	167,549		1.8		-
Lachlan Freeman	-	-	-	-	-	-	-	-	-	-		-		-
	366,444	104,662	-	353	44,756	-	-	-	-	516,215		20.3		-

6 The value of options granted to directors and key management personnel as part of their annual remuneration is calculated as at the grant date. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to the lesser of actual vesting date or 5 years.

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

Directors' Report

continued

D. Contractual arrangements for KMP

Executive employment agreements

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

Chief Executive Officer (CEO) and Founder

Sean Senvirtne is the founder of the business and was contracted on a permanent basis from 2 April 2020 by MyDeal.com.au Limited⁸. His permanent contract was renewed on 16 September 2020.

Under the terms of the current contract:

- The CEO receives fixed remuneration of \$350,000 per annum, and in addition, 9.5% in superannuation entitlements.
- The CEO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The CEO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.

Chief Operating Officer (COO)

Josh Mangan was contracted by MyDeal.com.au Limited on a permanent basis from 16 September 2020⁹.

Under the terms of the current contract:

- The COO receives fixed remuneration of \$250,000 per annum, and in addition, 9.5% in superannuation entitlements.
- The COO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The COO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.
- The COO receives the provision of a free car parking space within the proximity of the Group's head office or reimbursement of same

Chief Financial Officer (CFO)

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

Under the terms of the current contract:

- The CFO receives fixed remuneration of \$235,000 per annum, and in addition, 9.5% in superannuation entitlements.
- The CFO is eligible to participate in the Group's STI plan in accordance with the rules of the Plan, to be paid in cash.
- The CFO is eligible to participate in the Group's LTI plan on terms determined by the Board, in accordance with the rules of the Group's equity incentive plan.
- The CFO receives the provision of a free car parking space within the proximity of the Group's head office or reimbursement of same

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

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

⁸ Sean Senvirtne was previously employed by E-Com (AUS) Pty Ltd (appointed 5 April 2011), now a subsidiary of MyDeal.com.au Limited.

⁹ Joshua Mangan was previously employed by E-Com (AUS) Pty Ltd (appointed 2 November 2017), now a subsidiary of MyDeal.com.au Limited.

E. Non-executive Director arrangements

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

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

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

	Cash fee paid to chair	Cash fee paid to member(s)
Board	\$100,000	\$60,000

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

Refer below for details.

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

(a) Details of compensation Options

Terms and conditions for each grant														
2021	Grant date	Number granted	Fair value per option at grant date	Number vested during the year	Year in which option may be vested	Vested %	Fair value of exercised options during the year	Number lapsed during the year	Year lapsed options were granted	Amount paid or payable for exercised options	Exercise price \$	Expiry date	First exercise date	Last exercise date
Directors														
Paul Greenberg	29/6/21	50,000	0.145	-	2022	-	-	-	-	-	1.0	29/06/2026	-	-
Paul Greenberg	29/6/21	150,000	0.145	-	2022	-	-	-	-	-	1.0	20/10/2027	-	-
Paul Greenberg	29/6/21	150,000	0.120	-	2023	-	-	-	-	-	1.5	20/10/2028	-	-
Paul Greenberg	29/6/21	50,000	0.135	-	2024	-	-	-	-	-	1.5	20/10/2029	-	-
James Joughin	29/6/21	10,000	0.145	-	2022	-	-	-	-	-	1.0	29/06/2026	-	-
James Joughin	29/6/21	100,000	0.145	-	2022	-	-	-	-	-	1.0	20/10/2027	-	-
James Joughin	29/6/21	100,000	0.120	-	2023	-	-	-	-	-	1.5	20/10/2028	-	-
Chris Tait	29/6/21	10,000	0.145	-	2022	-	-	-	-	-	1.0	29/06/2026	-	-
Chris Tait	29/6/21	100,000	0.145	-	2022	-	-	-	-	-	1.0	20/10/2027	-	-
Chris Tait	29/6/21	100,000	0.120	-	2023	-	-	-	-	-	1.5	20/10/2028	-	-
Executives														
Sean Senvirtne	29/6/21	3,000,000	0.145	-	2022	-	-	-	-	-	1.0	29/06/2026	-	-
Sean Senvirtne	29/6/21	1,000,000	0.410	-	2022	-	-	-	-	-	0.2	20/10/2027	-	-
Josh Mangan	29/6/21	350,000	0.175	-	2023	-	-	-	-	-	1.0	29/06/2026	-	-
Josh Mangan	29/6/21	450,000	0.420	-	2023	-	-	-	-	-	0.2	29/06/2028	-	-
Lachlan Freeman	29/6/21	200,000	0.175	-	2023	-	-	-	-	-	1.0	29/06/2031	-	-
		- 5,820,000		-	-	-	-	-	-	-	-	-	-	-

(b) Shares issued on exercise of compensation options

	Number issued	Amount paid per share \$	Amount unpaid per share \$
2021			
Directors			
Paul Greenberg	–	–	–
James Joughin	–	–	–
Chris Tait	–	–	–
Executives			
Sean Senvirtne	–	–	–
Josh Mangan	–	–	–
Lachlan Freeman	–	–	–
	–	–	–

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

(a) Number of options held by key management personnel

2021	Balance 01/07/20	Granted as remuneration	Options exercised*	Other changes (net)*	Balance 30/06/21	Total vested 30/06/21	Total vested and exercisable 30/06/21	Total vested and unexercisable 30/06/21
Directors								
Paul Greenberg	–	400,000	–	–	400,000	–	–	–
James Joughin	–	210,000	–	–	210,000	–	–	–
Chris Tait	–	210,000	–	–	210,000	–	–	–
Executives								
Sean Senvirtne	–	4,000,000	–	–	4,000,000	–	–	–
Josh Mangan	–	800,000	–	–	800,000	–	–	–
Lachlan Freeman	–	200,000	–	–	200,000	–	–	–
	–	5,820,000	–	–	5,820,000	–	–	–

* Note: Net change includes options forfeit.

Directors' Report

continued

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

2021	Balance 1/07/20	Received as Remuneration	Received on the exercise of options	Other changes (net)	Total balance at 30/06/21	Number held nominally at 30/6/21
Directors						
Paul Greenberg	–	–	–	1,687,855	1,687,855	–
James Joughin	–	–	–	128,261	128,261	–
Chris Tait	–	–	–	132,065	132,065	–
Executives						
Sean Senvirtne	79,110,124	–	–	47,857,223	126,967,347	–
Josh Mangan	–	–	–	15,000	15,000	–
Lachlan Freeman	–	–	–	–	–	–
	79,110,124	–	–	49,820,404	128,930,528	–

H. Other transactions with key management personnel

During the year the following KMP transactions occurred:

Paul Greenberg, Non Executive Chairman, is a shareholder in RetailTech Capital Pty Limited ACN 639 392 368. During the year RetailTech entered into a contractor agreement with E-Com in respect of the provision of consultancy services in connection with the IPO and received \$20,000, excluding GST. These consultancy services terminated on listing.

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 Group in respect of the IPO. Henslow was retained as the Corporate Adviser to the Group and was paid a retainer of \$60,000 and a success fee of \$300,000 during the year ended 30 June 2021.

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

Following listing on the ASX in October 2020, MyDeal.com.au Limited will put its remuneration report to the Group's AGM in November 2021.

— end of the Remuneration Report —

Signed in accordance with a resolution of the directors.



Paul Greenberg

Chairman

Melbourne

25 August 2021

Auditor's Independence Declaration

To the Directors of MyDeal.com.au Limited



MYDEAL.COM.AU LTD
ABN 60 640 108 130

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

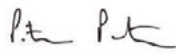
In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

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

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


S SCHONBERG
Partner

25 August 2021


PITCHER PARTNERS
Melbourne

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

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Continuing operations			
Revenue and other income			
Revenue from contracts with customers	4	38,271,998	15,335,680
Cost of sales	5	(4,926,100)	(84,094)
Gross profit		33,345,898	15,251,586
Other revenue	6	117,224	426,995
Less: Expenses			
Advertising expense		(23,032,201)	(8,575,077)
Depreciation and amortisation expense	7	(751,657)	(286,228)
Distribution expense		(2,789,787)	(23,414)
Employee benefits expense	7	(5,052,221)	(2,908,672)
Finance costs	7	(104,502)	(51,309)
Merchant fees		(3,236,011)	(1,472,908)
Occupancy expense		(80,993)	(74,496)
Professional fees		(843,799)	(480,537)
Software expenses		(1,984,092)	(1,147,445)
Other expenses		(893,068)	(326,863)
		(38,768,331)	(15,346,949)
Profit/(loss) before income tax expense		(5,305,209)	331,632
Income tax (expense)/benefit	8	(550,120)	517,600
Net Profit/(loss) from continuing operations		(5,855,329)	849,232
Other comprehensive income for the year		–	–
Total comprehensive income		(5,855,329)	849,232
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share	25	(0.025)	0.004
Diluted earnings per share	25	(0.025)	0.004

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

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	9	42,674,560	16,808,955
Receivables	10	351,967	736,716
Inventories	11	5,326,581	384,981
Other assets	12	922,099	782,408
Total current assets		49,275,207	18,713,060
Non-current assets			
Intangible assets	15	1,952,469	219,967
Lease assets	14	124,053	280,749
Deferred tax assets	8	–	550,120
Property, plant and equipment	13	261,222	69,395
Total non-current assets		2,337,744	1,120,231
Total assets		51,612,951	19,833,291
Current liabilities			
Payables	16	19,184,989	13,707,294
Lease liabilities	14	154,489	152,326
Borrowings	17	–	–
Current tax Liability	8	–	32,520
Provisions	18	554,092	226,269
Other liabilities	19	823,446	1,385,635
Total current liabilities		20,717,016	15,504,044
Non-current liabilities			
Lease liabilities	14	–	154,482
Borrowings	17	–	3,082,265
Provisions	18	67,377	34,775
Total non-current liabilities		67,377	3,271,522
Total liabilities		20,784,393	18,775,566
Net assets		30,828,558	1,057,725
Equity			
Share capital	20	40,771,727	5,150,102
Reserves	21	4,537	–
Accumulated Losses	22	(9,947,706)	(4,092,377)
Total equity		30,828,558	1,057,725

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

Consolidated Statement of Changes In Equity

For the year ended 30 June 2021

	Contributed equity \$	Reserves \$	Retained losses \$	Total Equity \$
Balance as at 1 July 2019	5,150,102	–	(4,941,609)	208,493
Profit for the year	–	–	849,232	849,232
Total comprehensive income for the year	–	–	849,232	849,232
Balance as at 30 June 2020	5,150,102	–	(4,092,377)	1,057,725
Balance as at 1 July 2020	5,150,102	–	(4,092,377)	1,057,725
Proceeds and cost of raising capital	35,621,625			35,621,625
Employee Share Ownership Plan		4,537		4,537
Profit/(Loss) for the year			(5,855,329)	(5,855,329)
Total comprehensive income for the year	35,621,625	4,537	(5,855,329)	29,770,833
Balance as at 30 June 2021	40,771,727	4,537	(9,947,706)	30,828,558

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flow from operating activities			
Receipts from customers		229,381,111	106,603,916
Payments to suppliers and employees		(233,245,212)	(94,626,335)
Interest received		42,139	22,080
Interest paid		(9,881)	(104)
Income Tax Paid		(32,520)	–
Net cash provided by/(used in) operating activities	23	(3,864,363)	11,999,557
Cash flow from investing activities			
Payment for property, plant and equipment		(279,087)	(45,074)
Payment for intangibles		(2,283,365)	(278,733)
Net cash provided by/(used in) investing activities		(2,562,452)	(323,807)
Cash flow from financing activities			
Proceeds from share issue		32,456,811	2,950,000
Repayment of borrowings		–	(24,919)
Repayment of lease principal		(152,319)	(130,638)
Repayment of leases interest		(12,072)	(18,940)
Net cash provided by/(used in) financing activities		32,292,420	2,775,503
Reconciliation of cash			
Cash and cash equivalents at beginning of year		16,808,955	2,357,702
Net increase in cash held		25,865,605	14,451,253
Cash and cash equivalents at end of the year	23	42,674,560	16,808,955

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

Notes to the Financial Statements

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Notes to the Financial Statements

Year ended 30 June 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

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

(a) Basis of preparation of the financial report

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

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

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

Compliance with IFRS

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

Historical cost convention

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

Significant accounting estimates and judgements

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

(b) Going concern

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

The Group recorded a loss before income tax of \$5,305,209 during the year ended 30 June 2021 (2020: profit before income tax \$331,632).

At 30 June 2021 the Group has net assets of \$30,828,558 (2020: \$1,057,725).

At 30 June 2021 the Group has cash and cash equivalents of \$42,674,560 (2020: \$16,808,955).

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

(c) Principles of consolidation

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

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

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

Notes to the Financial Statements

continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(d) Revenue from contracts with customers

Revenue from contracts with customers

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

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

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

Private Label reflects revenue from the sale of goods controlled by the Group prior to transfer and are recognised upon delivery of the goods.

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

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

Receivables from contracts with customers

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

(e) 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).

(f) Income tax

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(f) Income tax (continued)

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

(g) 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. Bank overdrafts are shown within payables in current liabilities in the consolidated statement of financial position.

(h) 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.

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

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

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

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

Classification of financial liabilities

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

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

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 issuer, by the issuer, on maturity. The convertible notes are classified as financial liabilities in accordance with their contractual terms.

Notes to the Financial Statements

continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(i) Financial instruments (continued)

Impairment of financial assets

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

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

(j) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(k) Plant and equipment

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

Plant and equipment

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

Depreciation

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

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

(l) Intangible assets

Separately acquired intangible assets

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

Internally generated intangible assets

Software development costs are measured at cost less any accumulated amortisation and accumulated impairment losses. Such development costs are only capitalised if they can be reliably measured, the process is technically and commercially feasible, future economic benefits are probable, and the Group has sufficient resources to complete development. Development costs are amortised over the useful life of the asset.

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

(m) Employee benefits

(i) Short-term employee benefit obligations

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

Notes to the Financial Statements

continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(m) Employee benefits (continued)

(ii) Long-term employee benefit obligations

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

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

(iii) Retirement benefit obligations Defined contribution superannuation plan

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

(iv) Share-based payments

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

(v) Bonus

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

(n) Goods and services tax (GST)

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (continued)

(o) Comparatives

MyDeal.com.au Limited became the holding company of the Group replacing E-Com (Aus) Pty Ltd ("E-Com") following a corporate restructure which was implemented on 18 September 2020 ("the Restructure"). Under the Restructure, the shareholders in E-Com exchanged their shares in E-Com for a proportionate number of shares in MyDeal.com.au Limited. The Restructure has been accounted for as a capital re-organisation. The financial statements of the Group present a continuation of the historical financial statements of E-Com and its controlled entities.

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

(p) Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and Balances

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

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

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

(q) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If an such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current marketing assessments of the time value of money and the risks specific to the asset or CGU.

(r) Cashflow

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

(s) Rounding of amounts

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

Notes to the Financial Statements

continued

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Share-based payment transactions

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

(b) Deferred tax

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

(c) Impairment of non-financial assets

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

(d) Estimation of useful lives of assets

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

NOTE 3: FINANCIAL RISK MANAGEMENT

The Group is exposed to the following financial risks:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

The board of directors has overall responsibility for identifying and managing operational and financial risks.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(a) Currency risk

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

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

	Assets		Liabilities	
	2021 AUD\$	2020 AUD\$	2021 AUD\$	2020 AUD\$
United States Dollar denominated	–	–	83,068	21,304
	–	–	83,068	21,304

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

	2021 \$	2020 \$
+/- 5%		
Impact on profit after tax	4,153	1,065
Impact on equity	–	–

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

(b) Interest rate risk

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

(c) Credit risk

Credit risk is the risk that one counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is not materially exposed to any significant credit risk. All cash and cash equivalents are held by well-established banks, hence the expected default rate for these institutions is highly unlikely based on both financial and non-financial data available. All receivables are neither past due nor impaired.

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

(d) Liquidity risk

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

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

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

Notes to the Financial Statements

continued

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	<6 months \$	6-12 months \$	1-5 years \$	Total contractual cash flows \$	Carrying amount \$
30 June 2021					
Payables	19,184,989	—	—	19,184,989	19,184,989
Borrowings	—	—	—	—	—
Current tax liabilities	—	—	—	—	—
Lease liabilities	99,718	58,169	—	157,887	154,489
Provisions	554,092	—	67,377	621,469	621,469
Other liabilities	823,446	—	—	823,446	823,446
	20,662,245	58,169	67,377	20,787,791	20,784,393
30 June 2020					
Payables	13,707,294	—	—	13,707,294	13,707,294
Borrowings	181,285	3,203,766	—	3,385,051	3,082,265
Current tax Liabilities	32,520	—	—	32,520	32,520
Lease liabilities	77,395	86,997	157,887	322,279	306,808
Provisions	226,269	—	34,775	261,044	261,044
Other liabilities	1,385,635	—	—	1,385,635	1,385,635
	15,610,398	3,290,763	192,662	19,093,823	18,775,566

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

	Notes	2021 \$	2020 \$
Revenue from contracts with customers from continuing operations			
Revenue recognised at a point in time:			
<i>Sales commission</i>		28,055,432	13,983,150
<i>Private label revenue</i>		8,662,981	281,209
		36,718,413	14,264,359
Revenue recognised over time:			
<i>Advertising income</i>		1,240,772	882,625
<i>Subscription fee income</i>		312,813	188,696
		1,553,585	1,071,321
		38,271,998	15,335,680

NOTE 5: COST OF GOODS SOLD

	Notes	2021 \$	2020 \$
Cost of goods sold		4,926,100	84,094
		4,926,100	84,094

The Group commenced recognition of cost of goods sold in relation to the Group's private label business.

NOTE 6: OTHER REVENUE AND OTHER INCOME

	Notes	2021 \$	2020 \$
<i>Other revenue</i>			
Interest income		42,138	22,080
App support		30,000	0
Research and development tax incentive		8,844	343,578
COVID-19 – cash flow boost		50,000	50,000
Foreign exchange gain/(loss)		(33,347)	11,337
Profit on sale of assets		19,589	0
		117,224	426,995

Notes to the Financial Statements

continued

NOTE 7: PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations before income tax has been determined after the following specific expenses:

	Notes	2021 \$	2020 \$
<i>IPO Transaction costs</i>			
IPO Transaction costs		493,422	–
		493,422	–
<i>Finance costs</i>			
Convertible notes		92,064	32,265
Lease Liabilities		12,072	18,940
Other		366	104
		104,502	51,309
<i>Depreciation and amortisation</i>			
<i>Depreciation of non-current assets</i>			
Motor vehicles		1,203	14,198
Office furniture and equipment		4,035	8,866
Computer equipment		38,363	15,115
Leasehold improvement		497	
		44,098	38,179
<i>Amortisation of non-current assets</i>			
Leased assets			
Software		156,696	156,697
		550,863	91,352
		707,559	248,049
<i>Total depreciation and amortisation</i>		751,657	286,228
<i>Bad debts</i>		64,948	12,032
<i>Employee benefits</i>		5,052,221	2,908,672
<i>Loss/(Gain) on disposal of plant and equipment</i>		43,162	–

The Group recognised transaction costs with respect to the \$40 million initial public offer and listing on the ASX on 22 October 2020.

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

NOTE 8: INCOME TAX

(a) Components of tax expense:

	Notes	2021 \$	2020 \$
Current tax		–	32,520
Deferred tax		550,120	(550,120)
Under/(over) provision in prior years		–	–
		550,120	(517,600)

(b) Income tax reconciliation

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

	Notes	2021 \$	2020 \$
Prima facie income tax payable on profit before income tax at 26.0% (2020: 27.5%)		(1,379,354)	91,199
Add tax effect of:			
– Other non-allowable items		33,573	12,863
– Research and development expenditure			217,204
– Deferred tax assets previously recognised, derecognised		550,120	
– Deferred tax assets not recognised		1,343,239	
– Change in tax rate		28,942	
– Other differences		19,520	
Under provision for income tax in prior year		–	–
		1,975,394	230,067
Less tax effect of:			
– Non assessable income		17,900	–
– Research and development tax incentive		28,020	94,484
– Deferred tax assets, previously not recognised, utilised		–	718,673
– Other differences		–	25,709
Over provision for income tax in prior years		–	–
		45,920	838,866
Income tax expense attributable to profit/(loss)		550,120	(517,600)

Notes to the Financial Statements

continued

NOTE 8: INCOME TAX (continued)

(c) Deferred tax

Deferred tax relates to the following:

	Notes	2021 \$	2020 \$
<i>Deferred tax assets</i>			
The balance comprises:			
Tax losses carried forward		–	450,858
Employee benefits		–	71,787
Leases		–	7,166
Accruals		–	75,633
Unrealised FX gains		–	2,703
		–	608,147
<i>Deferred tax liabilities</i>			
The balance comprises:			
Property, plant and equipment		–	11,177
Prepayments		–	46,850
		–	58,027
<i>Net deferred tax assets/(liabilities)</i>		–	550,120

(d) Deferred tax asset not brought to account

	Notes	2021 \$	2020 \$
Temporary differences		516,758	–
Tax losses		2,105,868	–
		2,622,626	–

NOTE 9: CASH AND CASH EQUIVALENTS

	Notes	2021 \$	2020 \$
Cash on hand		102	102
Cash at bank		40,745,276	15,556,016
Cash on deposit		1,929,182	1,252,837
		42,674,560	16,808,955

NOTE 10: RECEIVABLES

	Notes	2021 \$	2020 \$
CURRENT			
Receivables from contracts with customers		411,841	310,098
Allowance for credit losses		(66,342)	(17,411)
		345,499	292,687
Research and development tax incentive receivable		–	344,029
		–	344,029
Other receivables		6,468	100,000
		6,468	100,000
		351,967	736,716

30-Jun-21	Not past due	Days Past Due				Total
		<30	31 – 60	61 – 90	>90	
Trade receivables	282,463	16,738	18,575	16,100	11,623	345,499
Other Receivables	6,468	–	–	–	–	6,468
Total	288,931	16,738	18,575	16,100	11,623	351,967

30-Jun-20						
Trade receivables	227,347	22,450	12,073	9,688	21,129	292,687
Other Receivables	444,029	–	–	–	–	444,029
Total	671,376	22,450	12,073	9,688	21,129	736,716

NOTE 11: INVENTORIES

	Notes	2021 \$	2020 \$
CURRENT			
Stock on hand at cost		4,490,004	319,749
Stock in transit at cost		836,577	65,232
Total inventories		5,326,581	384,981

NOTE 12: OTHER CURRENT ASSETS

	Notes	2021 \$	2020 \$
Prepayments		878,943	739,252
Other current assets		43,156	43,156
		922,099	782,408

Notes to the Financial Statements

continued

NOTE 13: PROPERTY PLANT AND EQUIPMENT

	Notes	2021 \$	2020 \$
<i>Motor vehicle at cost</i>		–	70,835
Less: Accumulated depreciation		–	(52,680)
		–	18,155
<i>Office equipment at cost</i>		56,774	45,544
Less Accumulated depreciation		(41,177)	(37,142)
		15,597	8,402
<i>Computer equipment at cost</i>		307,869	127,533
Accumulated depreciation		(123,057)	(84,695)
		184,812	42,838
<i>Leasehold improvement at cost</i>		61,310	–
Accumulated amortisation		(497)	–
		60,813	–
<i>Total property, plant and equipment at cost</i>		425,953	243,912
Accumulated depreciation and amortisation		(164,731)	(174,517)
Total property, plant and equipment		261,222	69,395

(a) Reconciliations

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

	Notes	2021 \$	2020 \$
<i>Motor Vehicles</i>			
Carrying amount at beginning of year		18,155	32,353
Disposals		(16,952)	–
Depreciation expense		(1,203)	(14,198)
Carrying amount end of year		–	18,155
<i>Office equipment</i>			
Carrying amount at beginning of year		8,402	11,187
Additions		12,884	6,081
Disposals		(1,654)	–
Depreciation expense		(4,035)	(8,866)
Carrying amount end of year		15,597	8,402

NOTE 13: PROPERTY PLANT AND EQUIPMENT (continued)**(a) Reconciliations** (continued)

	Notes	2021 \$	2020 \$
<i>Computer equipment</i>			
Carrying amount at beginning of year		42,838	18,960
Additions		204,893	38,993
Disposals		(24,556)	–
Depreciation expense		(38,363)	(15,115)
Carrying amount end of year		184,812	42,838
<i>Leasehold improvement</i>			
Carrying amount at beginning of year		–	–
Additions		61,310	–
Depreciation expense		(497)	–
Carrying amount end of year		60,813	–
<i>Total property, plant and equipment</i>			
Carrying amount at beginning of year		69,395	62,500
Additions		279,087	45,074
Disposals		(43,162)	–
Depreciation expense		(44,098)	(38,179)
Carrying amount end of year		261,222	69,395

NOTE 14: LEASE ASSETS AND LEASE LIABILITIES

The following disclosure is applicable to lessees only.

Lease arrangements (30 June 2021)

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 Leases.

(a) Lease assets

	Notes	2021 \$	2020 \$
Carrying amount of lease assets, by class of underlying asset:			
<i>Buildings under lease arrangements</i>			
At cost		437,446	437,446
Accumulated depreciation		(313,393)	(156,697)
		124,053	280,749

Notes to the Financial Statements

continued

NOTE 14: LEASE ASSETS AND LEASE LIABILITIES (continued)

Lease arrangements (30 June 2021) (continued)

(a) Lease assets (continued)

	2021 \$	2020 \$
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:		
Opening Balance	280,749	437,446
Depreciation	(156,696)	(156,697)
Closing Balance	124,053	280,749

(b) Lease liabilities

	Notes	2021 \$	2020 \$
Current lease liabilities		154,489	152,326
Non-current lease liabilities		–	154,482
Total carrying amount of lease liabilities		154,489	306,808

Lease expenses and cashflows

Interest expense on lease liabilities	12,072	18,940
Depreciation expense on lease assets	156,696	156,697
Total cash outflow in relation to leases	164,391	149,579

NOTE 15: INTANGIBLE ASSETS

	Notes	2021 \$	2020 \$
Customer lists and contracts		949,026	138,347
Less: Accumulated amortisation		(405,577)	(38,729)
		543,449	99,618
Internally generated software		1,077,355	–
Less: Accumulated amortisation		(75,800)	–
		1,001,555	–
Computer software at cost		660,117	
		(252,652)	221,351
Accumulated amortisation and impairment			(101,002)
		407,465	120,349
Net book amount		1,952,469	219,967

NOTE 15: INTANGIBLE ASSETS (continued)

Reconciliations of the carrying amounts at the beginning and end of the year ended 30 June 2021 are provided below.

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

NOTE 16: PAYABLES

	Notes	2021 \$	2020 \$
CURRENT			
Trade payables		18,150,766	13,165,560
Sundry creditors and accruals		1,034,224	541,734
		19,184,990	13,707,294

NOTE 17: BORROWINGS

	Notes	2021 \$	2020 \$
NON-CURRENT			
<i>Unsecured liabilities:</i>			
<i>Convertible Notes</i>		–	3,082,265
		–	3,082,265

NOTE 18: PROVISIONS

	Notes	2021 \$	2020 \$
CURRENT			
Employee benefits		554,092	226,269
		554,092	226,269
NON-CURRENT			
Employee benefits		67,377	34,775
		67,377	34,775
Aggregate employee benefits liability		621,469	261,044

Notes to the Financial Statements

continued

NOTE 19: OTHER LIABILITIES

	Notes	2021 \$	2020 \$
CURRENT			
Customer deposits received in advance		823,446	1,385,635
		823,446	1,385,635

NOTE 20: SHARE CAPITAL

(a) Ordinary Shares

	30 June 2021 \$	30 June 2020 \$	30 June 2021 No.	30 June 2020 No.
	40,771,725	5,150,102	258,827,306	131,788,967

(b) Movements in ordinary share capital

Details	Date	Shares No.	Issue Price	\$
Balance	1 July 2019	131,788,967	–	5,150,102
Balance	30 June 2020	131,788,967	–	5,150,102
Balance	1 July 2020	131,788,967	–	5,150,102
Share split 1:1.67	September 2020	219,490,369		
Convertible note	September 2020	4,336,937	0.8	3,464,814
Shares issued at IPO	October 2020	35,000,000	1.0	35,000,000
Transaction costs arising on IPO offset against share capital, net of tax	October 2020			(2,843,191)
Balance	30 June 2021	258,827,306		40,771,725

(c) Rights of each type of share

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

NOTE 21: RESERVES

	Notes	2021 \$	2020 \$
Share-based payment reserve	26(b)	4,537	–
		4,537	–

(a) Share-based payment reserve

(i) Nature and purpose of reserve

This reserve is used to record the value of equity settled share-based payments.

(ii) Movements in reserve

Balance at beginning of year	–	–
Net share-based payment expense for the year	4,537	–
Balance at end of year	4,537	–

NOTE 22: ACCUMULATED LOSSES

	Notes	2021 \$	2020 \$
Balance at beginning of year		(4,092,377)	(4,941,609)
Net profit/(loss)		(5,855,329)	849,232
Balance at end of year		(9,947,706)	(4,092,377)

Notes to the Financial Statements

continued

NOTE 23: CASH FLOW INFORMATION

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

	Notes	2021 \$	2020 \$
Profit/(loss) from ordinary activities after income tax		(5,855,329)	849,232
Non-Cash Items			
Amortisation		707,559	248,049
Depreciation		44,098	38,179
Interest expense not actually paid		94,621	51,205
Share-based payment		4,537	–
Asset write off		43,162	–
Changes in assets and liabilities			
Decrease in receivables from contracts with customers		384,749	176,696
Increase in other assets		(139,691)	(578,249)
Increase in inventory		(4,941,600)	(383,592)
Decrease/(Increase) in income tax		517,600	(517,600)
Increase in payables		5,477,695	11,480,228
(Decrease)/Increase in other liabilities		(562,189)	507,753
Increase in provisions		360,425	127,656
Net cash provided by/(used in) operating activities		(3,864,363)	11,999,557

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

	Notes	2021 \$	2020 \$
– Cash on hand		102	102
– Cash at bank		40,745,276	15,556,016
– Cash on deposit		1,929,182	1,252,837
Closing cash balance		42,674,560	16,808,955

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

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

Estimates of the maximum amounts of contingent liabilities that may become payable:

	2021	2020
Bank guarantees over rental properties	60,702	60,702

NOTE 25: EARNINGS PER SHARE

	Notes	2021 \$	2020 \$
Reconciliation of earnings used in calculating earnings per share:			
Profit from continuing operations		(5,855,329)	849,232
Profit from discontinued operations		–	–
Profit used in calculating basic earnings per share		(5,855,329)	849,232
Profit used in calculating diluted earnings per share		(5,855,329)	849,232
Earnings used in calculating diluted earnings per share		(5,855,329)	849,232

	2021 No of Shares	2020 No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	234,376,171	234,376,171 ¹⁰
Effect of dilutive securities:		
Share options and convertible note	2,061,194	2,061,194
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	236,437,365	236,437,365 ¹¹

Earnings per share have been calculated using weighted average shares of 234,376,171 and diluted weighted average shares of 236,437,365 for both the current and comparative periods. In accordance with AASB 133 *Earnings Per Share* the number of shares used in the comparative period has been adjusted retrospectively as a result of the capitalisation and share split.

NOTE 26: SHARE-BASED PAYMENTS

(a) Employee option plan

During the year ended 30 June 2021, the Group issued 11,845,000 options to directors, the leadership team and key team members, under the Group's Equity Incentive Plan.

The issue of 9,965,000 options was foreshadowed in the Prospectus (lodged with ASX on 20 October 2020), and an additional 1,880,000 options are being issued under the Equity Incentive Plan, to take account of the growth of the team.

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

¹⁰ Actual weighted average number of ordinary shares on 30 June 2020 was 131,788,967.

¹¹ Actual diluted weighted average number of ordinary shares on 30 June 2020 was 135,461,798.

Notes to the Financial Statements

continued

NOTE 26: SHARE-BASED PAYMENTS (continued)

(a) Employee option plan (continued)

Details of the options granted are provided below:

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

Fair Value of options granted:

The fair value of the options at grant date was \$2,824,175. Fair value was determined using either the Trinomial, Monte Carlo or Black-Scholes models, as appropriate, taking into account the terms and conditions upon which the instruments were granted. The following inputs were utilised:

Exercise price(s): 3,570,000 options at \$0.2, 7,650,000 options at \$1.0 and 450,000 options at \$1.5

Grant Date: 29 June 2021

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

Share price at Grant date: \$0.61

Expected price volatility: 60.2%

Expected dividend yield: N/A

Risk free rate(s): 11,145,000 options at 3-year Government Bond Rate 0.027% and 700,000 options at 5-year Government Bond Rate 0.259%

Market conditions: 8,275,000 options are subject to share price reaching \$1.5 calculated as 20-day volume weighted average price

NOTE 26: SHARE-BASED PAYMENTS (continued)**(b) Expenses recognised from share-based payment transactions**

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

	Notes	2021 \$	2020 \$
Options issued under employee option plan		4,537	–
Shares issued under employee share scheme		–	–
Total expenses recognised from share-based payment transactions		4,537	–

NOTE 27: DIRECTORS' AND EXECUTIVES' COMPENSATION

	Notes	2021 \$	2020 \$
Compensation by category			
Short-term employment benefits		1,305,699	471,460
Post-employment benefits		91,185	44,756
Termination benefits		–	–
Other long-term benefits		–	–
Share-based payments		2,343	–
		1,399,227	516,216

NOTE 28: RELATED PARTY DISCLOSURES

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

		Percentage owned	
	Country of incorporation	2021	2020
<i>Parent Entity:</i>			
MyDeal.com.au Limited	Australia		
<i>Subsidiaries of MyDeal.com.au Limited:</i>			
E-Com (Aus) Pty Ltd	Australia	100%	
Duke Living Pty Ltd	Australia	100%	

Notes to the Financial Statements

continued

NOTE 28: RELATED PARTY DISCLOSURES (continued)

(b) The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Transactions with directors, key management personnel and other related parties

During the year the following KMP transactions occurred:

Paul Greenberg, Non Executive Chairman, is a shareholder in RetailTech Capital Pty Limited ACN 639 392 368. During the year RetailTech entered into a contractor agreement with E-Com in respect of the provision of consultancy services in connection with the IPO and received \$20,000, excluding GST. These consultancy services terminated on listing.

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 Group in respect of the IPO. Henslow was retained as the Corporate Adviser to the Group and was paid a retainer of \$60,000 and a success fee of \$300,000 during the year ended 30 June 2021.

NOTE 29: AUDITOR'S REMUNERATION

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

	Notes	2021 \$	2020 \$
(i) Audit and other assurance services			
An audit or review of the financial report of the parent entity and any other entity in the Group		71,982	56,888
Other assurance services			
– Investigating Accountant and Due diligence		75,500	10,500
Total remuneration for audit and other assurance services		147,482	67,388
(ii) Other non-audit services			
Taxation services		72,600	5,250
Total remuneration for non-audit services		72,600	5,250
Total auditor's remuneration		220,082	72,638

NOTE 30: PARENT ENTITY INFORMATION

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

(a) Summarised statement of financial position

	Notes	2021 \$	2020 \$
Assets			
Current assets		34,023,383	1
Non-current assets		6,110,003	–
Total assets		40,133,386	1
Liabilities			
Current liabilities		71,010	–
Non-current liabilities			–
Total liabilities		71,010	–
Net assets		40,062,376	1
Equity			
Share capital		40,771,725	1
Reserves		4,537	–
Retained earnings		(713,886)	–
Total equity		40,062,376	1

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

	Notes	2021 \$	2020 \$
Profit/(Loss) for the year		(713,886)	–
Other comprehensive income for the year		–	–
Total comprehensive income for the year		(713,886)	–

NOTE 31: SEGMENT INFORMATION

(a) Description of segments

The Group's operations consist primarily of operating an online retail marketplace. The Chief Operating Decision Maker has considered the requirements of AASB 8 *Operating Segments* and assessed that the Group has one operating segment, representing the consolidated results, as this is the only segment which meets the requirements of AASB 8.

NOTE 32: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Group.

Directors Declaration

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 14 to 63, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with *Australian Accounting Standards and the Corporations Regulations 2001*, and other mandatory professional reporting requirements;
 - (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
 - (c) giving a true and fair view of the financial position of the group as at 30 June 2021 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that MyDeal.com.au Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2021.

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



Paul Greenberg
Chairman

Melbourne
25 August 2021

Independent Auditor's Report



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MyDeal.com.au Ltd "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

continued



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

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 4 - Revenue - \$38,271,998	
The Group's revenue of \$38,271,998, (2020: \$15,335,680) is derived primarily from sales commissions, sale of private label goods, advertising income and subscription fees. We focused on the existence and appropriate recognition of revenue as a key audit matter as these are a key contributor to the determination of profit and loss, and judgement is required in assessing revenue recognition in accordance with AASB 15 Revenue from contracts with customers.	Our procedures included: • Reviewing the Groups terms and conditions of sale or revenue contracts; • Understanding the Groups controls and processes for recognising and recording revenue transactions. • Testing existence of revenue transactions to supporting documentation. • Analysing general journal entries impacting revenue. • Assessing the adequacy of the disclosures in the financial statements.

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

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of development expenditure within intangible assets Refer to Note 15 - Intangible Assets - \$1,952,469	
The research and development of new and existing technology is part of the Group's operations. Each project undertaken represents an investment made by the business for which future economic benefits are expected to be derived. The capitalisation of any development costs is highly subjective and based on management judgement and is also subject to various recognition criteria as detailed in AASB 138 <i>Intangible assets</i>. Key management judgements to be made include the following: • Stage of the development cycle - research vs development; • Ability to accurately record and allocate costs incurred for individual projects, including employee costs; and • Technical and commercial viability of individual projects undertaken. We focused on existence and accuracy of capitalised development costs as a key audit matter due to the number and type of judgement and estimation events required.	Our procedures included: • Obtaining an understanding of and evaluating the accounting processes and internal controls relating to the capitalisation of development costs; • Evaluating management's process regarding capitalisation of development costs, and reviewing development projects against the recognition criteria as detailed in AASB 138 <i>Intangible assets</i>; • Reviewing management reconciliations for the amounts capitalised, including: • Testing the mathematical accuracy of reconciliations prepared for costs that had been capitalised; • Selecting a sample of transactions from the capitalised development costs and performing the following: • Reviewing employee costs allocated to different development projects, and testing employee pay rates and captured hours for the amounts capitalised and vouching to employee time records; • Reviewing external costs incurred and allocated to intangible assets and vouching to appropriate support; and • Assessing the adequacy of the disclosures in the financial statements.

Independent Auditor's Report

continued



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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's directors report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's report and CEO report, which is expected to be made available after that date.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

Independent Auditor's Report

continued



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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 17 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of MyDeal.com.au Ltd, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'S. Schonberg'.

S SCHONBERG
Partner

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

PITCHER PARTNERS
Melbourne

25 August 2021

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The reference to the remuneration report above reflects the page numbers per the Financial Report released on 25 August 2021. In this Annual Report the Remuneration Report covers pages 22 to 30.

Corporate Governance and Shareholder Information

CORPORATE GOVERNANCE

MyDeal's Corporate Governance Statement, which summarises the Company's Corporate Governance practices and incorporates disclosures required by the ASX Principles, can be viewed at <https://investors.mydeal.com.au/site/investors/corporate-governance>.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 24 September 2021:

NUMBER OF EQUITY SECURITY HOLDERS

The number of holders of ordinary equity securities was 5,806.

The number of holders of unquoted options was 31.

VOTING RIGHTS

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

Ordinary shares

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

Options

Holders of Options do not have any voting rights.

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of equity security holders by size of holding

Range	No. of holders of ordinary shares	%	Securities	%
1 – 1,000	2,111	36.4%	1,339,961	0.5%
1,001 – 5000	2,282	39.3%	5,928,025	2.3%
5,001 – 10,000	741	12.8%	5,802,417	2.2%
10,001 – 100,000	631	10.9%	15,905,268	6.1%
100,001 – and over	41	0.7%	229,851,635	88.8%
Total	5,806	100.0%	258,827,306	100.0%
Holding less than a marketable parcel	1,168		504,799	

Corporate Governance and Shareholder Information

continued

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

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

Name	Ordinary Shares held	% of issued shares
MR SEAN AMILA SENVIRTNE	122,493,040	47.3%
AAVASAN PTY LTD	45,617,841	17.6%
SILVER GLOBE INVESTMENTS PTY	34,513,853	13.3%
J P MORGAN NOMINEES AUSTRALIA	5,895,245	2.3%
KATE ELIZABETH DOCKERY	4,389,807	1.7%
MR JAMES SOORIYA BANDARA	2,120,631	0.8%
NATIONAL NOMINEES LIMITED	2,000,000	0.8%
LOLEK RAJA PTY LTD	1,921,757	0.7%
JAM PAD INVESTMENTS PTY LTD	1,687,855	0.7%
HEWAYALAGE ANURADE SAPUMAL	800,877	0.3%
BNP PARIBAS NOMINEES PTY LTD	679,105	0.3%
LYNDEN INVESTMENTS GROUP PTY	600,000	0.2%
BNP PARIBAS NOMS (NZ) LTD	550,000	0.2%
HSBC CUSTODY NOMINEES	548,440	0.2%
GALSM INVESTMENTS PTY LTD	500,000	0.2%
HEZI INVESTMENTS PTY LTD	500,000	0.2%
LOLEK RAJA PTY LTD	458,465	0.2%
CITICORP NOMINEES PTY LIMITED	450,924	0.2%
MR YANG YANG	320,000	0.1%
MR MANIKJEET SINGH KALS	308,845	0.1%
Total	226,356,685	87.5%
Balance of register	32,470,621	12.5%
Grand total	258,827,306	100.0%

SUBSTANTIAL HOLDERS

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

Ordinary Shares held	Ordinary Shares held	% of issued shares
Sean Amila Senvirtne as trustee for the Kandy Temple Trust	126,966,347*	49.1%
Aavasani Pty Ltd	45,617,841	17.6%
Silver Globe Investments Pty Ltd as trustee for the Silver Globe Investments Trust (SGIT)	34,513,853	13.3%

* Includes 4,473,307 held by Sean's partner Kate Dockery.

SECURITIES SUBJECT TO VOLUNTARY ESCROW

	#
Shares escrowed until 20 October 2021	45,212,603
Shares escrowed until 20 April 2022	16,029,879
Shares escrowed until 20 October 2022	125,948,647
Total ordinary shares subject to voluntary escrow	187,191,129

DISTRIBUTION OF UNQUOTED EQUITY SECURITIES

Analysis of number of unquoted options by size of holding

Range	No. of holders of unquoted options	%	Options	%
1 – 1,000	0	0.0%	0	0.0%
1,001 – 5000	0	0.0%	0	0.0%
5,001 – 10,000	3	9.7%	30,000	0.3%
10,001 – 100,000	13	41.9%	655,000	5.5%
100,001 – and over	15	48.4%	11,160,000	94.2%
Total	31	100.0%	11,845,000	100.0%

UNQUOTED EQUITY SECURITIES (BY TRANCHE)

Type	Date options granted	#	Price	Expiry
Tranche 1	29/6/21	5,895,000	\$1.00	29/6/26
Tranche 2	29/6/21	350,000	\$1.00	20/10/27
Tranche 9 & 10	29/6/21	1,405,000	\$1.00	29/6/31
Tranche 6 & 7	29/6/21	400,000	\$1.50	20/10/28
Tranche 11	29/6/21	50,000	\$1.50	20/10/29
Tranche 3 & 5	29/6/21	1,100,000	\$0.20	20/10/27
Tranche 4	29/6/21	2,470,000	\$0.20	29/6/28
Tranche 8	29/6/21	175,000	\$0.20	29/6/31
		11,845,000		

Corporate Governance and Shareholder Information

continued

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

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

ON MARKET BUY-BACK

There is no current on-market buy-back.

USE OF FUNDS

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

Corporate Directory

COMPANY

MyDeal.com.au Limited

Level 1
446 Collins Street
Melbourne VIC 3000

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

DIRECTORS

Paul Greenberg
Non-Executive Chairman

Sean Senvirtne
Chief Executive Officer and Executive Director

Chris Tait
Non-Executive Director

James Joughin
Non-Executive Director

REGISTERED OFFICE

Level 1
446 Collins Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

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

AUDITORS

Pitcher Partners
Level 13
664 Collins Street
Docklands VIC 3008

COMPANY SECRETARY

Vanessa Chidrawi

REGISTRY

Boardroom Pty Limited
Grosvenor Place
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Sydney NSW 2000

MEDIA ENQUIRIES

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