

20 May 2022

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Proposal to acquire 80% of MyDeal.com.au

Please see attached an announcement regarding the transaction.

Authorised by: Kate Eastoe, Group Company Secretary

For further information contact

Investors and analysts

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Woolworths Group enters into Scheme Implementation Agreement to acquire an 80% interest in MyDeal.com.au

Woolworths Group today announces that it has entered into a Scheme Implementation Agreement ('SIA') to acquire approximately 80% of the share capital of ASX-listed online marketplace MyDeal.com.au Limited (ASX: MYD) ('MyDeal') via a Scheme of Arrangement ('Transaction') for cash consideration of \$1.05 per share.

The offer price implies an enterprise value of \$243 million¹, representing an EV/GTV² multiple of approximately 0.9x.

MyDeal's Founder and CEO, Sean Senvirtne, along with certain other key management shareholders will retain an approximately 20% interest in MyDeal, and together with the existing management team, will continue to lead the business through its next phase of growth in partnership with Woolworths Group.

Transaction rationale

Established in 2011, MyDeal has grown to be one of Australia's leading online marketplaces. The platform presently hosts approximately 1,900 sellers offering more than six million product SKUs with a focus on furniture, homewares and everyday needs. It has more than one million active customers and generated Gross Transaction Value of \$260 million in the twelve months to 31 Mar 2022.

MyDeal will enhance Woolworths Group's marketplace capabilities, particularly in furniture, homewares and other bulky goods. It will complement BIG W's existing general merchandise offer and is consistent with Woolworths Group's strategy to 'Connect our customers with Good Food and More Everyday'. For MyDeal, access to Woolworths Group's platforms and capabilities will support its continued growth.

Woolworths Group CEO, Brad Banducci, said: "The addition of MyDeal to Woolworths Group represents a further step towards delivering a more holistic customer experience in food and everyday needs and materially expands our marketplace capabilities, especially in general merchandise."

MyDeal Founder and CEO, Sean Senvirtne, said: "The MyDeal team is excited by the opportunity to partner with Woolworths Group. It will help support the growth of our retail platform by accessing Woolworths Group's capabilities across eCommerce, supply chain, retail, loyalty and more."

¹ Based on an ordinary share count of 259 million shares and \$29 million in net cash at 31 March 2022

² Gross Transaction Value - based on FY22 guidance of \$270 million contained in MyDeal's Q3'22 Appendix 4C Cash Flow Report

MyDeal Board, Founder and major shareholders support

The MyDeal Board has unanimously recommended that MyDeal shareholders vote in favour of the Transaction in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of MyDeal shareholders.

Subject to the same qualifications, MyDeal Founder and CEO, Sean Senvirtne, who has a relevant interest in 47.3% of MyDeal shares, has stated his intention to vote in favour of the Transaction³. Sean Senvirtne has also granted Woolworths Group a call option over 19.9% of MyDeal shares.

Additionally, MyDeal shareholders Silver Globe and Aavasan (“Gandel Invest”), which together hold or control 28.6% of MyDeal shares, have advised MyDeal that they intend to vote in favour of the Transaction, in each case in the absence of a superior proposal.

Scheme of Arrangement

The Transaction is subject to customary conditions, including MyDeal shareholder approval, Court approval, ACCC approval, no material adverse change and no prescribed occurrence. It is also conditional on Woolworths Group and shareholders retaining an interest in MyDeal, entering into agreements which govern their relationship following implementation of the Transaction. The SIA contains customary exclusivity provisions including ‘no shop’ and ‘no talk’ restrictions, and matching rights in favour of Woolworths Group in respect of any competing proposals.

A full copy of the SIA has been released to the ASX by MyDeal.

MyDeal shareholder meetings to consider and approve the Transaction are expected to be held in Q3 calendar 2022. Following completion of the Transaction, MyDeal will be delisted from the ASX.

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³ Arrangements to be agreed that will regulate the operation and management of MyDeal after implementation of the Transaction may require a separate shareholder approval that Sean Senvirtne will be excluded from voting on