



Mad Paws Holdings Limited
ACN 636 243 180
Level 3, 55 Pyrmont Bridge Road
Pyrmont, NSW, 2009

22 July 2021

MAD PAWS – June 2021 Quarterly Update and Appendix 4C

Mad Paws (ASX: **MPA**) is pleased to provide its Appendix 4C cash flow and activity report for the quarter ending 30 June 2021.

We have provided comparison to prior corresponding periods in FY19 and FY20 due to the COVID impact in FY20.

Highlights:

- Record quarter for booking volumes of 40k, +100% on Q4 FY19 and +321% on Q4 FY20
- GMV of \$4.1 million, +59% on Q4 FY19 and 483% on Q4 FY20
- Total of 15.9k new customers acquired inclusive of customers acquired in the Waggly acquisition
- 2 x growth in new customer acquisition compared to Q4 FY19, independent of the Waggly acquisition
- Revenue of \$1.1 million +145% on Q4 FY19 on an unaudited basis
- Subscription products accelerated traction with ~4k active customers at the end of the quarter
- Increased pet ownership as a result of COVID is benefiting the demand for Mad Paws' offerings
- Solid performance in the quarter despite the Sydney and Melbourne lockdown's impacting marketplace bookings in late May and June

Quarterly Overview:

Mad Paws had a solid quarter with significant growth across all key growth metrics and momentum building in subscriptions products. Mad Paws delivered its third successive quarter of +50% booking growth compared to the corresponding periods in FY19, since restriction were initially eased. While we are yet to return to pre- COVID operating conditions, bookings for the quarter totalled 40k representing a 100% increase on the prior corresponding quarter in FY19 and 321% on the COVID effected Q4 FY20.

The bookings increase was driven by higher new customer acquisition and improving customer repeat rates quarter on quarter, as well as the Waggly acquisition at the end of the quarter. New customers were 15.9k a 163% increase on the prior corresponding quarter in FY19 and 87% higher compared to Q3 FY21.

Gross Merchandising Value (GMV) was up 59% compared to Q4 FY20 which was less than the growth in Q4 FY21 bookings. This is due to a shorter length of booking compared to FY19, driven by less international travel and an increase in higher frequency, lower value services such as dog walking.

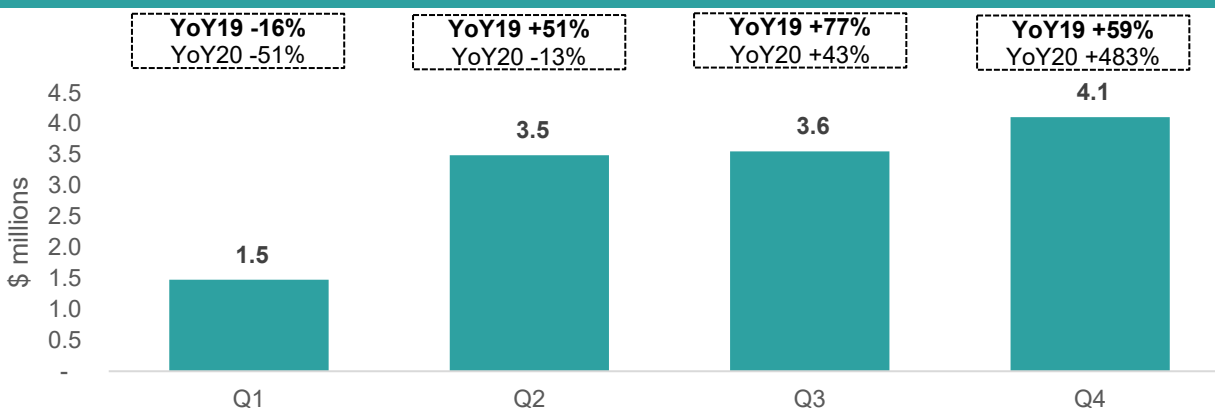
Unaudited revenue was \$1.1 million for the quarter representing a 145% increase to Q4 FY19. Higher booking volumes as highlighted earlier were the main driver, coupled with a greater

contribution from internally built subscription products as well the Waggly acquisition contribution from the 8th June. The subscription products are providing a welcome hedge to seasonal fluctuations and current lockdowns impacting marketplace growth.

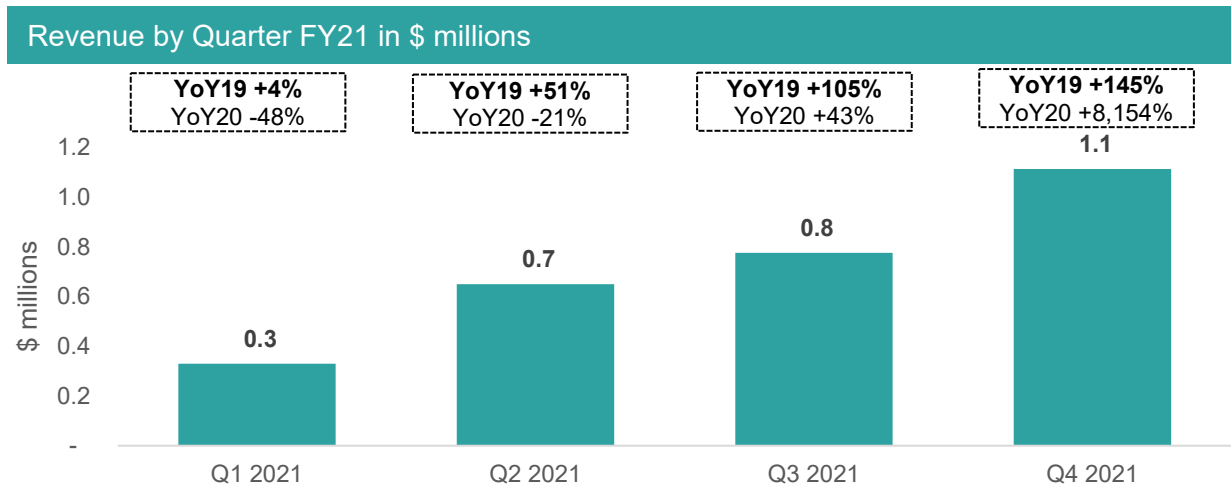
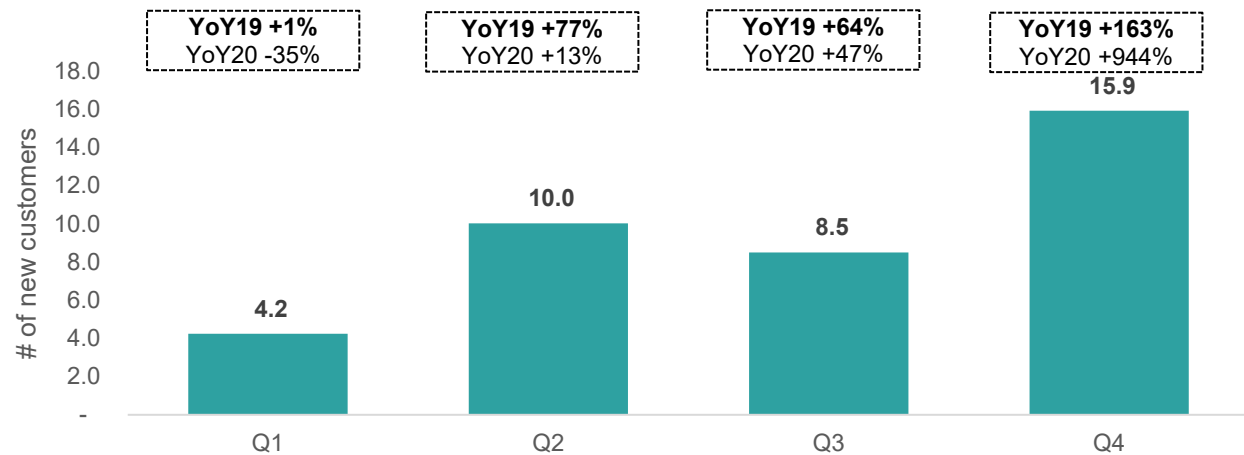
Bookings by Quarter FY21 in 000s



GMV by Quarter FY21 in \$ millions



New Customer by Quarter FY21 in 000s



Cash flows

Cash outflows were in line with management's expectation and reflective of building out the product, technology and support teams and launching new products in the quarter.

\$2.0 million was paid to the shareholders of Gasset Group Pty Limited (trading as Waggly) in the quarter, strengthening our subscription and e-commerce offering.

As detailed in Item 6.1 of the accompanying Appendix 4C, payments to related parties and their associates during the quarter totalled \$0.3 million comprising capital raising assistance fees, Directors' fees, and expenses as well as the CEO's base remuneration for Q3 FY21.

Product update

Mad Paws has successfully launched its new pet food offering Dinner Bowl Kibble. Focusing, as with its other offerings, on high quality ingredients, a complete and balanced recipes rich in superfoods, offering a better and more convenient alternative to traditional pet food products.



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The Kibble launch has been extremely successful with the uptake in the first couple of weeks exceeding the company's expectations.

The company continues to execute on its strategy focusing on

Marketplace

- Marketplace health – improve our marketplace metrics – This quarter with a particular focus on improving pet sitter quality and search algorithm improvements
- Marketplace offerings – increase our marketplace offerings – new features for pet owners and pet service providers – With a focus this quarter on improving functionality for our repeat booking features
- Build out cross selling capabilities between our different platforms and offerings, after some great initial successes between Mad Paws, Dinner Bowl and Waggly which resulted in significantly reduced customer acquisition costs
- Double down on content to increase member engagement and acquisition and further cement our #1 position in Australia

Subscription Products and Services

- Grow our existing subscription offerings and drive user acquisition.
- Increase the breadth of product and services we offer on our subscription platform. Focusing on increasing the breadth of our product range in the pet food space with another product line launching this quarter.

Team

Mad Paws is pleased to announce the addition of two new team members with exceptional experience in their respective fields.

Graham Mason, who started in June 2021 as CFO, brings a wealth of finance expertise to the Company with a career spanning senior executive positions in major companies and startup's with experience across digital, consumer and finance industries. Most recently, he was Finance Director at Virgin Active Australia. Prior to that, he was CFO at the ASX listed 1ST Group Limited (1ST) a digital platform that connects health providers with patients and Senior Finance Director at HotelClub Pty Limited (Part of Orbitz Worldwide) an online travel agency.

Mike Yap, who started in June as the head of product, is a marketplace expert with years of experience being the former head of product for Gum Tree and before that the head of experience for Hi-Pages as well as a senior product and design manager with CBA.



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Outlook

- Mad Paws has seen significant growth for all its businesses with the current lockdown slowing down the core business only. Management is extremely happy with the performance of the subscription businesses which works as a natural hedge for the core business in times of a lockdown. Mad Paws has seen significantly accelerated growth for Dinner Bowl and Waggly since lockdowns began in Melbourne.
- Mad Paws is extremely focused on preparing the business for the time after lockdowns are easing, as the first two quarters are traditionally the strongest growth quarters for the company with the December being the strongest month of any calendar year in the past.

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Appendix 4C

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

Name of entity

Mad Paws Holdings Limited

ABN

39 636 243 180

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,562	11,230
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,287)	(7,956)
(c) advertising and marketing	(627)	(1,848)
(d) leased assets	-	
(e) staff costs	(1,172)	(3,081)
(f) administration and corporate costs	(511)	(2,467)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	297	297
1.8 Other (provide details if material)		351
1.9 Net cash from / (used in) operating activities	(1,738)	(3,471)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(2,000)	(2,000)
(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	(16)	(77)
	(d) investments	-	-
	(e) intellectual property	(36)	(232)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	1
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	84	1,060
2.6	Net cash from / (used in) investing activities	(1,968)	(1,248)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,000
3.2	Proceeds from issue of convertible debt securities	-	5,593
3.3	Proceeds from exercise of options	-	47
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(176)	(1,276)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(8)	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(40)
3.10	Net cash from / (used in) financing activities	(184)	16,316

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,472	985
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,738)	(3,471)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,968)	(1,248)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(184)	16,316
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,582	12,582

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,582	16,472
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,582	16,472

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	277
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Payments in 6.1 relate to CEO remuneration, Director's fees since listing and capital raising costs		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	28	28
7.2 Credit standby arrangements	-	
7.3 Other (please specify)	-	
7.4 Total financing facilities	28	28
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The above facility relates to a working capital loan acquired through the acquisition of Gassett Group Pty Limited (Trading as Waggly) which will be repaid in Q1 FY22.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,738)
8.2 Cash and cash equivalents at quarter end (item 4.6)	12,582
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	12,582
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.2 quarters
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

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

Date: 22 July 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

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