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MAD:paws

2021 Annual Report

Contents

03	FY21 Highlights
06	Mad Paws Overview
13	Chairman's Letter
15	CEO Review
17	Board of Directors
18	Directors' and Remuneration Report
36	Auditor's Independence Declaration
37	Financial Statements
42	Notes to the Financial Statements
73	Directors' Declaration
74	Independent Auditor's Report
79	Shareholder information
81	Corporate Directory

FY21 Scorecard: Mad Paws Delivered Strong Results Across Key Growth Metrics

Bookings

↑34%

115.7k

FY20: 86.6k

GMV*

↑24%

\$12.6m

FY20: \$10.2M

New Customers

↑71%

38.7k

FY20: 22.6k

Revenue

\$2.9M

FY20: \$2.0M

↑ 44%

Subscription ARR

\$2.4M

FY20: **

Cash of \$12.5 million to fund growth opportunities

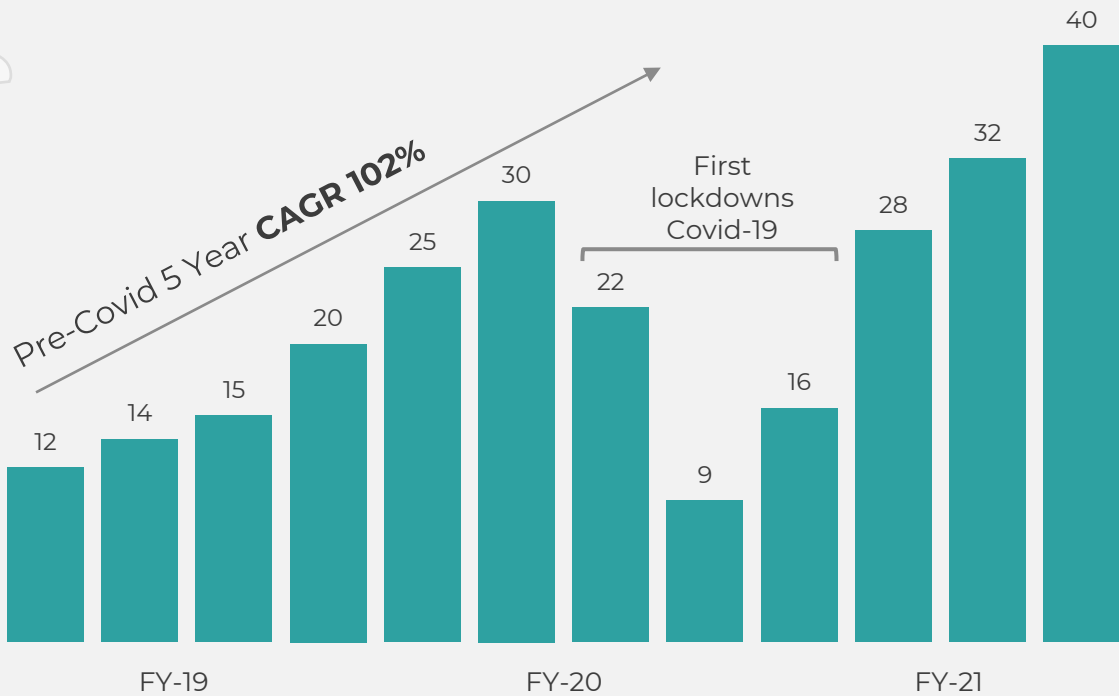


*GMV is the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST
**Subscription products and services started during FY21 and therefore no FY20 comparison

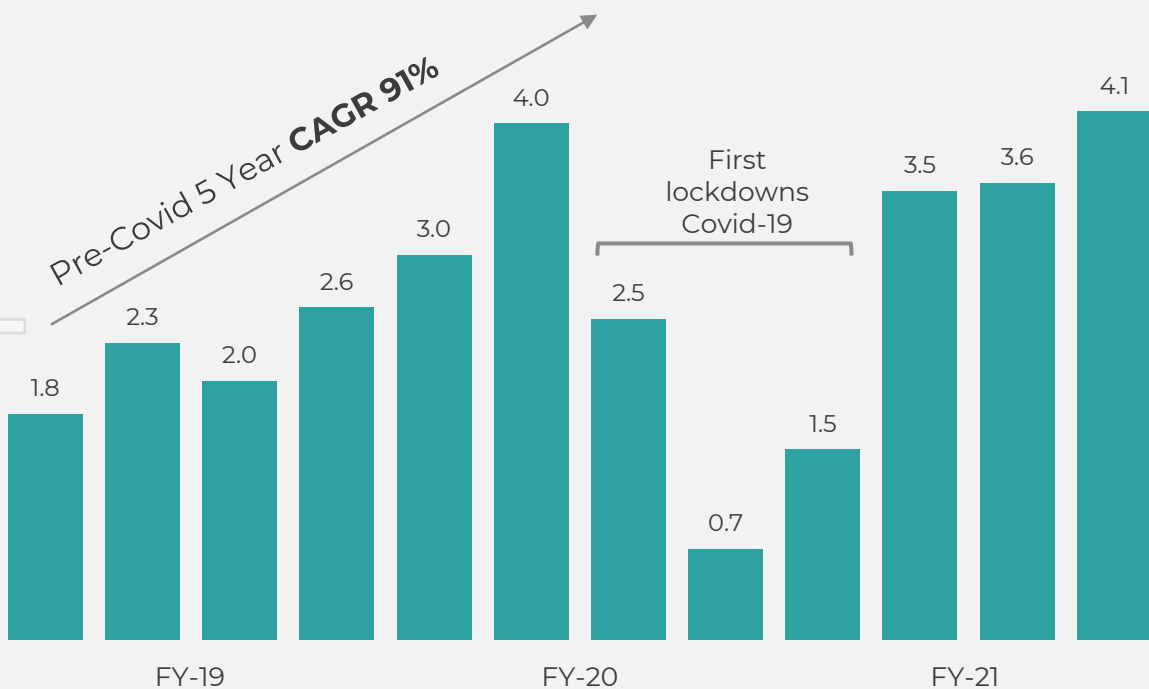
FY21 Highlights

Strong Foundations, Resurgent Growth, Fast Bounce Back of Marketplace Forecasted Post COVID Restrictions Easing

Quarterly Bookings in 000s



Quarterly GMV* in millions



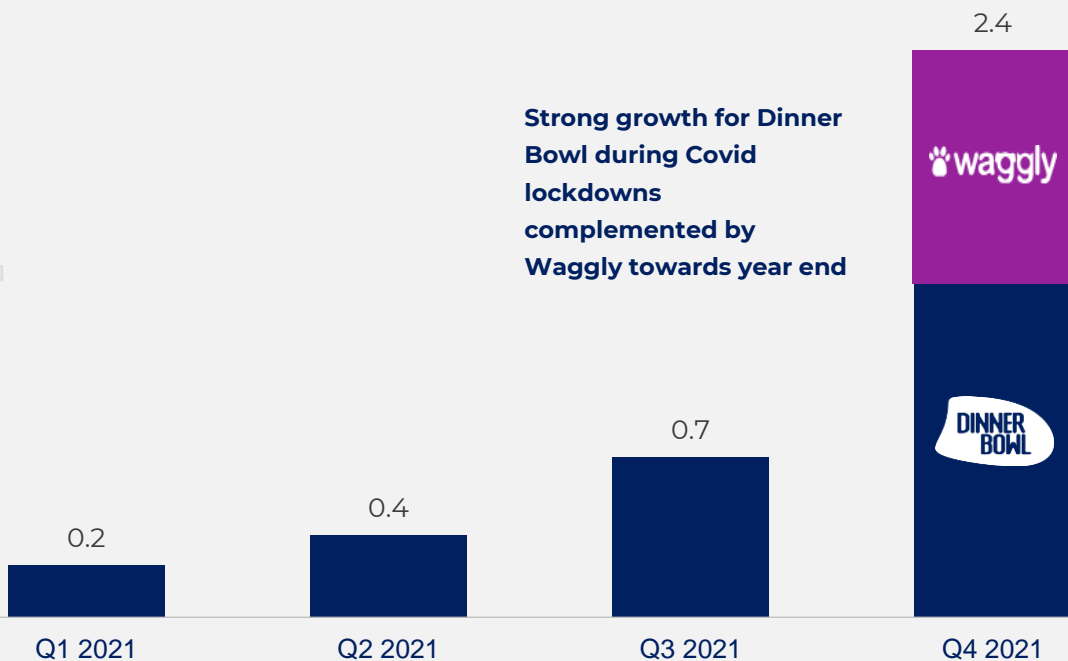
FY21 Highlights

Significant growth in subscription verticals launched in FY21. With the shift to Online Accelerating Recurring Revenue

Total subscribers



ARR by quarter in \$ millions





Mad Paws Overview

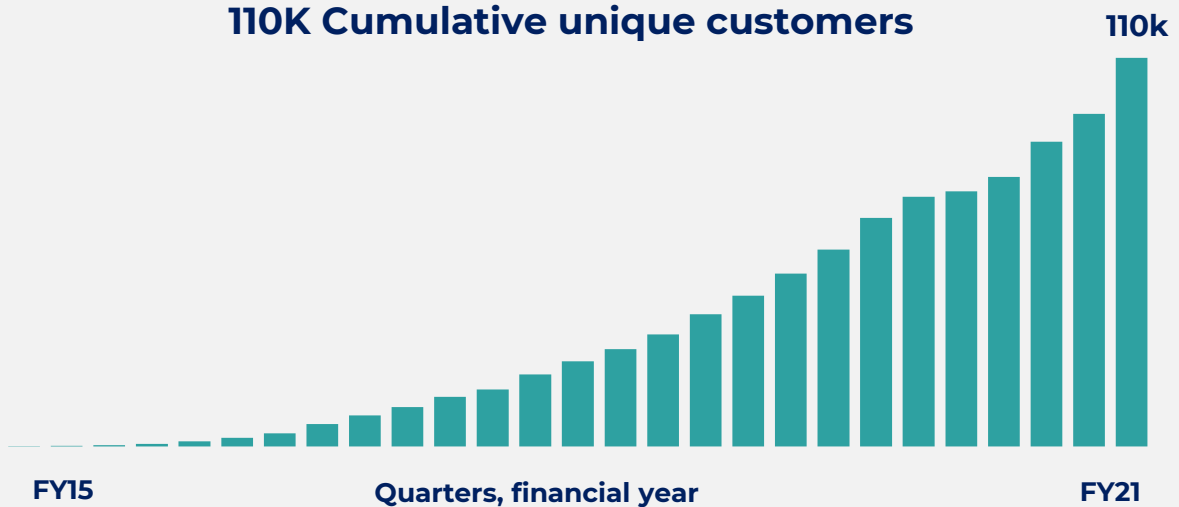


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Australia's Dominant Pet Services Marketplace

The Mad Paws pet services marketplace, provides a safe and convenient digital platform that connects pet owners with high quality and trusted pet-care providers in their area. Mad Paws has fostered a loyal growing community where pets feel happy and owners enable their loved pets to live their lives to the fullest.

110K Cumulative unique customers



Mad Paws proudly serves Pet parents and Pet Carers in the following verticals:

Mad Paws Care: Sitting, Walking, Day Care, Grooming

launched 2015

Mad Paws Food

Dinner Bowl launched Q1 2021

Mad Paws Health

Insurance launched Q3 2021

Mad Paws Joy

Toys and Treats – Waggly acquisition Q4 2021

Mad Paws Home

Curated Ecommerce (Coming Soon)



Over 1 million
pet care
services
provided



**Product
Review
Best Raw Dog
Food of 2021**



**Qantas Partnership &
Access to Qantas FF**



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Our Purpose

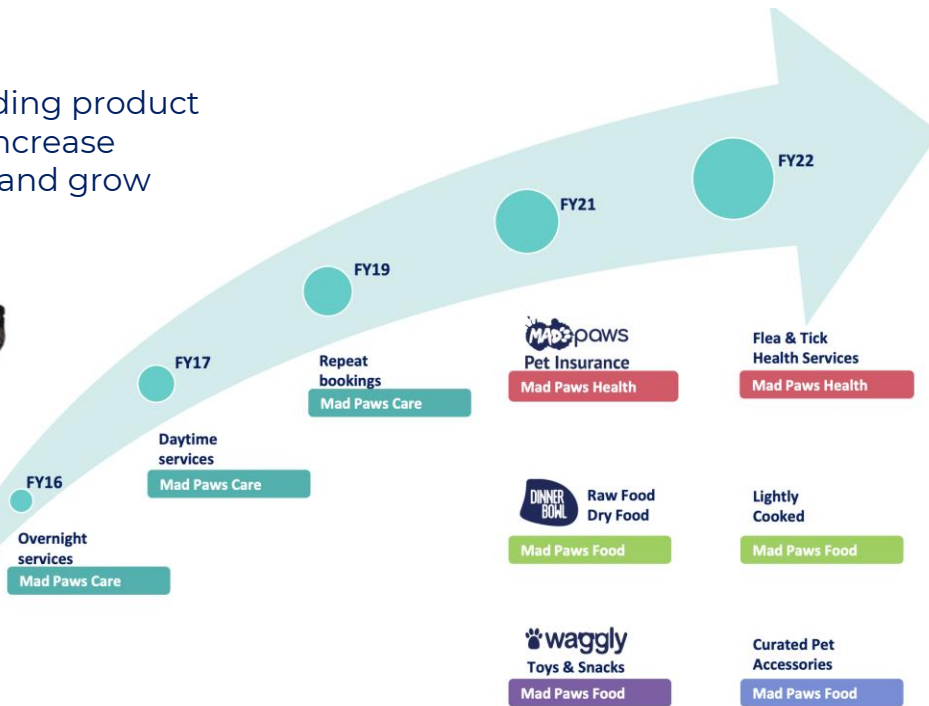
We exist to enable
pets to live their lives
to the fullest

Our Vision

Being the most trusted
and convenient brand to
rely on for all pet-related
needs

Vertical Expansion Driving growth

Mad Paws has been building product and service offerings to increase frequency, engagement and grow customer acquisition.



- Exciting pipeline of new products and services to launch in FY22 will extend across the pet life cycle with healthy additions to food offerings and adding additional services in the health vertical.
 - New popular lightly cooked meals will expand our Mad Paws Food range.
 - Introduction of flea and tick health services
- Investment in a new subscriptions digital platform will improve the customer experience; products and services will become available through a single login making bookings and subscription services even easier and personalised
- We have also laid the foundations to launch Mad Paws Home in FY22 with curated e-commerce, leveraging our strengths in data and analytics

Our Platform is Sticky, Limiting Disintermediation Risk



Trust is the main currency for any marketplace. Mad Paws has over 200,000 pet sitter reviews with an average rating of 4.97 stars out of 5



Mad Paws is a marketplace 3.0. Our technology makes the experience of finding, booking, enjoying and paying for a pet service easier and more enjoyable. This includes in-app messaging, one click rebooking's and many more features



We are all data nerds here at Mad Paws. We use the data to constantly refine our matching algorithm to make sure we are finding the best match for our pet owners with sitters that are in it to grow with Mad Paws



Customer service is one of our key calling cards. Combined with the Mad Paws insurance we offer for any service on the marketplace we provide value for both our sitters and owners



>70%

of Revenue is driven by repeat customers

Post Pandemic Set for Accelerated Growth

Pet ownership has dramatically increased with 62% of all Australians now owning at least one pet, 48% of which are dog owners and 37% cat owners¹

Pet humanization and premiumisation is driving an increase in spend on pet services and pet needs

Pet Industry is now worth \$13B in Australia and the popularity of gourmet meals continues to rise¹

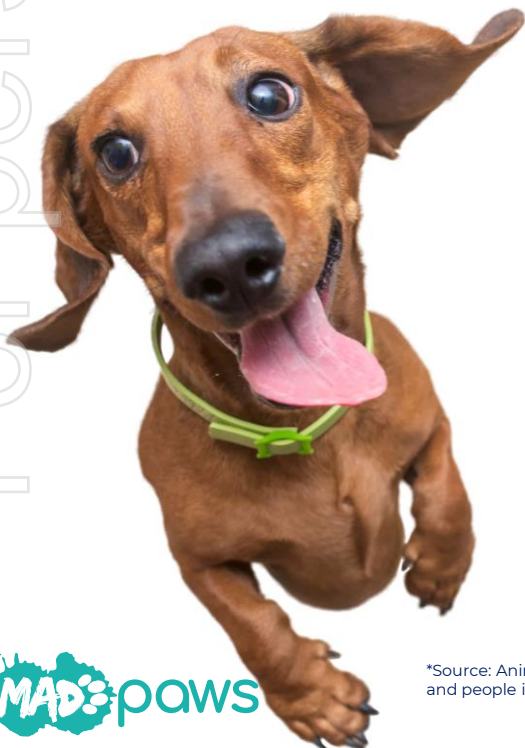
Covid has accelerated the shift from offline to online validating the future demand and growth in pet care services and subscription services

Pent up demand for travel is building; tailwinds ahead for pet sitting once lockdown restrictions ease – demand for pet sitters

Global peers in the pet marketplace category (Rover) have seen fast recovery as travel opens globally pent-up demand for travel

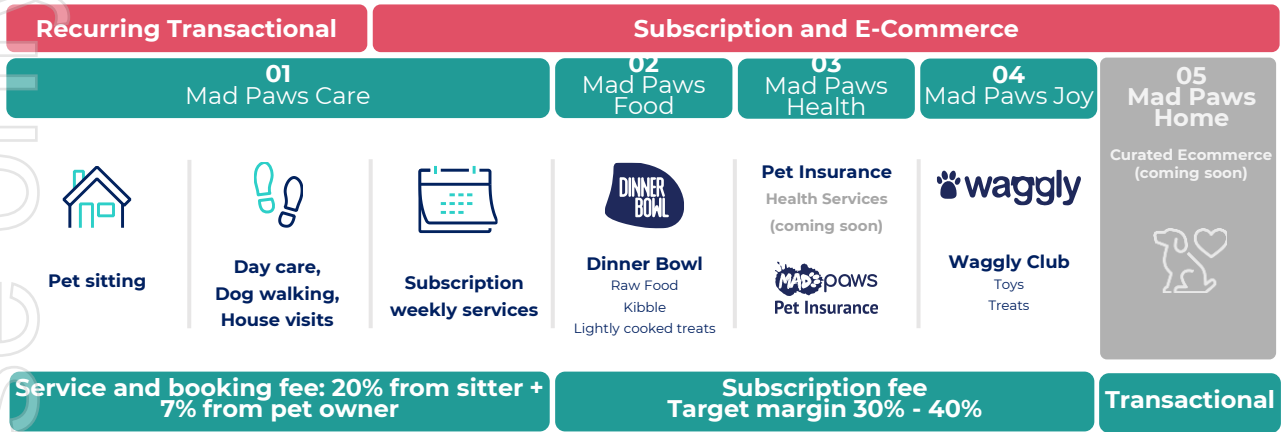
Growing Recurring Revenue from Dinner Bowl and Waggly subscription services supplementing core business and diversifying revenue streams

Strong balance sheet with \$12.5m of cash at 30th of June, provides capacity to invest in FY22 to enhance the pet lifecycle

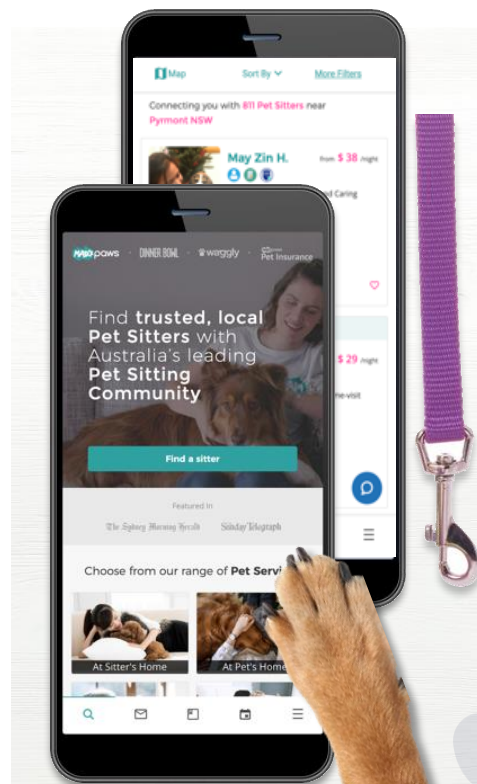


A significant increase in pet ownership since 2019 with the number of Dogs and Cats increasing by 24% and 30% respectively*

Four Distinct Revenue Streams and a Powerful Network Effect.

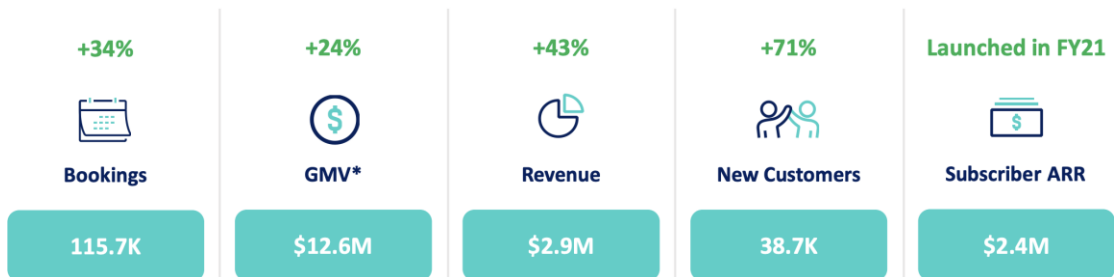


- Mad Paws is set up perfectly to cross sell the right product/service at the right time, realising huge expansion potential of our share of wallet through enriched customer data and usage of our platform
- Mad Paws is building a powerful network effect, driving powerful momentum as owners and sitters enjoy benefits and advocate acceptance and usage.
- Through advocacy and customer demand for existing and new products and services continue to gain business traction reducing the amount of time and effort & marketing spend required over time.





Chairman's Letter



Dear Shareholders,

I am pleased to present Mad Paws Holdings Limited's first Annual Report as a public listed company, FY21 was a foundation year for your company as we continued to execute on our vision to become the leading pet services platform in Australia. Our goal is to provide a broad range of products and services to make pet owners' lives and, more importantly, their pets' lives more enjoyable.

While the pandemic presented significant challenges, we executed on our accelerated growth strategy, and we delivered strong results. I am proud of the way the team achieved significant milestones to scale market place revenues to complement growing subscription revenues. Mad Paws is now well positioned for accelerated growth and expansion of current offerings.

In March, we completed the successful listing on the ASX and began trading under the code MPA. The IPO raised \$12m through the issue of 60m new shares. Shareholders endorsed our accelerated growth strategy and I am pleased to welcome all our new shareholders to the company.

In FY21, we continued to invest in our technology. We doubled down on our content strategy and focused on driving repeat business. This resulted in Mad Paws' strongest year in regards to paid bookings and traffic. In FY21, bookings increased by 34%, revenues were up 43% and new customers grew by 71%. We now have over 110,000 paying pet customers and 25,000 pet sitters on the platform.

Our proprietary technology platform is sticky, and trusted by pet owners and sitters. The complex, custom built marketplace software we have built for usability, convenience and scale also makes user experience easy and enjoyable.

We are building a powerful network effect to drive ongoing growth. The platform is driving strong momentum as more pet owners and sitters enjoy benefits and advocate acceptance and usage. This traction reduces the amount of effort and marketing spend to drive growth. We are also extending product and service offerings to increase frequency and grow customer acquisition. We are including pet health to expand our addressable market opportunity to \$10.6bn. And by using our customer base, we are set up to cross sell the right product/service at the right time, realising huge expansion potential of our share of wallet.

"Mad Paws is following a similar path in the pet space in Australia to the successful growth curve seen in the US".

The acquisition of Waggly in June was another highlight of the year. Waggly, one of the leading dog toy and treat subscription businesses in Australia, is a perfect match for Mad Paws and we are pleased with the acquisition.

With over 2000 active subscribers and 600+ non subscription transactions per month, Waggly accelerates our pet subscriptions and growth. The business has 40% gross profit margins, positive cash flow and a 4.6 stars average review rating on Facebook. Importantly, Waggly and Mad Paws have very similar customers with synergies for customer acquisition and technology platform. The majority of Waggly customers are puppy owners. This is a high value customer group with huge cross sell potential and life time value opportunity.

We enter FY22 with a confident and positive outlook. We will continue to execute on our growth strategy to build Australia's leading pet services ecosystem. Mad Paws is following a similar path in the pet space in Australia to the successful growth curve seen in the US. In FY22 we expect to deliver further growth in marketplace and subscription revenues. We are ideally placed to benefit from the accelerating shift online, the large increase in pet ownership since Covid, the humanisation of pets where owners spend more money on their pets, and the scope for a sharp recovery once lockdowns lift. While the current lockdowns are affecting our short term results, management is executing disciplined cost management to mitigate the impacts.

Mad Paws has a clear execution plan to achieve scale. Our focus is to build our marketplace fly wheel of more owner requests, more matches, more data, better matches, and more bookings. We will continue to drive the cross sell between all of our assets to drive pet subscription revenues. We will add healthy new additions to our food offering and new services in the health vertical. We will continue to accelerate e-commerce utilising the logistics set up and the data we have to provide customers with the curated products we know they want.

I would like to thank our Managing Director, Justus Hammer, for his passionate leadership, the executive team for their valued contribution and all my team members for their outstanding efforts. I am grateful to my fellow directors for their counsel and the support of our shareholders. Finally, I would like to thank all of our customers, subscribers and sitters for their trust and engagement.

I look forward to reporting on our ongoing success.
Thank you



Jan Pacas
Chairman

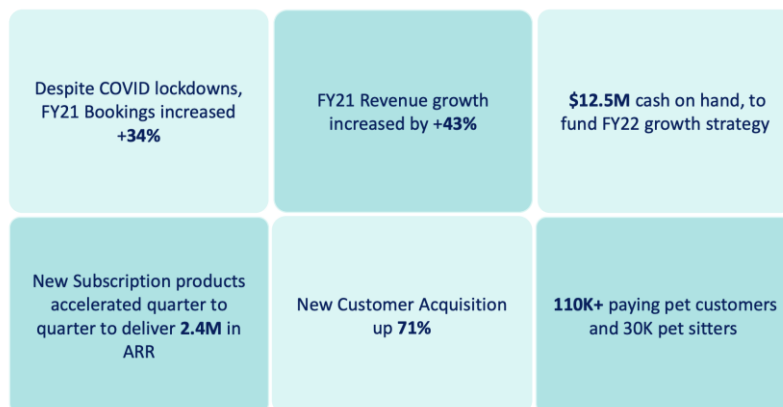




CEO's Review

Dear Shareholders,

I am pleased to report we made great progress in FY21. We executed on our accelerated growth strategy to build Australia's leading pet platform, completed the IPO, and delivered strong results across key growth metrics.



The Mad Paws pet services marketplace provides a safe and convenient digital platform that connects pet owners with high quality and trusted pet care providers in their area. Mad Paws has fostered a loyal, growing community where pets feel happy and owners enable their loved pets to live their lives to the fullest.

Our vision to become the dominant pet services platform in Australia is well underway. Since we started in 2015, we now have over 110,000 unique customers, enabled over 325,000 bookings and -provided over 1 million pet care services. With cash of \$12.5m, we are well capitalised to continue to invest in our growth strategy, extend our products and services and build scale.

While the pandemic created numerous operational challenges this year, we continued to deliver growth and exceptional outcomes for customers. FY21 was our strongest ever year with the total value of transactions processed by Mad Paws (GMV) increasing by 24% to \$12.6m. Bookings were up 34% and new customer acquisition increased by 71%.

Revenues grew by 43% to \$2.9m with marketplace revenue increasing by 18% to \$2.4m. The reopening of borders in Q2 enabled travel to resume driving an increase in bookings. Subscription revenues were \$0.4m reflecting the launch of the pet food businesses during the period and the contribution from Waggly from 8th June.

The operational EBITDA loss for the year was \$4.7m, an increase of \$2.7m from FY20. The increase partly reflects the rebasing of expenses post the initial Covid impact and investments for future growth.

In a busy and productive year, we expanded our range of services and revenue streams. New subscription products accelerated quarter by quarter to deliver \$2.4m of annualised recurring revenue (ARR).

We launched Dinner Bowl Raw and Kibble in Q1. In its first year of operation, Dinner Bowl was voted Australia's second-best pet food product in an independent review by Productreview.com.au. Mad Paws Health was launched in Q3 providing pet insurance products to pet owners. On 8th June we acquired Waggly to accelerate our subscription revenues and increase cross sell opportunities. We are taking full advantage of the current lockdown conditions which are favourable for our subscription businesses.

The expansion of new verticals is driving ongoing growth. We have an exciting pipeline of new products and services to launch in FY22. We are focussing on extending our offering across the pet life cycle with healthy additions to food offerings and adding additional services in the health vertical. As part of Mad Paws Health, we plan to launch flea and tick health services and lightly cooked meals will expand our Mad Paws Food range. We have also laid the foundations to launch Mad Paws Home in FY22 with curated e-commerce, leveraging our strengths in data and analytics.

In FY22, our execution priorities are clear. We will build our flywheel of more owner requests, more and better matches, more data, and increased bookings. We are ready to take full advantage of Covid lockdowns easing and travel recommencing. Our subscription offerings are also a key focus for us this year. There is substantial scope for cross sell between our assets. The Board continues to monitor and evaluate logical strategic acquisitions to complement our organic growth strategy and enhance returns for shareholders.

As I say to my team, we are early in our growth phase with a huge opportunity ahead of us. Mad Paws is following a similar successful growth trajectory as we have seen in the US with increased pet ownership and the shift online supporting sustained growth.

We grew strongly prior to Covid, we delivered growth through the pandemic, and we are ideally placed to continue to grow as lockdown restrictions ease and life returns to some form of normal. We assume Covid lockdowns ease in Q4 2021 and expect a big December holiday period for services and continued strong growth for food and treat subscriptions.

In closing, I would like to thank all of my colleagues, customers and shareholders. In 2021 we laid the foundations for Mad Paws' long term growth and success. I look forward to updating you on our ongoing progress.

Justus Hammer
Chief Executive Officer



Board of Directors



Jan Pacas
Chairman & Co-founder

15+ years of experience in both large multinational corporations as CEO leading up to \$1 Billion dollar businesses as well as founder of 2 digital technology companies.

Currently founder of All G Foods a food tech company.



Justus Hammer
Group CEO, Executive Director & Co-founder

15 years of retail and e-Commerce experience, specialising in online marketplaces, business processes, fund raising and start-up investing.

Advisor and early investor to Airtasker, Advisor to VICE Golf. Previously Advisor to Docbook, Non-Executive Director to Tempur and CMO of Mint Wireless

Previously co-founded and successfully exited Spreets.



Mike Hill
Director

Mike is a co founder of Bombora Group, a pre IPO and listed equities boutique growth investor based in Sydney. He was a former Operational Partner of Ironbridge from 2004 to 2014, a private equity firm with \$1.5bn funds under management. Prior to this, he was a Partner at Ernst & Young.

Mike is currently on a number ASX and non ASX board's including Chair of Janison Education Group (ASX: JAN), Pacific Knowledge Systems Limited (ASX: PKS), Design Milk Co Ltd (ASX: DMC), Orbx Limited, and Mobecom Limited.



Josh May
Director

Josh has over 20 years' corporate advisory experience including working for Ernst & Young in Sydney. Josh is a portfolio manager of the Bombora Special Investment Growth Fund.

Josh currently serves as Chair of LVX Global, is a non executive Director of Valory Resources Inc (Canada), a Director of Bombora Investment Management Pty Ltd



Vicki Aristidopoulos
Non-Executive Director

20 years in executive roles specialising in Marketing, Brand and Communications in e-commerce.

Previous roles include CMO at Afterpay, Group Director at NewsCorp, CMO at Fairfax Media, Head of Brand and Media at CommSec and FOXTEL.

Vicki currently sits on the advisory board of Zurich Travel Insurance App Freely and is a strategic advisor to a variety of e-commerce, private & ASX listed companies.

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Director's & Remuneration Report



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mad Paws Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were directors of Mad Paws Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Joshua May (appointed on 23 December 2020)
Jan Pacas (appointed on 23 December 2020)
Justus Hammer (appointed on 23 December 2020)
Michael Hill (appointed on 23 December 2020)
Vicki Aristidopoulos (appointed on 22 June 2021)
Gregg Taylor (resigned on 23 December 2020)
David Willington (resigned on 23 December 2020)

Principal activities

During the financial year, the principal continuing activities of the Group consisted of the provision of an online pet platform, making the process of owning and caring for a pet more accessible, convenient and cheaper. The Group's platforms enable Pet Owners to find Pet Sitters who provide pet board and other services. In addition, the Group added Pet food as well as toys and treats to our product offerings, through the launch of the DinnerBowl and the acquisition of Waggly during the financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$11,934,981 (30 June 2020: \$2,188,019).

The directors and management review the performance using Operational EBITDA. Operational EBITDA for the financial year ended 30 June 2021 ('FY21') was a loss of \$4,704,418 (2020: \$2,039,254). The Group has outlined its performance under this metric and provided a reconciliation to the reported loss after tax in the results summary below.

	2020*	2021	Change	Change
	\$'000	\$'000	\$'000	%
Gross Marketplace Value (GMV)	10,200.0	12,627.0	2,427.0	24%
Marketplace revenue	1,999.6	2,355.2	355.6	18%
Subscription revenue	-	453.6	453.6	nm
Ecommerce revenue	-	45.8	45.8	nm
Revenue	<u>1,999.6</u>	<u>2,854.6</u>	<u>855.0</u>	<u>43%</u>
Operating expenses				
Employee benefits expense	(1,416.3)	(3,228.5)	(1,812.2)	(128%)
Marketing expenses	(1,376.5)	(2,116.9)	(740.4)	(54%)
Professional and consultancy expenses	(87.2)	(199.9)	(112.7)	(129%)
IT expenses	(580.2)	(761.8)	(181.6)	(31%)
Raw materials and consumables used	(6.4)	(394.5)	(388.1)	nm
Delivery expenses	(2.1)	(159.5)	(157.4)	nm
Other operating expenses	(570.2)	(697.9)	(127.7)	(22%)
Operational EBITDA	<u>(2,039.3)</u>	<u>(4,704.4)</u>	<u>(2,665.1)</u>	<u>(131%)</u>
Non-operating, non-recurring income and costs				
R&D grant and COVID government support	354.6	649.4	294.8	83%
IPO, acquisition expenses	(4.1)	(923.0)	(918.9)	nm
Depreciation and amortisation expense	(200.4)	(247.6)	(47.2)	(24%)
Share-based payments expense	(267.3)	(6,553.7)	(6,286.4)	(2352%)
Other non-recurring items	-	(27.4)	(27.4)	nm
Net interest (expense)/income	(31.5)	(128.3)	(96.8)	(307%)
Total non-operating, non-recurring income and costs	<u>(148.7)</u>	<u>(7,230.6)</u>	<u>(7,081.9)</u>	<u>(4760%)</u>
Net loss after tax	<u>(2,188.0)</u>	<u>(11,935.0)</u>	<u>(9,747.0)</u>	<u>(445%)</u>

Key:

nm not meaningful

* the profit or loss for the financial year ended 30 June 2020 ('FY20') includes an expense reclassification adjustment from the FY20 results included in the 4E. There is no change to Revenue or to the Net Loss after Tax of \$2,188k. However, the operational EBITDA loss increased to \$2,039k.

Gross Marketplace Value ('GMV') represents the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

Operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating, non-recurring income and costs) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider operational EBITDA to reflect the core earnings of the Group.

FY21 revenue grew 43% to \$2.9m with marketplace revenue increasing 18% to \$2.4m driven from the improvement in marketplace bookings (+43%) as domestic borders opened in the 2nd quarter of the financial year. Our subscription Pet food businesses launched in the period and contributed \$0.4m revenue. Waggly, which we acquired in June, contributed an initial \$0.1m in subscription revenue and \$0.05m in e-commerce revenue. 81% of the subscription revenue was contributed in the second half of FY21.

Operational EBITDA loss for the year was \$4.7 million, an increase of \$2.7 million from FY20. The increase partly represents the rebasing of expenses post the initial COVID impact and investments for future growth.

Marketing cost increased \$0.7m to \$2.1m for FY21, with \$0.4m relating to the return to a normal level of marketing costs following the pause in activity during the COVID impact in FY20. The balance represents investments to increase customer acquisition in our marketplace and to support the launch of subscription businesses in the year.

The launch of our pet food subscription product, Dinner Bowl as well as the acquisition of toys and treats business, Waggly increased raw materials and consumables to \$0.4m and delivery expenses to \$0.2m.

Cash flow

Mad Paws is well capitalised to invest in strategic growth initiatives with a cash balance of \$12.5 million at the end of June.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Significant changes in the state of affairs

On 23 December 2020, a subsidiary of the Company, Mad Paws Pty. Ltd. entered into a Share Sale Agreement with Mad Paws Holdings Limited (formerly named Arugam Limited). The sale transaction was given effect via a share exchange, with existing shareholders of Mad Paws Pty. Ltd. obtaining newly issued shares in Mad Paws Holdings Limited. Following the completion of the sale transaction, Mad Paws Pty Ltd became a 100% subsidiary of Mad Paws Holdings Limited, with existing shareholders of Mad Paws Pty Ltd obtaining an 80% shareholding in Mad Paws Holdings Limited. The transaction resulted in the Company having access to an additional \$975,000 of cash, being the cash balance held by Mad Paws Holdings Limited immediately prior to the sale transaction. Existing share options under the Company ESOP Plan were cancelled and replaced with new share options in Mad Paws Holdings Limited (under similar terms and conditions to the historical Company ESOP Plan).

The acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied. The consolidated results reflect the full year of Mad Paws Pty. Ltd. plus Mad Paws Holdings Limited from 23 December 2020 to 30 June 2021. The comparative period results reflect Mad Paws Pty. Ltd. only.

On 23 December 2020, the newly formed group (being Mad Paws Holdings Limited and its 100% subsidiary, Mad Paws Pty. Ltd.) issued \$5,600,000 of convertible notes to both new and existing investors. This gave the Group access to additional funding of \$5,600,000 to fund future growth initiatives. A further \$250,000 of convertible notes were issued to the IPO Broker in December 2020. On 23 March 2021, the convertible notes were converted into 37,335,483 ordinary shares in the Company

On 23 March 2021, the Company completed an initial public offering ('IPO') of 60,000,000 ordinary shares at \$0.20 per share and was admitted to the Official List of ASX Limited with the ASX code MPA. The net proceeds of the IPO after payment of fees and expenses were \$11,213,560

On 8 June 2021, the Group acquired 100% of the ordinary shares of Gassett Group Pty Ltd (trading as 'Waggly Club' or 'Waggly') for the total consideration transferred of \$2,680,000. Waggly is a dog treat and toys subscription business. It was acquired to expand the service offering and accelerate the growth of the Group.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 6 August 2021, the Group issued 500,000 new fully paid ordinary shares at nil consideration for the services rendered by Red Leaf Securities Pty Ltd.

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on Group has been reflected in its published results to date. As at 30 June 2021, New South Wales was in lockdown with other states following soon after, resulting in wide spread border closures across the country. This significantly impacts pet services bookings through the Mad Paws marketplace. The Group has experience in the swift implementation of business continuation strategies including staff salary sacrifice, reduction in marketplace marketing spend and the deferral of non-essential costs. In addition, the development of our subscription businesses (DinnerBowl and Waggly) provide a natural hedge to the reduction in marketplace bookings. Whilst it appears control measures and related government policies, including the roll out of the vaccine have started to mitigate the risks caused by COVID 19, it is not possible at this time to state that the pandemic will not impact the Group's operations going forward.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue growth in revenue in the next financial year as it seeks to further expand its business and build the scale of its operations. Focus areas will include organic growth in the markets within which it operates, including capitalising on the opportunities for revenue and cost synergies associated from the businesses already acquired, and considering further acquisition growth over time.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Information on the directors below is current as at the date of this report:

Name:	Jan Pacas
Title:	Chair and Non-Executive Director
Qualifications:	MSc, MBA, GAICD
Experience and expertise:	Jan has proven track record in creating shareholder value as a founder of tech-start-ups scaling from 0 to IPO, as a CEO of a 1000+ employees company as well as scaling a global \$1Bn+ business. Jan has experience in leading publicly listed companies as well as private companies and was CEO of the year winner in Australia (2015 AHRI). Jan is Best of the Best #1 Employer in Australia (AON Hewitt) achieving exceptional business results through a highly engaged workforce aligned with company vision. Jan also has industry experience across digital technology (SaaS fin-tech/HR-tech, E-commerce, B2C market places), consumer (pet industry, consumer durables, retail, food & beverage) and financial services (wealth management). Jan has global experience and has worked in 5 countries, speaking 6 languages.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Risk Committee Chair, Member of Audit and Nomination and Remuneration Committee
Interests in shares:	6,115,302 ordinary shares
Interests in options:	4,082,656 options over ordinary shares
Interests in rights:	None

Name: Justus Hammer
Title: CEO, Managing Director and Executive Director
Qualifications: Diploma Macro Economics, MCom (IT)
Experience and expertise: Justus is a seasoned entrepreneur who has been working in in the technology space for over a decade. He is passionate about everything online and particularly knowledgeable in all areas marketing with a special interest in performance marketing and the lean-start-up methodology. Born in Munich, Germany, he played professional basketball while finishing his master in Economics before moving to Australia where he received a master of Information Technology from Macquarie University. He founded Spreets in 2011 and grew it to be Australia's leading Group Buying company with over 1.5 million members and over 100 employees in less than 12 months, exiting the company successfully to Yahoo7! for \$40 million just 10 months after it was founded. Recently, Justus has been working as the CMO for ASX listed company Mint Payments, a mobile payments company that provides white label solutions for companies such as MYOB and Bank of New Zealand. Justus is also an active investor and advisor to over 10 start-ups in Australia and overseas. He has been a member and mentor of Sydney's Founder Institute where he was recently voted mentor of the year. Currently Justus has founded a new business venture in the real estate sector working on revolutionising the real estate experience, partnering with Ray White and others.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Member of the Nomination and Remuneration Committee
Interests in shares: 5,746,809 ordinary shares
Interests in options: 10,596,707 options over ordinary shares

Name: Joshua May
Title: Non-Executive Director
Qualifications: BA (Accountancy), Member CAANZ
Experience and expertise: Josh was previously a Director at Ernst & Young's M&A Advisory Practice in Sydney, before co-founding Oaktower Partnership in 2005, an independent corporate advisory business based in Sydney and Melbourne. His advisory transaction experience includes private equity, entrepreneurial clients seeking growth capital, succession planning for large established private businesses, and the sale of non-core assets for large corporations.

Other current directorships: None
Former directorships (last 3 years): Acrow Formwork and Construction Limited (ASX:ACF)
Special responsibilities: Audit Committee Chair, Member of Risk Committee
Interests in shares: 269,338 ordinary shares
Interests in options: 1,950,000 options over ordinary shares
Interests in rights: None

Name: Michael Hill
Title: Non-Executive Director
Qualifications: BA (Accountancy), Member CAANZ
Experience and expertise: Mike co-founded Bombora Group in 2014. Mike is a former Operational Partner of Ironbridge, a private equity firm with \$1.5bn funds under management, at which he led and was involved in a number of transactions across a variety of different industries. Prior to this, Mike was a Partner of Ernst & Young. Mike has significant Board experience including currently serving as non-Executive Chairman of Janison Education Group Limited (ASX: JAN), PKS Holdings Limited (ASX: PKS) and Design Milk Co Limited (ASX: DMC), and Orbx Limited.

Other current directorships: Janison Education Group Limited (ASX: JAN), PKS Holdings Limited (ASX: PKS) and Design Milk Co Limited (ASX: DMC).

Former directorships (last 3 years): Rhipe Limited (ASX:RHP), LiveTiles (ASX: LVT), LawFinance Limited (ASX: LAW), Acrow Formwork and Construction Limited (ASX:ACF).

Special responsibilities: Nomination and Remuneration Committee Chair, Member of Audit and Risk Committees

Interests in shares: 466,389 ordinary shares
Interests in options: 1,950,000 options over ordinary shares
Interests in rights: None

Name: Vicki Aristidopoulos
Title: Non-Executive Director
Qualifications: BA
Experience and expertise: Vicki has spent more than 20 years in senior executive roles across a range of listed Australian companies bringing her significant experience in brand, customer growth and e-commerce. Most recently Vicki was the founding Chief Marketing Officer for Afterpay where she played a key role supporting buy-now-pay-later provider through its hyper-growth phase. Prior to her time at Afterpay, Vicki also held senior executive roles at NewsCorp, Fairfax Media, CommSec and FOXTEL where she was recognised for her ability to deliver digital transformation programs to defend brands facing disruption while also designing customer experience strategies to fuel innovation and disruption. Vicki currently sits on the global board of App-based travel insurance provider Freely, a Cover-More Zurich-owned digital venture, and is also an independent advisor to financial services firm Wilsons.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 88,379 ordinary shares
Interests in options: None
Interests in rights: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Belinda Cleminson has held the role of Company Secretary since 8 February 2021. She was previously the Company Secretary of Merton Corporate Services for 5 years and Assistant Company Secretary of Australian Company Secretaries Pty Ltd for 13 years.

Belinda has over 18 years' experience as a Company Secretary of Australian listed and unlisted companies including ASX 200 clients. Belinda is the company secretary of various public and private companies, including ASX, NZX and OTC listed companies across a range of industries including investment management, biotechnology, healthcare and e-commerce.

Belinda is a member of the Governance Institute of Australia, and a Member of the Australian Institute of Company Directors. She is known for her partnering approach, insight and ability to proactively get into the detail to strategically advise and support boards and management. Before joining Automic Group, Belinda led the company secretarial team at Australian Company Secretaries and represented many of its domestic and global clients. Prior to this Belinda held roles within the legal and banking industry.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Jan Pacas	6	6	-	-	1	1
Justus Hammer	6	6	-	-	1	1
Joshua May	5	5	-	-	1	1
Michael Hill	4	5	-	-	-	1
Vicki Aristidopoulos*	-	-	-	-	1	1

Held: represents the number of meetings held during the time the director held office.

* Appointed on 22 June 2021.

During the financial year ended 30 June 2021, remuneration and nominations items were carried out by the full Board.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

The Board may in its discretion approve that non-executive directors receive shares and share options as part of their remuneration.

- ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 30 November 2020, where the shareholders approved a maximum annual aggregate remuneration of \$500,000 (inclusive of superannuation guarantee charge contributions). The cap excludes any share option grants which are separately approved by shareholders. The Board may in its discretion approve that Directors may receive shares as part of their remuneration.

Non-executive director fees proposed for the year ending 30 June 2022 are summarised as follows:

Role/Function	Fees*
Chair	\$80,000
Non-Executive Director	\$60,000

* Fees are in Australian dollars and expressed as exclusive of superannuation. Non-executive directors do not receive additional fees for their appointment to any board committees.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework comprise of the following components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Long-term performance incentives
- IPO Option grant

The combination of these comprises the executive's total remuneration.

(i) Base pay and non-monetary benefits

(i) Base pay and non-monetary benefits

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

(ii) Short-term performance incentives

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include Gross Merchandising Value ('GMV') growth, revenue growth, bookings and customer growth, leadership contribution and product management.

FY21 STI

For the financial year ended 30 June 2021, a short-term incentive was paid to Justus Hammer, Alexis Soulopoulos and other eligible key management personnel through the issuing of shares in addition to the participant's base salary. The bonus was prorated from the date of IPO to 30 June 2021. The aggregate bonus for FY21 is \$28,143. Payment of the short-term incentive to a participant was subject to the prescribed performance hurdles of the incentive being satisfied which were established at the discretion of the Board. These include:

- (a) 50% financial performance - achieving Gross Merchandising Value ('GMV') targets; and
- (b) 50% individual growth/accountability goals.

FY22 STI

Beyond the financial year ended 30 June 2021, the Board has established a short-term incentive plan to give executives an opportunity to earn a bonus in addition to their fixed annual remuneration calculated as a percentage of the eligible participant's fixed base salary. The quantum of, and terms applying to, any short-term incentives offered to eligible employees in any financial year will be determined by the Board.

The short-term incentive plan seeks to promote individual accountability and performance during the applicable performance period, tested against key performance indicators and other milestones set by the Board. In addition, the short-term incentive awards may be offered as a cash and equity award paid as follows:

- 50% as a cash payment paid upon satisfaction or waiver of the applicable milestones; and
- 50% delivered in options granted under the Company's Equity Incentive Plan ('STI Options').

Unless determined otherwise by the Board, STI options:

- (a) have an exercise price of \$nil;
- (b) will vest in two equal tranches, with 50% vesting on the first anniversary after the date of grant, and the remaining 50% vesting on the second anniversary after the date of grant, subject to the participant's continued employment at the applicable vesting date; and
- (c) options will expire 5 years after grant date.

IPO bonus

The Company agreed to pay Mr Hammer and Mr Soulopoulos a one-off cash payment each of \$25,000 in recognition of the significant contribution made by them in progressing the Mad Paws business through the IPO process to listing on the ASX.

(iii) Long-term performance incentives

The long-term incentives ('LTI') include long service leave and share-based payments offered under the Equity Incentive Plan and previously, the Legacy ESOP

Equity Incentive Plan

Options may be granted under the Equity Incentive Plan ('LTI Options') to align the executives interests with those interests of the shareholders. The quantum of, and terms applying to, any LTI offered to executives in any financial year are determined by the Board. It is the Board's intention that any LTI plan that is implemented will seek to promote individual accountability and performance during the applicable performance period, tested against key performance indicators and other milestones set by the Board and that grants may be made annually in line with executive performance and remuneration reviews.

Unless determined otherwise by the Board, LTI options granted from the date of IPO:

- (a) have an exercise price which is set at a 70% premium to the Company Share's on the ASX at the date of grant;
- (b) will be subject to service-based vesting conditions up to three years from the date of grant, subject to the participant's continued employment at the applicable vesting date, and subject to the satisfaction of performance hurdles set by the board in the participant's offer letter; and
- (c) options will expire 6 years after grant date.

Legacy ESOP

Prior to the acquisition of Mad Paws Pty. Ltd. by Mad Paws Holdings Limited, certain key management personnel were granted shares options in Mad Paws Pty. Ltd. as part of their remuneration package plan ('Legacy ESOP'). The options vest between 2 and 3 years, subject to the executive remaining employed by the Group, and have no expiry date. Following the acquisition of Mad Paws Pty. Ltd. on 23 December 2020, all share options that existed under Mad Paws Pty. Ltd.'s share option plan were cancelled and replaced with new share options in Mad Paws Holdings Limited ('modification'). Each share option held under Mad Paws Pty. Ltd.'s share option plan was replaced with 158.83331 share options in Mad Paws Holdings Limited. The exercise price was reduced by the corresponding factor.

(iv) IPO Option grant

A one-off grant of share options was made to the Company's Non-Executive Directors, Jan Pacas, Mike Hill and Joshua May, key executives, Justus Hammer and Alexis Soulopoulos and other key management personnel in connection with the Company's IPO to incentivise and reward the key management personnel and to align their interests with the Shareholders (the 'IPO Option Grant'). The IPO options have an exercise price of \$0.34 and are not subject to any vesting conditions. The options expire at the earlier of, 6 years from listing date and the date the participant ceases to be an employee of the Group.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of the short term incentive and incentive payments are dependent on defined financial targets being met. For FY21, the financial target metric was GMV.

The Gross Merchandising Value ('GMV') between the financial years ended 30 June 2019 and 30 June 2021 are summarised below:

In \$ millions	FY19 \$m	FY20 \$m	FY21 \$m
GMV	8.7	10.2	12.6

For the financial year ended 30 June 2022 ('FY22'), revenue is the financial target. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2021, the Group, through the Nomination and Remuneration Committee, engaged PricewaterhouseCoopers ('PwC'), remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in share-based payments remuneration in the form of options (LTI) being implemented. PwC was paid \$52,734 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Mad Paws Holdings Limited:

- Jan Pacas - Chair and Non-Executive Director (appointed on 23 December 2020)
- Justus Hammer - CEO, Managing Director and Executive Director (appointed on 23 December 2020)
- Joshua May - Non-Executive Director (appointed on 23 December 2020)
- Michael Hill - Non-Executive Director (appointed on 23 December 2020)
- Vicki Aristidopoulos - Non-Executive Director (appointed on 22 June 2021)

And the following persons:

- Alexis Soulopoulos - CEO of New Business
- Graham Mason - CFO (appointed on 21 June 2021)

2021	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Jan Pacas*	40,000	-	-	3,772	-	492,928	536,700
Joshua May*	30,000	-	-	2,829	-	166,737	199,566
Michael Hill *	30,000	-	-	2,829	-	166,737	199,566
<i>Executive Directors:</i>							
Justus Hammer*	172,313	22,831	-	18,539	-	1,278,428	1,492,111
<i>Other Key Management Personnel:</i>							
Alexis Soulopoulos	161,028	22,831	-	17,440	9,836	432,224	643,359
Graham Mason*	6,320	-	-	-	581	42,753	49,654
	<u>439,661</u>	<u>45,662</u>	<u>-</u>	<u>45,409</u>	<u>10,417</u>	<u>2,579,807</u>	<u>3,120,956</u>

* represents remuneration from the date of appointment

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Executive Directors:</i>							
Alexis Soulopoulos	121,002	-	-	11,457	4,168	155,735	292,362
	<u>121,002</u>	<u>-</u>	<u>-</u>	<u>11,457</u>	<u>4,168</u>	<u>155,735</u>	<u>292,362</u>

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Jan Pacas	50%	-	-	-	50%	-
Joshua May	100%	-	-	-	-	-
Michael Hill	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Justus Hammer	53%	-	2%	-	45%	-
<i>Other Key Management Personnel:</i>						
Alexis Soulopoulos	78%	47%	4%	-	18%	53%
Graham Mason	100%	-	-	-	-	-

The proportion of the STI paid/payable or forfeited is as follows:

Name	STI bonus paid/payable		STI bonus forfeited	
	2021	2020	2021	2020
<i>Executive Directors:</i>				
Justus Hammer	89%	-	11%	-
<i>Other Key Management Personnel:</i>				
Alexis Soulopoulos	89%	-	11%	-

For persons

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Justus Hammer
Title: CEO, Managing Director and Executive Director
Agreement commenced: 23 December 2020
Term of agreement: No fixed term
Details: Mr Hammer will receive a fixed annual remuneration of approximately \$240,000 per annum (exclusive of any statutory superannuation contributions). In addition to base salary, Mr Hammer is eligible to receive other employment benefits in connection with the duties under his employment agreement, including short and long-term incentives, comprising both cash bonuses and equity awards under the Equity Incentive Plan.

Mr Hammer is entitled to annual STI of \$80,000 per annum, subject to the achievement of financial and individual KPI's.

Mr. Hammer is entitled to a one-off grant of 6.95 million IPO Options in connection with the Listing. The Group has also agreed to pay Mr Hammer a one-off cash payment of \$25,000 in recognition of the significant contribution made by him progressing the Mad Paws business to Listing. Participation in future short or long-term incentives is at the discretion of the Board.

Mr Hammer's employment is ongoing, with a termination notice period of six months in all cases (where notice is given by Mr Hammer) and three months in all cases (where notice is given by Mad Paws) other than where terminated by Mad Paws for cause in which case Mr Hammer can be terminated without notice. Following cessation of employment, Mr Hammer will be subject to customary non-compete and non-solicit covenants for a maximum restraint period of up to 12 months following cessation of employment within in any country in which the Mad Paws business is carried on, and otherwise within a cascading geographical area within Australia. Mr Hammer's executive services agreement contains other standard terms and conditions expected to be included in contracts of this nature.

Name: Alexis Soulopoulos
Title: CEO of New Business
Agreement commenced: 23 December 2020
Term of agreement: No fixed term
Details: Mr Soulopoulos will receive a fixed annual remuneration of approximately \$200,000 per annum (exclusive of any statutory superannuation contributions). In addition to base salary, Mr Soulopoulos' is eligible to receive other employment benefits in connection with the duties under his employment agreement, including short and long-term incentives, comprising both cash bonuses and equity awards under the Equity Incentive Plan.

Mr Soulopoulos is entitled to an annual STI of \$40,000 per annum, subject to the achievement of financial and individual KPI's.

Mr Soulopoulos is entitled to a one-off grant of 3.6 million IPO Options in connection with the Listing. The Group has also agreed to pay Mr Soulopoulos a one-off cash payment of \$25,000 in recognition of the significant contribution made by him progressing the Mad Paws business to Listing. Participation in future short- or long-term incentives is at the discretion of the Board.

Mr Soulopoulos' employment is ongoing, with a termination notice period of six months in all cases (where notice is given by Mr Soulopoulos) and three months in all cases (where notice is given by Mad Paws) other than were terminated by the Mad Paws for cause in which case Mr Soulopoulos can be terminated without notice. Following cessation of employment, Mr Soulopoulos will be subject to customary non-compete and non-solicit covenants for a maximum restraint period of up to 12 months following cessation of employment within in any country in which the Mad Paws business is carried on, and otherwise within a cascading geographical area within Australia. Mr Soulopoulos' executive services agreement contains other standard terms and conditions expected to be included in contracts of this nature.

Name: Graham Mason
Title: Chief Financial Officer
Agreement commenced: 21 June 2021
Term of agreement: No fixed term
Details: Mr Mason will receive a fixed annual remuneration of approximately \$256,250 per annum (exclusive of any statutory superannuation contributions). In addition to base salary, Mr Mason is eligible to receive other employment benefits in connection with the duties under his employment agreement, including short and long-term incentives, comprising both cash bonuses and equity awards under the Equity Incentive Plan.

Mr Mason is entitled to an annual STI of \$50,000 per annum, subject to the achievement of financial and individual KPI's.

Mr Mason is entitled to a one-off grant of 500,000 IPO Options in connection with the Listing. Participation in future short or long-term incentives is at the discretion of the Board.

Mr Mason's employment is ongoing, with a termination notice period of six months in all cases (where notice is given by Mr Mason) and three months in all cases (where notice is given by Mad Paws) other than where terminated by the Mad Paws for cause in which case Mr Mason can be terminated without notice. Following cessation of employment, Mr Mason will be subject to customary non-compete and non-solicit covenants for a maximum restraint period of up to 12 months following cessation of employment within in any country in which the Mad Paws business is carried on, and otherwise within a cascading geographical area within Australia. Mr Mason's executive services agreement contains other standard terms and conditions expected to be included in contracts of this nature.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name and option plan	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per options at grant date	Number of options exercised
Jan Pacas							
Legacy ESOP	741,328	01/07/2020	01/07/2020	Nil expiry date	\$0.018	\$0.18	741,328
Legacy ESOP	1,482,656	01/07/2020	01/07/2023	Nil expiry date	\$0.018	\$0.18	-
IPO Grant	2,600,000	23/03/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-
Justus Hammer							
Legacy ESOP	1,823,353	01/07/2020	01/07/2020	Nil expiry date	\$0.018	\$0.18	1,823,353
Legacy ESOP	3,646,707	01/07/2020	01/07/2023	Nil expiry date	\$0.018	\$0.18	-
IPO Grant	6,950,000	23/03/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-
Joshua May							
IPO Grant	1,950,000	23/03/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-
Michael Hill							
IPO Grant	1,950,000	23/03/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-
Alexis Soulopoulos							
Legacy ESOP	555,917	01/10/2015	01/10/2016	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	555,917	01/10/2015	01/10/2017	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	555,917	01/10/2015	01/10/2018	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	64,963	01/07/2017	01/07/2018	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	64,963	01/07/2017	01/07/2019	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	64,963	01/07/2017	01/07/2020	Nil expiry date	\$0.002	\$0.09	-
Legacy ESOP	921,233	09/01/2019	01/01/2020	Nil expiry date	\$0.023	\$0.12	-
Legacy ESOP	921,233	09/01/2019	01/01/2021	Nil expiry date	\$0.023	\$0.12	-
Legacy ESOP	921,233	09/01/2019	01/01/2022	Nil expiry date	\$0.023	\$0.12	-
Legacy ESOP	174,717	01/10/2020	01/10/2020	Nil expiry date	\$0.018	\$0.18	-
Legacy ESOP	192,982	24/10/2020	24/10/2020	Nil expiry date	\$0.018	\$0.18	-
IPO Grant	3,600,000	23/03/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-
Graham Mason							
IPO Grant	500,000	21/06/2021	23/03/2021	22/03/2027	\$0.340	\$0.09	-

Legacy option grants have been stated at their current values post share restructure outlined in note 35.

Options granted carry no dividend or voting rights.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Jan Pacas	5,223,974	-	841,328	-	6,065,302
Justus Hammer	3,663,702	-	1,938,570	-	5,602,272
Joshua May	-	-	269,338	-	269,338
Michael Hill	-	-	466,389	-	466,389
Alexis Soulopoulos	2,733,680	-	174,717	-	2,908,397
	<u>11,621,356</u>	<u>-</u>	<u>3,690,342</u>	<u>-</u>	<u>15,311,698</u>

Holdings at the start of the year have been restated as a result of the share swap from the business combination with Mad Paws Holdings Limited on 23 December 2020, refer note 2.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Jan Pacas	-	4,823,984	(741,328)	-	4,082,656
Justus Hammer	-	12,420,060	(1,823,353)	-	10,596,707
Joshua May	-	1,950,000	-	-	1,950,000
Michael Hill	-	1,950,000	-	-	1,950,000
Alexis Soulopoulos	4,626,337	3,967,699	-	-	8,594,036
Graham Mason	-	500,000	-	-	500,000
	<u>4,626,337</u>	<u>25,611,743</u>	<u>(2,564,681)</u>	<u>-</u>	<u>27,673,399</u>

Holdings at the start of the year have been restated as a result of the share swap from the business combination with Mad Paws Holdings Limited on 23 December 2020, refer note 2.

Other transactions with key management personnel and their related parties

During the financial year, payments for transaction support services from Bombora Investment Management Pty Limited (director-related entity of Michael Hill and Josh May, Non-Executive Directors of the Group) of \$240,000 were made. The Group has also made a cash payment of \$25,000 to each of Justus Hammer and Alexis Soulopoulos in recognition of the significant contribution made by each of them progressing the Mad Paws business to the stage of Listing. The current trade payable balance as at 30 June 2021 was \$88,000. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Mad Paws Holdings Limited under option at the date of this report are as follows:

Grant date	Exercise price	Number under option
01/07/2015	\$0.002	300,036
01/10/2015	\$0.002	1,667,750
15/11/2015	\$0.002	212,837
01/02/2016	\$0.002	212,837
26/04/2016	\$0.093	427,262
01/07/2017	\$0.002	584,665
01/09/2018	\$0.023	207,119
17/09/2018	\$0.023	36,108
09/01/2019	\$0.023	2,763,700
15/01/2019	\$0.023	198,542
01/02/2019	\$0.023	100,647
03/06/2019	\$0.016	103,559
08/07/2019	\$0.016	622,944
24/02/2020	\$0.018	55,592
01/07/2020	\$0.018	5,127,775
01/10/2020	\$0.018	2,390,124
18/12/2020	\$0.200	10,000,000
23/03/2021	\$0.300	2,000,000
23/03/2021	\$0.340	18,150,000
21/06/2021	\$0.340	500,000
		45,661,497

Shares issued on the exercise of options

The following ordinary shares of Mad Paws Holdings Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
01/07/2020	\$0.018	741,328
01/07/2020	\$0.018	1,823,353
		2,564,681

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Crowe Audit Australia

There are no officers of the Company who are former partners of Crowe Audit Australia.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Auditor

Crowe Audit Australia continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Jan Pacas
Chairman

23 September 2021



Justus Hammer
Chief Executive Officer

23 September 2021

The Board of Directors
Mad Paws Holdings Limited
L3, 55 Pyrmont Bridge Road
Pyrmont, NSW 2009

Dear Board Members

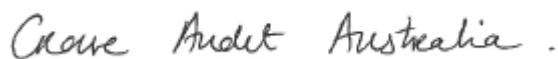
Mad Paws Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Mad Paws Holdings Limited.

As lead audit partner for the audit of the financial report of Mad Paws Holdings Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Crowe Audit Australia



Barbara Richmond
Partner

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.

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Financial Statements



Mad Paws Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021



	Note	Consolidated 2021 \$	2020 \$
Revenue	5	2,854,648	1,999,614
Other income	6	649,425	354,594
Interest revenue calculated using the effective interest method		2,701	4,298
Expenses			
Raw materials and consumables used		(394,481)	(6,396)
Delivery expenses		(159,472)	(2,087)
Employee benefits expense		(3,254,828)	(1,416,331)
Contractors expense		(148,795)	(242,982)
Depreciation and amortisation expense	7	(247,611)	(200,389)
Share-based payments expense	7	(6,553,737)	(267,335)
IT expenses		(761,777)	(580,248)
Marketing expenses		(2,116,926)	(1,376,533)
Travel expenses		(12,594)	(19,635)
Occupancy costs		(108,469)	(38,323)
Professional and consultancy expenses		(775,678)	(91,277)
Share registry and listing expenses		(373,178)	-
Other expenses		(403,245)	(269,157)
Finance costs	7	(130,964)	(35,832)
Loss before income tax expense		(11,934,981)	(2,188,019)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Mad Paws Holdings Limited		(11,934,981)	(2,188,019)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Mad Paws Holdings Limited		<u>(11,934,981)</u>	<u>(2,188,019)</u>
		Cents	Cents
Basic earnings per share	34	(8.40)	(1.91)
Diluted earnings per share	34	(8.40)	(1.91)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	9	12,486,625	984,822
Trade and other receivables	10	141,183	7,663
Inventories	11	180,797	-
Research and development tax incentive		226,457	232,594
Other	12	137,974	-
Total current assets		13,173,036	1,225,079
Non-current assets			
Property, plant and equipment	13	68,567	-
Right-of-use assets	14	-	215,609
Intangibles	15	3,606,680	758,382
Total non-current assets		3,675,247	973,991
Total assets		16,848,283	2,199,070
Liabilities			
Current liabilities			
Trade and other payables	16	1,316,346	267,784
Contract liabilities	17	67,709	34,349
Borrowings	18	28,497	-
Lease liabilities		-	79,300
Employee benefits		294,363	114,714
Other	19	1,113,708	456,511
Total current liabilities		2,820,623	952,658
Non-current liabilities			
Lease liabilities		-	139,692
Employee benefits		51,651	39,434
Total non-current liabilities		51,651	179,126
Total liabilities		2,872,274	1,131,784
Net assets		13,976,009	1,067,286
Equity			
Issued capital	20	36,903,944	10,102,685
Reserves	21	(1,257,437)	700,118
Accumulated losses		(21,670,498)	(9,735,517)
Total equity		13,976,009	1,067,286

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	6,130,266	432,783	(7,547,498)	(984,449)
Loss after income tax expense for the year	-	-	(2,188,019)	(2,188,019)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,188,019)	(2,188,019)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	3,972,419	-	-	3,972,419
Share-based payments (note 35)	-	267,335	-	267,335
Balance at 30 June 2020	<u>10,102,685</u>	<u>700,118</u>	<u>(9,735,517)</u>	<u>1,067,286</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	10,102,685	700,118	(9,735,517)	1,067,286
Loss after income tax expense for the year	-	-	(11,934,981)	(11,934,981)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(11,934,981)	(11,934,981)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	21,678,056	-	-	21,678,056
Share-based payments (note 35)	-	3,165,648	-	3,165,648
Other capital reserve - acquisition of Mad Paws Pty. Ltd. (note 21)	5,123,203	(5,123,203)	-	-
Balance at 30 June 2021	<u>36,903,944</u>	<u>(1,257,437)</u>	<u>(21,670,498)</u>	<u>13,976,009</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,225,306	9,432,128
Payments to suppliers - sitters payment		(7,562,874)	(8,199,891)
		3,662,432	1,232,237
Payments to suppliers and employees (inclusive of GST)		(7,126,392)	(3,902,627)
IPO and acquisition costs		(903,921)	-
Interest received		2,701	4,298
Government grants received		342,207	122,000
Interest and other finance costs paid		-	(5,516)
Research and development tax incentive		296,877	321,666
Net cash used in operating activities	31	(3,726,096)	(2,227,942)
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired	29	(1,985,078)	-
Cash acquired as part of the acquisition of Mad Paws Pty. Ltd.		975,241	-
Payments for property, plant and equipment	13	(79,567)	-
Payments for intangibles	15	(253,314)	(429,584)
Net cash used in investing activities		(1,342,718)	(429,584)
Cash flows from financing activities			
Proceeds from issue of shares	20	12,047,190	2,502,418
Share issue transaction costs		(1,050,208)	(90,953)
Proceeds from convertible notes		5,593,000	-
Proceeds from borrowings		11,440	-
Repayment of lease liabilities		(30,805)	(31,393)
Net cash from financing activities		16,570,617	2,380,072
Net increase/(decrease) in cash and cash equivalents		11,501,803	(277,454)
Cash and cash equivalents at the beginning of the financial year		984,822	1,262,276
Cash and cash equivalents at the end of the financial year	9	12,486,625	984,822

The above statement of cash flows should be read in conjunction with the accompanying notes

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Notes to the Financial Statements



Note 1. General information

The financial statements cover Mad Paws Holdings Limited as a Group consisting of Mad Paws Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mad Paws Holdings Limited's functional and presentation currency.

Mad Paws Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 5, 126-130 Phillip Street
Sydney NSW 2000

Principal place of business

3/55 Pyrmont Bridge Road
Pyrmont NSW 2009

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Acquisition accounting and comparative information

Mad Paws Holdings Limited (the 'Company') was incorporated on 17 September 2019. On 23 December 2020 the shareholders of the Company acquired 100% of the share capital of Mad Paws Pty. Ltd. ('Mad Paws') via a share exchange transaction ('Acquisition'). Under the agreement, the existing shareholders of Mad Paws exchanged their shares in Mad Paws for shares in the Company. Mad Paws' original shareholders obtained a majority share interest in the Company after the Acquisition. Prior to the Acquisition, the Company was a non-operating investment vehicle and did not have any material assets (with the exception of cash and cash equivalents).

Note 2. Significant accounting policies (continued)

Mad Paws was incorporated on 22 July 2014 and has been operating an online marketplace for pet services since 2015.

This transaction did not represent a business combination in accordance with AASB 3 'Business Combinations'. The transaction has therefore been accounted for in the consolidated financial statements in accordance with AASB 2 'Share-based Payment' and as a continuation of the financial statements of Mad Paws, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of the Company. The deemed issue of shares is, in effect, a share-based payment transaction whereby Mad Paws is deemed to have received the net assets of the Company. The overall accounting effect is very similar to that of a reverse acquisition in AASB 3. Accordingly, the financial statements are a continuation of Mad Paws and the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to the Company's assets and liabilities, not those of Mad Paws;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that Mad Paws would have needed to issue to acquire the same shareholding percentage in the Company at the acquisition date;
- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of Mad Paws;
- a share-based payment transaction arises whereby Mad Paws is deemed to have issued shares in exchange for the net assets of the Company and has therefore been expensed in profit or loss as a share-based payment;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of the Company, including the equity instruments issued by the Company to effect the acquisition;
- an adjustment of \$5,123,203 is posted to issued capital and an other capital reserve to reflect the issued capital of the Company at the date of the transaction;
- the results for the year ended 30 June 2021 comprise the consolidated results for the full year of Mad Paws together with the results of the Company from 23 December 2020 to 30 June 2021; and
- the comparative results represents the results of Mad Paws only.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mad Paws Holdings Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Mad Paws Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Mad Paws Holdings Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Judgment is required in determining whether the Company is the principal or agent in the delivery of the services. The Company has determined that it is an agent, and therefore recognises revenue on a net basis, for the following reasons:

- (i) The Company does not pre-purchase or otherwise obtain control of the services prior to the transfer to the end-user.
- (ii) The Company does not direct the pet sitters to perform the service on the Company's behalf, and the pet sitters have the sole ability to decline a transaction request.
- (iii) The Company does not set the price for the services.

Booking fee

Booking fee revenue is recognised at the point in time of booking the sitting service. This is non-refundable should pet owners cancel the booking.

Service fee

Service fee revenue is recognised at the point in time of commencement of the sitting service.

Subscription and ecommerce revenue

Subscription and ecommerce revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Research and development tax incentive

The Group has adopted the income approach to accounting for research and development tax incentive pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the Group recognises the eligible expenses. Where the research and development costs are capitalised as an intangible asset, the Group recognises the incentive as income in profit or loss on a systematic basis matching the useful life of the asset.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	3 years
--------------------	---------

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and it is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Website and software development

Website and software development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Sitter deposit accounts

Sitter deposit accounts represent liabilities to sitters comprising the following:

- Payments for bookings made where the sitting event has not yet occurred; or
- Amounts due to sitters post the sitting event, which have not yet been redeemed.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes are classified as debt until the time of conversion to equity. The corresponding interest on convertible notes is expensed to profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and other parties in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees and other parties to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee/other parties, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee/other parties and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Significant accounting policies (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Mad Paws Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic in which the Group operates. Revenue in FY21 continued to be effected by the pandemic with rolling lockdowns and state border closures, which have continued subsequent to the year end. The business is confident that once travel restrictions are unwound by the Australian Government, this will have a positive impact on revenue growth, in conjunction with the significant increase in pet ownership seen in FY20 and FY21.

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 at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model 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.

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 some other event. 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 written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Capitalised development software

Capitalised development software costs have been capitalised on the basis that the software project to which they relate will be a success considering its commercial and technical feasibility, from which time the costs will be amortised. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered through the successful commercialisation of the software assets. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Research and development tax incentives

The Group determines the estimated research and development tax incentive. These calculations incorporate a number of key assumptions and estimates to determine the expenditure that is eligible for the research and development tax incentive.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segments, being pet goods and services. The operating segment is identified based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating, non-recurring income and costs). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Major customers

During the years ended 30 June 2021 and 30 June 2020, no customer contributed more than 10% to the Group's external revenue.

Note 4. Operating segments (continued)

A reconciliation of the loss after income tax expense to operational EBITDA is as follows:

	Consolidated	
	2021	2020
	\$	\$
Operational EBITDA	(4,704,418)	(2,039,254)
R&D grant and COVID government support	649,425	354,594
IPO, acquisition expenses	(922,955)	(4,101)
Depreciation and amortisation expense	(247,611)	(200,389)
Share-based payments expense	(6,553,737)	(267,335)
Other non-recurring items	(27,422)	-
Net interest (expense)/income	(128,263)	(31,534)
Net loss after tax	<u>(11,934,981)</u>	<u>(2,188,019)</u>

Note 5. Revenue

	Consolidated	
	2021	2020
	\$	\$
Rendering of services - booking fee	658,701	443,777
Rendering of services - service fee	1,714,519	1,555,837
Subscription revenue	435,588	-
Ecommerce revenue	45,840	-
Revenue	<u>2,854,648</u>	<u>1,999,614</u>

Disaggregation of revenue

Revenue from contracts with customers is derived from:

- booking fees;
- service fees; and
- sale of goods.

Booking fee

Booking fee revenue is recognised at the point in time of booking the sitting service. This is non-refundable should pet owners cancel the booking.

Service fee

Service fee revenue is recognised at the point in time of commencement of the sitting service.

Subscription and ecommerce revenue

Subscription and ecommerce revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

All revenue from contracts with customers is generated in Australia.

Note 6. Other income

	Consolidated	
	2021	2020
	\$	\$
Government grants (COVID-19)	342,207	122,000
Research and development rebate	290,740	232,594
Other income	16,478	-
	<u>649,425</u>	<u>354,594</u>
Other income	<u>649,425</u>	<u>354,594</u>

Government grants (COVID-19) represents grants received from the Government comprising of:

- (i) JobKeeper support payments - during the Coronavirus (COVID-19) pandemic, the Company has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The Company is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.
- (ii) Cash Boost support payments - during the year the Company received payments from the Australian Government as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Company will comply with any conditions attached.

Note 7. Expenses

	Consolidated	
	2021	2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	11,000	-
Buildings right-of-use assets	-	34,776
Total depreciation	<u>11,000</u>	<u>34,776</u>
<i>Amortisation</i>		
Website and software development	236,611	165,613
Total depreciation and amortisation	<u>247,611</u>	<u>200,389</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	130,964	30,797
Interest and finance charges paid/payable on lease liabilities	-	5,035
Finance costs expensed	<u>130,964</u>	<u>35,832</u>
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	1,212	2,240
<i>Leases</i>		
Short-term lease payments	81,047	38,323
Loss on termination of lease	27,422	-
	<u>108,469</u>	<u>38,323</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	243,764	115,434
<i>Share-based payments expense</i>		
Share-based payments - employee share option plan	3,001,648	267,335
Share-based payments - acquisition of Mad Paws Pty. Ltd.	3,552,089	-
	<u>6,553,737</u>	<u>267,335</u>

Share-based payments - acquisition of Mad Paws Pty. Ltd.

The share-based payment expense of \$3,552,089 is a non-cash acquisition share based payment expense relating to the Share Sale Agreement on 23 December 2020, as detailed in note 2.

Note 8. Income tax

	Consolidated 2021 \$	2020 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(11,934,981)	(2,188,019)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(3,103,095)	(601,705)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	1,802,178	9,554
Current year tax losses not recognised	(1,300,917)	(592,151)
	1,300,917	592,151
Income tax expense	-	-

	Consolidated 2021 \$	2020 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	7,804,663	6,854,519
Potential tax benefit @ 26%	2,029,212	1,782,175

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Following the current year IPO and business acquisition, there is uncertainty around the quantum and availability of these tax losses, which is currently under review.

	Consolidated 2021 \$	2020 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	95,154	43,291
Total deferred tax assets not recognised	95,154	43,291

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2021 \$	2020 \$
Cash on hand	177	177
Cash at bank	12,486,448	984,645
	12,486,625	984,822

Note 10. Current assets - trade and other receivables

	Consolidated 2021 \$	2020 \$
Other receivables	2,027	-
GST receivable	139,156	7,663
	<u>141,183</u>	<u>7,663</u>

Note 11. Current assets - inventories

	Consolidated 2021 \$	2020 \$
Stock on hand - at cost	180,797	-

Note 12. Current assets - other

	Consolidated 2021 \$	2020 \$
Prepayments	137,974	-

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2021 \$	2020 \$
Computer equipment - at cost	91,983	12,416
Less: Accumulated depreciation	(23,416)	(12,416)
	<u>68,567</u>	<u>-</u>
Office equipment - at cost	15,053	15,053
Less: Accumulated depreciation	(15,053)	(15,053)
	<u>-</u>	<u>-</u>
	<u>68,567</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2019	-	-	-
Balance at 30 June 2020	-	-	-
Additions	79,567	-	79,567
Depreciation expense	(11,000)	-	(11,000)
Balance at 30 June 2021	<u>68,567</u>	<u>-</u>	<u>68,567</u>

Note 14. Non-current assets - right-of-use assets

	Consolidated 2021 \$	2020 \$
Buildings - right-of-use	-	250,385
Less: Accumulated depreciation	-	(34,776)
	<u>-</u>	<u>215,609</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings - right-of-use \$
Balance at 1 July 2019	-
Additions	250,385
Depreciation expense	<u>(34,776)</u>
Balance at 30 June 2020	215,609
Termination of lease	<u>(215,609)</u>
Balance at 30 June 2021	<u>-</u>

Note 15. Non-current assets - intangibles

	Consolidated 2021 \$	2020 \$
Goodwill - at cost	2,831,595	-
Patents and trademarks - at cost	1,803	1,803
Website and software development - at cost	1,355,191	1,101,877
Less: Accumulated amortisation	<u>(581,909)</u>	<u>(345,298)</u>
	773,282	756,579
	<u>3,606,680</u>	<u>758,382</u>

Note 15. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Patents and trademarks \$	Website and software development \$	Total \$
Balance at 1 July 2019	-	1,803	492,608	494,411
Additions	-	-	429,584	429,584
Amortisation expense	-	-	(165,613)	(165,613)
Balance at 30 June 2020	-	1,803	756,579	758,382
Additions	-	-	253,314	253,314
Additions through business combinations (note 29)	2,831,595	-	-	2,831,595
Amortisation expense	-	-	(236,611)	(236,611)
Balance at 30 June 2021	<u>2,831,595</u>	<u>1,803</u>	<u>773,282</u>	<u>3,606,680</u>

Impairment testing

Goodwill is tested annually for impairment. Goodwill arose from the acquisition of Gasset Group Pty Ltd ('Waggly') which was acquired on 8 June 2021. No impairment testing was performed during the financial year ended 30 June 2021 given the proximity of the acquisition date to the financial year end and management have assessed that the carrying value of goodwill at 30 June 2021 does not exceed its recoverable amount.

Note 16. Current liabilities - trade and other payables

	Consolidated 2021 \$	2020 \$
Trade payables	765,030	139,821
Accrued expenses and other payables	551,316	127,963
	<u>1,316,346</u>	<u>267,784</u>

Refer to note 23 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated 2021 \$	2020 \$
Contract liabilities	<u>67,709</u>	<u>34,349</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	34,349	115,211
Payments received in advance	1,747,879	1,474,975
Transfer to revenue (service) - performance obligations satisfied in current year	<u>(1,714,519)</u>	<u>(1,555,837)</u>
Closing balance	<u>67,709</u>	<u>34,349</u>

Note 17. Current liabilities - contract liabilities (continued)

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$67,709 as at 30 June 2021 (\$34,349 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2021 \$	Consolidated 2020 \$
Within 6 months	<u>67,709</u>	<u>34,349</u>

Note 18. Current liabilities - borrowings

	Consolidated 2021 \$	Consolidated 2020 \$
Loan - PayPal	<u>28,497</u>	<u>-</u>

Refer to note 23 for further information on financial instruments.

Note 19. Current liabilities - other

	Consolidated 2021 \$	Consolidated 2020 \$
Sitter deposit accounts	<u>1,113,708</u>	<u>456,511</u>

Note 20. Equity - issued capital

	2021 Shares	Consolidated 2020 Shares	Consolidated 2021 \$	Consolidated 2020 \$
Ordinary shares - fully paid	218,523,989	549,295	36,903,944	9,102,685
Preference shares - fully paid	-	32,958	-	1,000,000
	<u>218,523,989</u>	<u>582,253</u>	<u>36,903,944</u>	<u>10,102,685</u>

Note 20. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	392,701		5,130,266
Conversion of convertible note to ordinary shares	18 December 2019	69,005	\$22.860	1,577,454
Issue of ordinary shares	18 December 2019	87,589	\$28.570	2,502,418
Share issue transaction costs, net of tax		-	-	(107,453)
Balance	30 June 2020	549,295		9,102,685
Conversion of preference shares to ordinary shares	23 December 2020	32,958	\$30.340	1,000,000
Issue of ordinary shares	23 December 2020	22,205,551	\$0.200	4,441,110
Capital adjustment on acquisition of Mad Paws Pty. Ltd.	23 December 2020	91,836,021	\$0.000	5,123,203
Conversion of convertible note to ordinary shares	23 March 2021	37,335,483	\$0.160	5,973,964
Ordinary shares issued on IPO	23 March 2021	60,000,000	\$0.200	12,000,000
Shares issued on the exercise of share options	23 March 2021	2,564,681	\$0.020	47,190
Shares issued on acquisition of subsidiary	28 June 2021	4,000,000	\$0.170	680,000
Less: share issue transaction costs, net of tax		-	-	(1,464,208)
Balance	30 June 2021	<u>218,523,989</u>		<u>36,903,944</u>

Movements in preference shares

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	<u>32,958</u>		<u>1,000,000</u>
Balance	30 June 2020	32,958		1,000,000
Conversion of preference shares to ordinary shares		<u>(32,958)</u>	\$30.340	<u>(1,000,000)</u>
Balance	30 June 2021	<u>-</u>		<u>-</u>

Note 21. Equity - reserves

	Consolidated	
	2021	2020
	\$	\$
Share-based payments reserve	3,865,766	700,118
Other capital reserve	<u>(5,123,203)</u>	<u>-</u>
	<u>(1,257,437)</u>	<u>700,118</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Other capital reserve

The other capital reserve is used to recognise the difference between the historical carrying value of the issued capital immediately prior to the acquisition of Mad Paws Holdings Pty. Ltd. and the issued capital of the Mad Paws Holdings Limited at the date of acquisition.

Note 21. Equity - reserves (continued)

Consolidated	Share-based payments \$	Other capital reserve \$	Total \$
Balance at 1 July 2019	432,783	-	432,783
Share-based payments	267,335	-	267,335
Balance at 30 June 2020	700,118	-	700,118
Share-based payments - employee share option plan	3,001,648	-	3,001,648
Share-based payments - broker options	164,000	-	164,000
Other capital reserve - acquisition of Mad Paws Pty. Ltd.	-	(5,123,203)	(5,123,203)
Balance at 30 June 2021	<u>3,865,766</u>	<u>(5,123,203)</u>	<u>(1,257,437)</u>

Note 22. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The Company's principal financial liabilities comprise trade and other payables and convertible notes. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits that derive directly from its operations.

The Company is primarily exposed to liquidity risk. The current activities of the Company do not expose it to any significant market risk (including foreign currency risk, price risk and interest rate risk) or credit risk. The Company's overall risk management strategy seeks to minimise potential adverse effects on the financial performance and financial position of the Company. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits, capital raisings, lease contracts and through the issue of shares. The Company uses different methods to measure its liquidity risk including cash flow analysis.

Risk management is carried out by senior executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

Market risk

The Company is not exposed to any significant foreign currency risk, price risk and interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Due to the nature of the Company's activities, the Company does not have any financial assets that are susceptible to credit risk (such as trade receivables) therefore, the Company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 23. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Accrued expenses and other	-	1,316,346	-	-	-	1,316,346
Sitter deposit accounts	-	1,113,708	-	-	-	1,113,708
<i>Interest-bearing - fixed rate</i>						
Loan PayPal	6.10%	28,497	-	-	-	28,497
Total non-derivatives		2,458,551	-	-	-	2,458,551

Consolidated - 2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Accrued expenses and other	-	267,784	-	-	-	267,784
Sitter deposit accounts	-	456,511	-	-	-	456,511
<i>Interest-bearing - fixed rate</i>						
Lease liability	5.24%	88,300	145,692	-	-	233,992
Total non-derivatives		812,595	145,692	-	-	958,287

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 24. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	485,323	121,002
Post-employment benefits	45,409	11,457
Long-term benefits	10,417	4,168
Share-based payments	2,579,807	155,735
	<u>3,120,956</u>	<u>292,362</u>

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Audit Australia, the auditor of the Company:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - Crowe Audit Australia</i>		
Audit or review of the financial statements	103,000	25,000
<i>Other assurance services - Crowe Audit Australia</i>		
Other assurance services - Investigating Accountants Report	55,300	-
<i>Other services - Crowe Audit Australia</i>		
Tax - due diligence	41,265	-
Tax - compliance	35,000	-
	<u>76,265</u>	<u>-</u>
	<u>234,565</u>	<u>25,000</u>

Note 27. Contingent liabilities

There are no contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 28. Related party transactions

Parent entity

Mad Paws Holdings Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Note 28. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2021 \$	2020 \$
Payment for goods and services:		
Payment for services from key management personnel	240,000	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2021 \$	2020 \$
Current payables:		
Trade payables to key management personnel	88,000	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Business combinations

Acquisition of Gassett Group Pty Ltd

On 8 June 2021, the Group acquired 100% of the ordinary shares of Gassett Group Pty Ltd (trading as 'Waggly Club' or 'Waggly') for the total consideration transferred of \$2,680,000. This is a dog treat and toys subscription business. It was acquired to expand the service offering and accelerate the growth of the Group. The goodwill of \$2,831,595 represents revenue synergies arising from cross selling opportunities and expanding the Group's existing client base. The acquired business contributed revenues of \$113,039 and a loss after tax of \$4,535 to the Group for the period from 8 June 2021 to 30 June 2021. If the acquisition occurred on 1 July 2020, the full year contributions would have been revenues of \$1,615,221 and profit after tax of \$44,958. The values identified in relation to the acquisition of Waggly Club are provisional as at 30 June 2021.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	14,922
Inventories	58,326
Other current assets	10,337
Trade payables	(191,158)
Other payables	(16,476)
Employee benefits	(10,489)
Borrowings	(17,057)
	<hr/>
Net liabilities acquired	(151,595)
Goodwill	2,831,595
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>2,680,000</u>
Representing:	
Cash paid or payable to vendor	2,000,000
Mad Paws Holdings Limited shares issued to vendor	680,000
	<hr/>
	<u>2,680,000</u>
Acquisition costs expensed to profit or loss	<u>80,000</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	2,680,000
Less: cash and cash equivalents	(14,922)
Less: shares issued by Company as part of consideration	(680,000)
	<hr/>
Net cash used	<u>1,985,078</u>

The acquisition includes a maximum earn out of \$500,000 payable based on revenue targets to be assessed over an 18 month period post acquisition. Given the link to employment services, this will be recorded as remuneration over the period of the earn out.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	(1,935,759)	-
Total comprehensive income	(1,935,759)	-

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	15,610,558	-
Total assets	36,763,223	-
Total current liabilities	23,407	-
Total liabilities	23,407	-
Equity		
Issued capital	36,903,944	-
Share-based payments reserve	2,645,943	-
Accumulated losses	(2,810,071)	-
Total equity	<u>36,739,816</u>	<u>-</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax expense for the year	(11,934,981)	(2,188,019)
Adjustments for:		
Depreciation and amortisation	247,611	200,389
Share-based payments	6,553,737	267,335
Non-cash finance costs	130,964	30,316
Other non-cash expenses	27,422	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(123,183)	(7,663)
Increase in inventories	(122,471)	-
Decrease/(increase) in prepayments	(108,694)	185,324
Decrease/(increase) in research and development tax incentive receivable	6,137	89,072
Increase/(decrease) in trade and other payables	1,382,625	(773,184)
Increase/(decrease) in contract liabilities	33,360	(80,862)
Increase in employee benefits	181,377	49,350
Net cash used in operating activities	<u>(3,726,096)</u>	<u>(2,227,942)</u>

Note 32. Non-cash investing and financing activities

	Consolidated	
	2021	2020
	\$	\$
Shares issued in relation to business combinations	680,000	-
Shares issued on conversion of convertible notes	5,973,964	1,577,454
Shares issued on conversion of preference shares	1,000,000	-
	<u>7,653,964</u>	<u>1,577,454</u>

Note 33. Changes in liabilities arising from financing activities

Consolidated	Convertible notes \$	Lease liabilities \$	Loan - PayPal \$	Total \$
Balance at 1 July 2019	1,530,638	-	-	1,530,638
Net cash used in financing activities	-	(31,393)	-	(31,393)
Conversion of convertible notes to ordinary shares	(1,577,454)	-	-	(1,577,454)
New lease agreement recognised	-	250,385	-	250,385
Interest on convertible notes	30,316	-	-	30,316
Other changes	16,500	-	-	16,500
Balance at 30 June 2020	-	218,992	-	218,992
Net cash from/(used in) financing activities	5,593,000	(30,805)	11,440	5,573,635
Interest accrued on convertible notes	130,964	-	-	130,964
Termination of lease	-	(215,609)	-	(215,609)
Conversion of convertible note to ordinary shares	(5,973,964)	-	-	(5,973,964)
Changes through business combinations (note 29)	-	-	17,057	17,057
Convertible Note issued to Broker	250,000	-	-	250,000
Other changes	-	27,422	-	27,422
Balance at 30 June 2021	<u>-</u>	<u>-</u>	<u>28,497</u>	<u>28,497</u>

Note 34. Earnings per share

	Consolidated 2021 \$	Consolidated 2020 \$
Loss after income tax attributable to the owners of Mad Paws Holdings Limited	<u>(11,934,981)</u>	<u>(2,188,019)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>142,026,610</u>	<u>114,623,825</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>142,026,610</u>	<u>114,623,825</u>
	Cents	Cents
Basic earnings per share	(8.40)	(1.91)
Diluted earnings per share	(8.40)	(1.91)

Share options have been excluded from the above calculations as they were anti-dilutive.

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to capital reorganisation which occurred during the financial year.

Note 35. Share-based payments

Employee share options plan

Under the existing employee share options plan ('ESOP'), employee share options have been granted to certain employees as part of their remuneration package. Options vest over 3 years, subject to the employees satisfying the vesting condition, which is an employment condition. There are no other vesting conditions attaching to the share options. Options vest as follows: one third over 12 months after start date, one third over 24 months after start date and one third over 36 months after start date. The options have no expiry date.

Note 35. Share-based payments (continued)

During the year ended 30 June 2021, employee share options were granted to certain employees as part of their remuneration package as follows:

- On 1 July 2020, 48,431 share options were granted. 33% of the shares options vested immediately and the remaining share options vest over 2 years. The share options had an exercise price of \$2.93. The options have no expiry date.
- On 1 October 2020, 15,048 share options were granted. 10,683 of the shares options vested immediately and the remaining share options vest over a 3 year period as follows: one third over 12 months after start date, one third over 24 months after start date and one third over 36 months after start date. The share options had an exercise price of \$2.93. The options have no expiry date.
- On 23 March 2021 and 21 June 2021, 18,150,000 and 500,000 share options were granted respectively. All these options vest immediately. The share options had an exercise price of \$0.34. The options expire 7 years from grant date.

Following the acquisition of Mad Paws Pty. Ltd. as detailed in note 2, all share options that existed under Mad Paws Pty. Ltd.'s share option plan were cancelled and replaced with new share options in Mad Paws Holdings Limited ('modification'). Each share option held under Mad Paws Pty. Ltd.'s share option plan was replaced with 158.83331 share options in Mad Paws Holdings Limited. The exercise price was reduced by the corresponding factor. The share options granted in Mad Paws Holdings Limited were issued under the same terms and conditions as the historical ESOP. The modification did not result in a change to the fair value of the share options.

Other share-based payments

During the year ended 30 June 2021, share options were granted to services providers in exchange for services provided to the Group as follows:

- On 18 December 2020, 10,000,000 share options were granted to Bombora Investment Management Pty Limited as consideration for services provided to the Group in connection with the IPO ('Bombora options'). The share options are not subject to any vesting conditions and vest immediately. The share options had an exercise price of \$0.20. The options expire on 18 December 2023. The Bombora options were granted prior to the 23 December 2020 acquisition and therefore the fair value of these options are not reflected in the consolidated results for the year.
- On 23 March 2021, 2,000,000 share options were granted to brokers as consideration for services provided to the Group in connection with the IPO ('JLM options'). The share options are not subject to any vesting conditions and vest immediately. The share options had an exercise price of \$0.30. The options expire on 23 March 2027.

Note 35. Share-based payments (continued)

Set out below are summaries of options granted as at 30 June 2021:

Grant date	Exercise price pre-modification	Exercise price post-modification	Balance at the start of the financial year	Granted	Modification adjustment (1:158)	Exercised	Expired/forfeited/other	Balance at the end of the financial year
01/07/2015	\$0.35	\$0.0022	1,889	-	298,147	-	-	300,036
01/10/2015	\$0.35	\$0.0022	10,500	-	1,657,250	-	-	1,667,750
15/11/2015	\$0.35	\$0.0022	1,340	-	211,497	-	-	212,837
01/02/2016	\$0.35	\$0.0022	1,340	-	211,497	-	-	212,837
26/04/2016	\$14.76	\$0.0929	2,690	-	424,572	-	-	427,262
01/07/2017	\$0.35	\$0.0022	3,681	-	580,984	-	-	584,665
01/09/2018	\$3.65	\$0.0230	1,304	-	205,815	-	-	207,119
17/09/2018	\$3.65	\$0.0230	326	-	51,454	-	(15,672)	36,108
09/01/2019	\$3.65	\$0.0230	17,400	-	2,746,300	-	-	2,763,700
15/01/2019	\$3.65	\$0.0230	1,250	-	197,292	-	-	198,542
01/02/2019	\$3.65	\$0.0230	1,250	-	197,292	-	(97,895)	100,647
03/06/2019	\$2.52	\$0.0159	652	-	102,907	-	-	103,559
08/07/2019	\$2.52	\$0.0159	3,922	-	619,022	-	-	622,944
24/02/2020	\$2.93	\$0.0184	350	-	55,242	-	-	55,592
01/07/2020	\$2.93	\$0.0184	-	48,431	7,644,025	(2,564,681)	-	5,127,775
01/10/2020	\$2.93	\$0.0184	-	15,048	2,375,076	-	-	2,390,124
18/12/2020	\$0.20	\$0.2000	-	10,000,000	-	-	-	10,000,000
23/03/2021	\$0.30	\$0.3000	-	2,000,000	-	-	-	2,000,000
23/03/2021	\$0.34	\$0.3400	-	18,150,000	-	-	-	18,150,000
21/06/2021	\$0.34	\$0.3400	-	500,000	-	-	-	500,000
			<u>47,894</u>	<u>30,713,479</u>	<u>17,578,372</u>	<u>(2,564,681)</u>	<u>(113,567)</u>	<u>45,661,497</u>

Weighted average exercise price	\$0.02	\$0.29	\$0.02	\$0.02	\$0.02	\$0.02
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Grant date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
01/07/2015	\$0.35	1,889	-	-	-	1,889
01/10/2015	\$0.35	10,500	-	-	-	10,500
15/11/2015	\$0.35	1,340	-	-	-	1,340
01/02/2016	\$0.35	1,340	-	-	-	1,340
26/04/2016	\$14.76	2,690	-	-	-	2,690
01/07/2017	\$0.35	3,681	-	-	-	3,681
01/09/2018	\$3.65	1,467	-	-	(163)	1,304
17/09/2018	\$3.65	326	-	-	-	326
09/01/2019	\$3.65	17,400	-	-	-	17,400
15/01/2019	\$3.65	1,250	-	-	-	1,250
01/02/2019	\$3.65	1,250	-	-	-	1,250
03/06/2019	\$2.52	652	-	-	-	652
08/07/2019	\$2.52	-	3,922	-	-	3,922
24/02/2020	\$2.93	-	350	-	-	350
		<u>43,785</u>	<u>4,272</u>	<u>-</u>	<u>(163)</u>	<u>47,894</u>

Weighted average exercise price	\$2.900	\$2.550	\$0.000	\$3.650	\$2.870
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Note 35. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	2021 Number	2020 Number
01/07/2015	300,034	1,889
01/10/2015	1,667,750	10,500
15/11/2015	212,837	1,340
01/02/2016	212,837	1,340
26/04/2016	427,262	2,690
01/07/2017	584,665	2,454
01/09/2018	138,079	435
17/09/2018	24,072	109
09/01/2019	1,842,467	5,800
15/01/2019	132,361	417
01/02/2019	67,098	417
03/06/2019	69,039	217
08/07/2019	207,648	-
24/02/2020	18,531	-
01/10/2020	2,390,124	-
18/12/2020	10,000,000	-
23/03/2021	2,000,000	-
23/03/2021	18,150,000	-
21/06/2021	500,000	-

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2020	Nil expiry date	\$0.20	\$0.02	60.00%	-	0.50%	\$0.18
01/10/2020	Various	\$0.20	\$0.02	60.00%	-	0.50%	\$0.18
18/12/2020	18/12/2023	\$0.20	\$0.20	60.00%	-	0.50%	\$0.06
23/03/2021	23/03/2026	\$0.20	\$0.30	60.00%	-	0.50%	\$0.08
23/03/2021	23/03/2027	\$0.20	\$0.34	60.00%	-	0.50%	\$0.09
21/06/2021	23/03/2027	\$0.18	\$0.34	60.00%	-	0.50%	\$0.09

Note 36. Events after the reporting period

On 6 August 2021, the Group issued 500,000 new fully paid ordinary shares at nil consideration for the services rendered by Red Leaf Securities Pty Ltd.

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on Group has been reflected in its published results to date. As at 30 June 2021, New South Wales was in lockdown with other states following soon after, resulting in wide spread border closures across the country. This significantly impacts pet services bookings through the Mad Paws marketplace. The Group has experience in the swift implementation of business continuation strategies including staff salary sacrifice, reduction in marketplace marketing spend and the deferral of non-essential costs. In addition, the development of our subscription businesses (DinnerBowl and Waggly) provide a natural hedge to the reduction in marketplace bookings. Whilst it appears control measures and related government policies, including the roll out of the vaccine have started to mitigate the risks caused by COVID 19, it is not possible at this time to state that the pandemic will not impact the Group's operations going forward.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Jan Pacas
Chairman

23 September 2021



Justus Hammer
Chief Executive Officer

Independent Auditor's Report to the Members of Mad Paws Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mad Paws Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other 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;
- (b) and 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 & 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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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.

Key Audit Matter	How we addressed the Key Audit Matter
Revenue Recognition <i>Refer to Note 2, Note 5 and Note 17</i>	
<p>The Group generates revenue from booking fees and service fees for pet sitting services and from the sale of goods through ecommerce and subscription channels.</p> <p>The Group's accounting policies for the recognition of revenue are outlined in Note 2 to the financial statements.</p> <p>Due to the differing revenue recognition criteria and high volume of transactions, revenue recognition is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed whether the revenue recognition policy applied to each revenue stream is in accordance with Australian Accounting Standard AASB 15 <i>Revenue from Contracts with Customers</i>. Selected a sample of booking fee revenue and service fee revenue. Performed testing to determine whether the revenue occurred and was recorded in the appropriate period by tracing through to evidence of booking payment and commencement of sitting service. Assessed the completeness of contract liabilities, being the service fee paid where the sitting service has not yet commenced at 30 June 2021. Performed a recalculation of expected booking fee and services fee revenue. Selected a sample of subscription and ecommerce transactions. Performed testing to determine whether the revenue was recorded in the appropriate period by tracing through to evidence of payment for the goods and delivery to the customer. Considered the impact of sitting service cancellations and subscription and ecommerce customer returns issued subsequent to 30 June 2021, where these related to revenue recognised in the 2021 financial year. Considered the adequacy of the revenue related disclosures contained in Note 2, Note 5 and Note 17 to the financial statements.
Acquisition transaction between Mad Paws Holdings Limited and Mad Paws Pty Ltd <i>Refer to Note 2 and Note 20</i>	
<p>On 23 December 2020, the shareholders of Mad Paws Holdings Limited acquired 100% of the share capital of Mad Paws Pty Ltd via a share exchange transaction ('Acquisition').</p> <p>Due to the significance of the Acquisition transaction to the financial statements in the current year, the complexity of the accounting and judgements involved, this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the accounting treatment for the Acquisition having consideration to both AASB 2 <i>Share Based Payments</i> and AASB 3 <i>Business Combinations</i>. Considered the principles and guidance relating to a reverse acquisition under AASB 3 and their application to the Acquisition. Reviewed the calculation of the acquisition share based payment, being the difference between the fair value of shares transferred as consideration and the fair value of the net assets acquired.

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Key Audit Matter	How we addressed the Key Audit Matter
	<ul style="list-style-type: none"> Considered the adequacy of the related disclosures contained in Note 2 and Note 20 to the financial statements.
Acquisition of Gasset Group Pty Ltd <i>Refer to Note 2 and Note 29</i>	
<p>On 8 June 2021, the Group acquired 100% of the ordinary shares of Gasset Group Pty Ltd (trading as 'Waggly Club') for the total consideration of \$2,680,000.</p> <p>Due to the significance of this transaction to the financial statements in the current year and judgements involved, this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the acquisition accounting for the transaction having consideration to AASB 3 <i>Business Combinations</i>. Reviewed the Share Sale Agreement, consideration paid and shares issued in relation to the acquisition. Undertook specific procedures on the acquired net liabilities to verify existence of assets and completeness of liabilities. Recalculated goodwill recorded as a result of the acquisition. Reviewed the contractual terms and accounting treatment relating to the earn out liability. Considered the adequacy of the related disclosures contained in Note 2 and Note 29 to the financial statements.
Completeness of sitter deposit liability account <i>Refer to Note 2 and Note 19</i>	
<p>The sitter deposit account represents liabilities to sitters for bookings made where the sitting event has not yet occurred, together with amounts due to sitters post the sitting event which have not yet been redeemed.</p> <p>Due to the significance of this liability to the financial statements and the volume of transactions and pet sitters, this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Inspected a monthly reconciliation of the sitter liability account for the current year, verifying on a sample basis inputs and outputs to source documentation, including cash movements and revenue recognised. Performed omitted liabilities testing by checking a sample of July 2021 and August 2021 post year end payments made to sitters and verifying the accuracy of the liability recorded in the 30 June 2021 sitter deposit account. Considered the adequacy of the related disclosures contained in Note 2 and Note 19 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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.

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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.

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 group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the 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 the 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.

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 the 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 the auditor's 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 the directors' report from pages 8 to 16 of the annual report for the year ended 30 June 2021.

In our opinion, the remuneration report of Mad Paws Holdings Limited, 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.

Crowe Audit Australia

Crowe Audit Australia

B Rd

Barbara Richmond
Partner

23 September 2021
Sydney

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The shareholder information set out below was applicable as at 15 September 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	22	-	-	-
1,001 to 5,000	364	0.52	-	-
5,001 to 10,000	403	1.61	1	0.02
10,001 to 100,000	430	6.75	7	0.82
100,001 and over	182	91.12	23	99.16
	1,401	100.00	31	100.00
Holding less than a marketable parcel	130	0.10	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	% of total shares issued
	Number held	
Bombora Investments	30,000,000	13.70
Prual Investments Pte Ltd	13,310,859	6.08
HSBC Custody Nominees (Australia) Limited	10,080,278	4.60
J P Morgan Nominees Australia Pty Limited	6,172,353	2.82
Mr Jan Pacas	6,115,302	2.79
Justus Hammer	5,746,809	2.62
Sandhurst Trustees Ltd (Endeavor Asset Mgmt Mda A/C)	5,523,797	2.52
Beach Haus Pty Ltd (Rolf Weber A/C)	5,487,055	2.51
Elyuma Enterprises Pty Ltd (Elyuma Family A/C)	5,377,224	2.46
Qantas Ventures Pty Ltd	5,177,648	2.36
Scaleup Mediafund Pty Ltd	5,177,648	2.36
C&D Capital Investments Pty Ltd (C&D Capital Unit A/C)	4,743,364	2.17
CS Third Nominees Pty Limited (HSBC Cust Nom Au Ltd 13 A/C)	3,516,556	1.61
Whooshka Nominees Pty Ltd (Wally Whooshka A/C)	3,081,870	1.41
Badger International (NZ) LP	2,947,787	1.35
Daxs Holdings Pty Ltd	2,918,403	1.33
Alexis Soulopoulos	2,908,397	1.33
Hsbc Custody Nominees (Australia) Limited - A/C 2	2,718,240	1.24
Mad Paws Pty Ltd (Employee Share A/C)	2,564,681	1.17
Mad Paws Pty Ltd (Employee Share A/C)	2,564,681	1.17
	126,132,952	57.60

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	45,661,497	31

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

Name	Class	Number held
Justus Hammer	Share options	10,596,707
Bombora Investments	Share options	10,000,000

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Bombora Investments	30,000,000	13.70
Prual Investments Pte Ltd	13,310,859	6.08

Voting rights

The voting rights attached to ordinary shares 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.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number of shares
Ordinary shares	01/10/2021	74,994
Ordinary shares	23/12/2021	1,611,976
Ordinary shares	28/02/2022	10,574,008
Ordinary shares	23/03/2022	600,543
Ordinary shares	28/12/2022	4,000,000
Ordinary shares	23/03/2023	24,085,466
		<u>40,946,987</u>

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary shares	28/02/2022	10,574,008

Directors	Jan Pacas Michael Hill Joshua May Vicki Aristodopoulos Justus Hammer
Company secretary	Belinda Cleminson
Notice of annual general meeting	The details of the annual general meeting of Mad Paws Holdings Limited are: The Company's annual general meeting will be held as a virtual event on 4 November 2021.
Registered office	Level 5, 126-130 Phillip Street Sydney NSW 2000 Tel: +61 1300 288 664
Principal place of business	3/33 Pyrmont Bridge Road Pyrmont NSW 2009 Tel: +61 2 8046 6536
Share register	Automic Pty Limited Level 5, 126 Philip Street Sydney NSW 2000 Tel: +61 1300 288 664
Auditor	Crowe Audit Australia Level 15, 1 O'Connell Street Sydney NSW 2000
Solicitors	Talbot Sayer Level 27, Riverside Centre 123 Eagle Street Brisbane QLD 4000
Bankers	Commonwealth Bank of Australia 48 Martin Place Sydney NSW 2000
Stock exchange listing	Mad Paws Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MPA)
Website	www.madpaws.com.au
Business objectives	In accordance with Listing Rule 4.10.19 the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX since its admission to the end of the reporting period in a way that is consistent with its business objectives.
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Mad Paws Holdings Limited in an ethical manner and in accordance with the highest standards of corporate governance. Mad Paws Holdings Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found on the Investor Relations page at www.madpaws.com.au/investor-centre/corporate-governance</p>