

madpaws

FY2022 Results Presentation

Mad Paws Holding (ASX: MPA)

August 30, 2022



Disclaimer

This presentation contains summary information about the current activities of Mad Paws as at the date of this presentation or such earlier date as is specified. This presentation has been prepared for information purposes only. Any person who receives this presentation (is not entitled to, and by receiving this presentation undertakes not to rely on this presentation (whether as to a matter of fact, forecast, opinion or belief) for any purpose whatsoever. This presentation is of a general nature and does not purport to be complete or contain all information in relation to Mad Paws that an investor may require to assess the business, financial performance and operations of Mad Paws or should consider when making an investment decision, nor does it purport to address any or all issues which are or may be material to or of interest to the Recipient in relation to Mad Paws. An investment in Mad Paws is subject to known and unknown risks. The Recipient must conduct its own independent analysis of Mad Paws and the information in this presentation and make its own independent decisions about Mad Paws and its business, prospects, financial position and performance before making any decision that relates, directly or indirectly to Mad Paws. The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation and, if necessary, seek independent, professional advice.

This presentation is not a disclosure document, nor does it contain all the information which would be required in a disclosure document or a prospectus prepared in accordance with the requirements of the Corporations Act 2001 (Cth), and the Recipient should not rely on this presentation in connection with a proposed investment in Mad Paws. It should be read in conjunction with Mad Paws' other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

This presentation does not constitute legal, accounting, financial, tax, regulatory, investment or other specialist advice or opinion nor is it a recommendation to acquire new Shares and does not and will not form any part of any contract for the acquisition of new Shares. None of the information set out in this presentation including any market or industry data prepared or generated by third parties, has been independently verified. None of Mad Paws, its shareholders, subsidiaries, associates, directors, officers, employees, agents, independent contractors and advisors (collectively the Mad Paws Parties) makes or gives any representation, warranty or guarantee, whether express or implied, in relation to the information contained in this presentation including its completeness, accuracy, reasonableness, currency or reliability or the process by which it was prepared.

Past performance information in this presentation is given for illustrative purposes only and should not be relied upon, and is not, an indication of future performance. This presentation contains "forward looking statements" including estimates, projections and other forward-looking information (Estimates and Projections) which involve subjective judgements, and are based on assumptions about future events that are subject to significant uncertainties and contingencies, many of which are outside the control of Mad Paws. Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Mad Paws. Such Estimates and Projections are provided as a general guide only and are not guarantees or predictions of future performance. The forward-looking statements are based on information available to Mad Paws as at the date of this Presentation. The assumptions may or may not prove to be correct and there can be no assurance that actual outcomes will not differ materially from the Estimates and Projections. Without limiting the above, no representation, warranty or guarantee, whether express or implied, is made or given by the Mad Paws in relation to any Estimates and Projections, the accuracy, reliability or reasonableness of the assumptions on which an Estimates and Projections are based, or the process of formulating any Estimates and Projections, including that any Estimates and Projections contained in this presentation will be achieved. Actual future results may vary significantly from the Estimates and Projections.

Non-IFRS information: This presentation contains certain non-IFRS financial information Mad Paws believe the presentation of certain non-IFRS financial information is useful for users of this presentation as they reflect the underlying financial performance of the business, however notwithstanding this, investors are cautioned not to place undue reliance on any non IFRS financial information included in this presentation.

Except as required by law or regulation (including the ASX Listing Rules), none of the Mad Paws Parties accept any responsibility to update, supplement or correct this presentation To the fullest extent permitted by law, Mad Paws expressly disclaim any and all liability (whether direct, indirect or consequential and whether arising from negligence or otherwise) for, or based on, or relating to any information contained in this presentation or for any errors in or omissions from this presentation and no liability (whether under statute, in contract, tort or for negligence or otherwise) is accepted by Mad Paws for any loss or damage (whether foreseeable or not) that may arise by reason of, or in connection with, the information contained in this presentation or by any purported reliance on it. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

All dollar values are in Australian dollars ("A\$", "AUD") unless indicated otherwise. This presentation contains certain financial information. The financial information has been presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards, the International Financial Reporting Standards and other mandatory professional reporting requirements applicable to financial reports prepared in accordance with the Corporations Act. Financial information for FY18, FY19, FY20 and FY21 has been audited. All historical financial information prior to FY18 is unaudited and based on management accounts.

Not an offer: This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any other regulator and is not approved by or registered with any regulator). The Presentation is not and should not be considered an offer or an invitation to acquire shares in Mad Paws or any other financial products. This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold, directly or indirectly, in the United States unless such New Shares have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Mad Paws including possible loss of income and principal. Invested Mad Paws does not guarantee any particular rate of return or the performance of Mad Paws nor does it guarantee the repayment of capital from Mad Paws or any particular tax treatment.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

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.



Mad Paws at a Glance

Mad Paws provides a safe and convenient digital platform that connects pet owners with high quality services and products. Mad Paws has built a loyal and growing community of pet owners and sitters, focused on enabling their loved pets to live their lives to the fullest.

Mad Paws proudly serves pet owners and pet sitters 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, acquired Pet Chemist April 2022

Mad Paws Joy
Toys and Treats – Waggly acquisition Q4 2021

Mad Paws Home
Curated Ecommerce – Launched in Q2 FY22 with Sash acquisition



Over 1 million pet care services provided

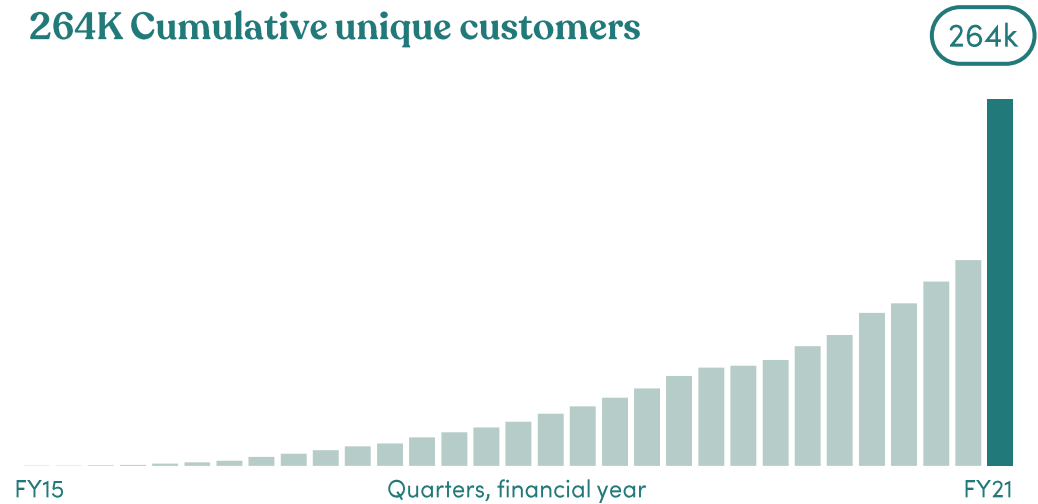


Product Review Best Raw Dog Food of 2021

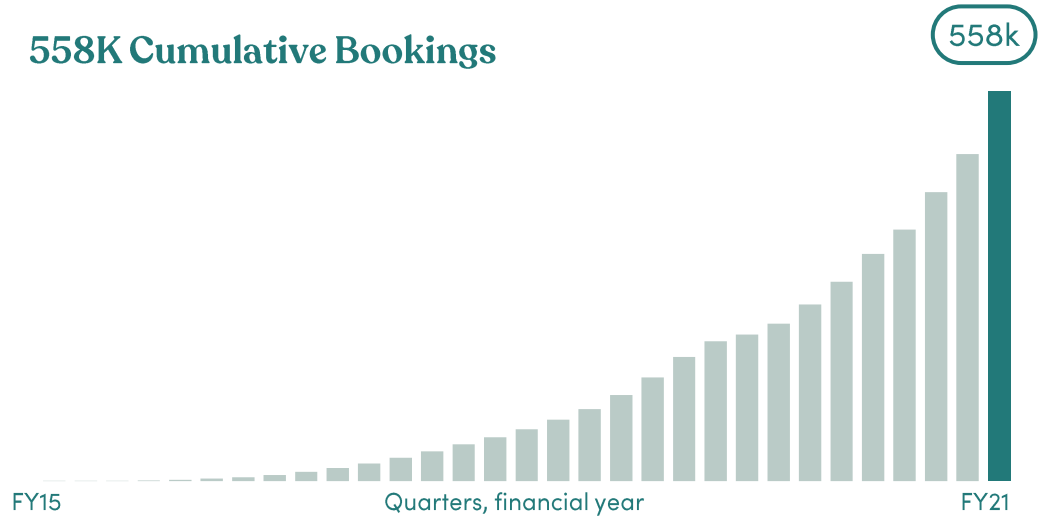


Qantas Partnership & Access to Qantas FF

264K Cumulative unique customers



558K Cumulative Bookings



Pet's and their impact on Australian's lives

ersonal use only



Pet ownership is a way of life

for the majority of Australians, an estimated 7.3 millions households (73% of all households) would like to add a pet to their family



70% of pet owners

say their pets have improved their lives during the pandemic

Owners now have different, **more human like relationships with pets**, more inelastic spend



Pet Humanisation and Premiumisation Driving Spend



Prioritisation of Pet Needs



Increasing Spend Per Pet



Increasing Spend on Pet Products and Services



Recession resilience



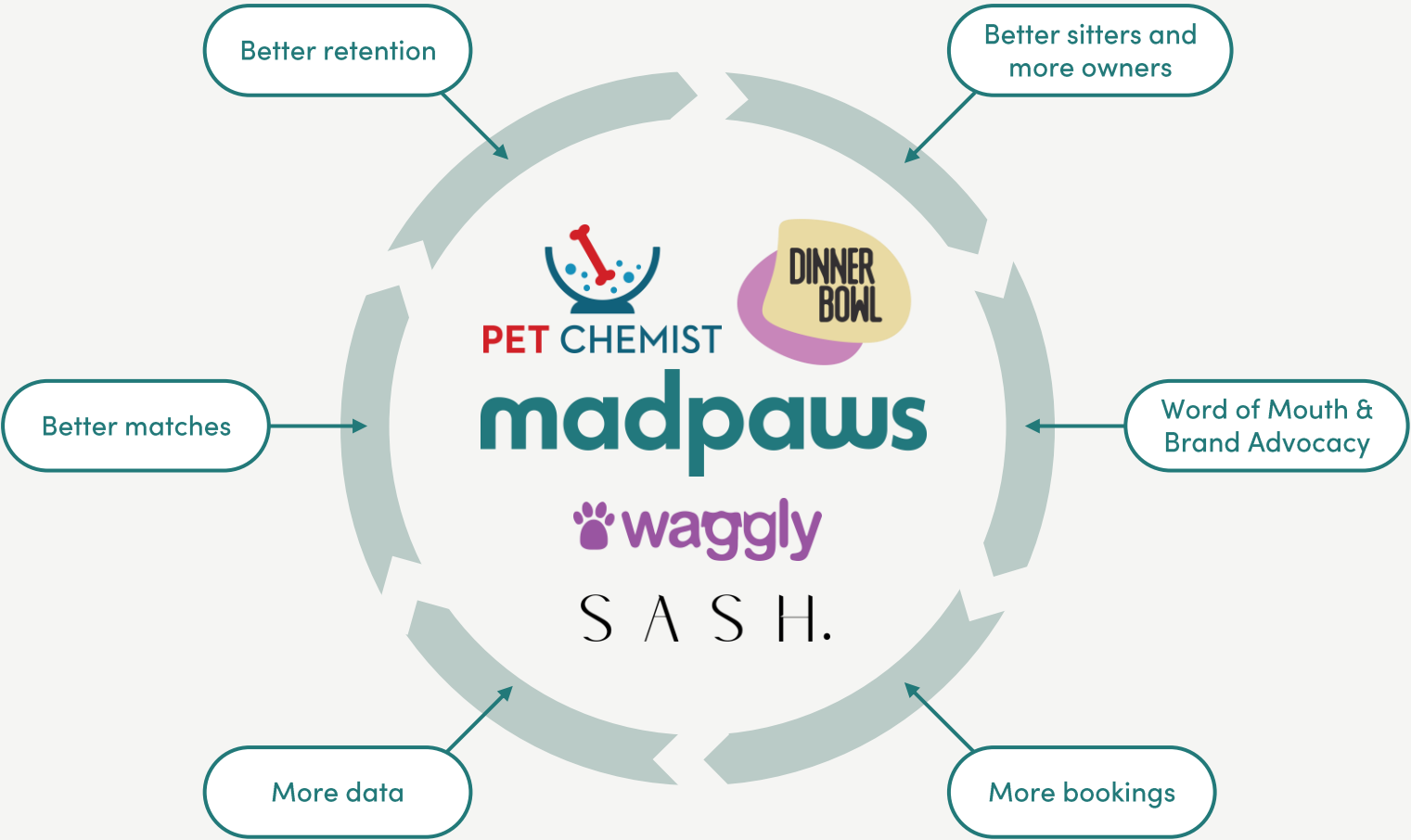
Mad Paws is Building a Powerful Network Effect

The Mad Paws platform is driving powerful momentum as more owners and sitters enjoy benefits and advocate acceptance and usage.

Advocacy and customer demand for existing and new products and services continue to gain business traction reducing the amount of effort and marketing spend required over time.

Ultimately leading to greater loyalty, repeat rates and a larger share of wallet for Mad Paws.

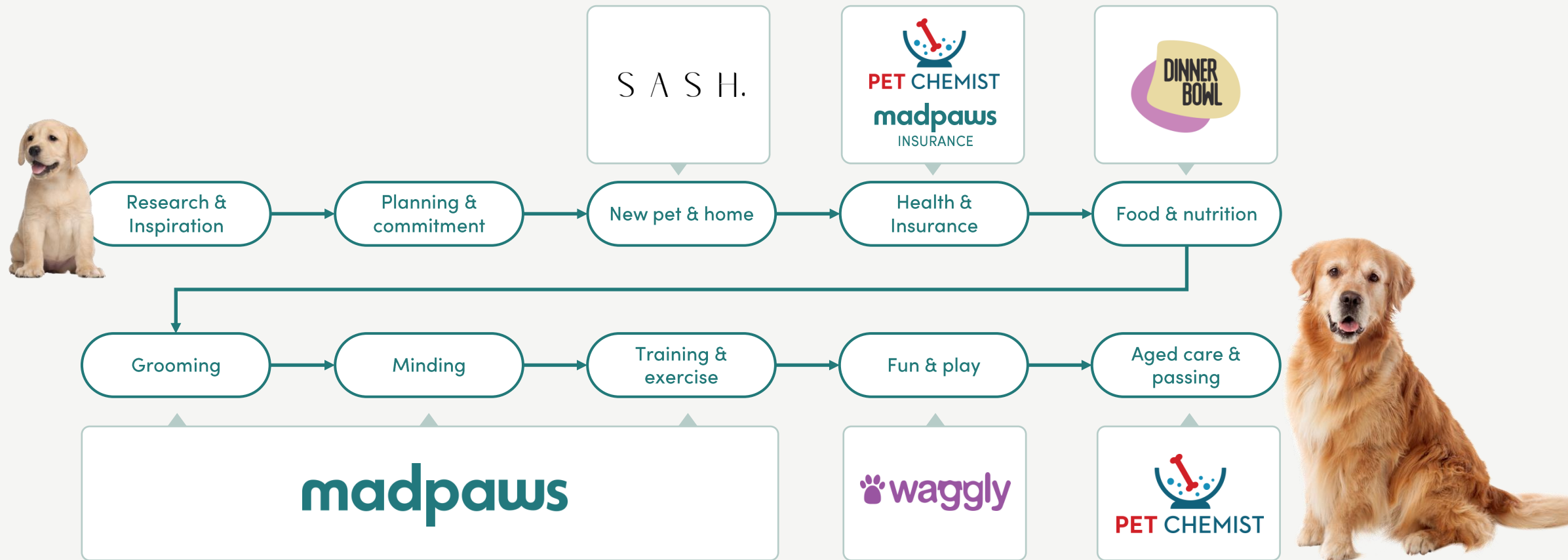
only use personally



Pet Owners Have Multiple Needs Across the Pet Life Cycle

Mad Paws is already providing products and services in most categories. Mad Paws can play a role throughout the pet life cycle, leveraging its trusted positioning, expanding data set and love of Pet's.

Leading to lower customer acquisition costs and strong customer loyalty and high customer repeat rates throughout the lifecycle.



FY22 Highlights

**FY22
Bookings/Transactions
up 101%**

**FY22 GMV up 115% to
\$27.1 million**

**Group Operating
Revenue up 251% to
\$10.0 million**

**Marketplace positive
Operating EBITDA for Q4
FY22**

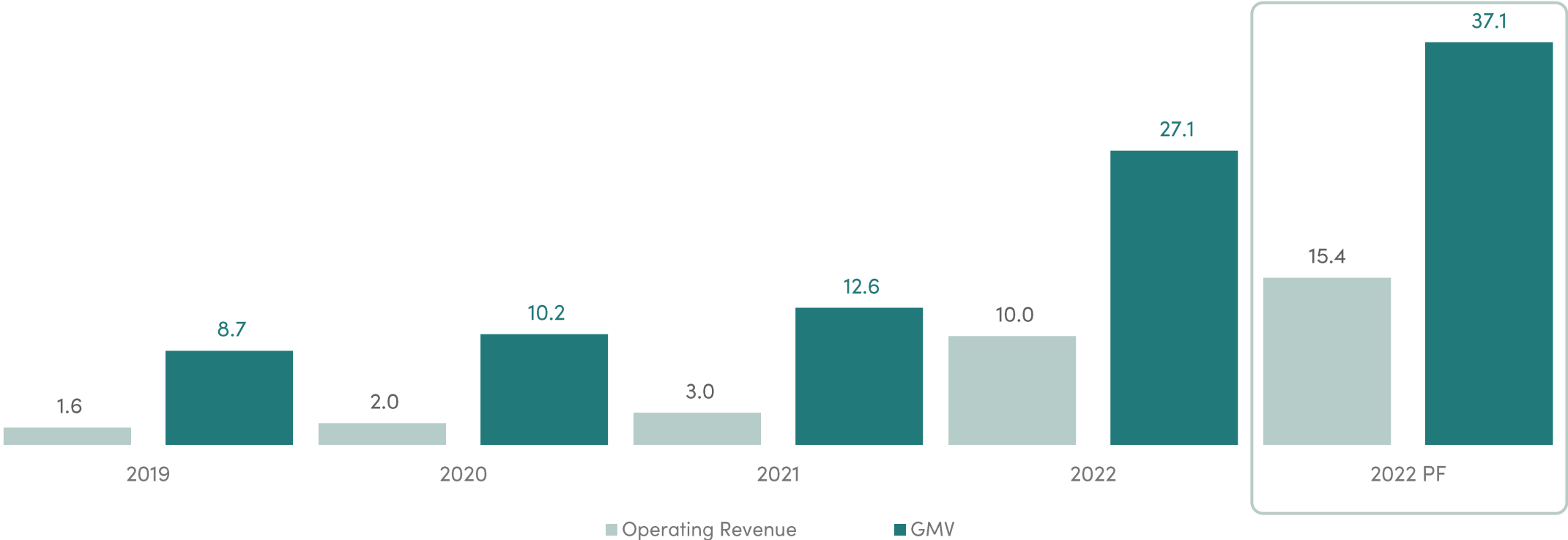
**Entered the Pet Health
and Curated e-commerce
markets**

**Marketing and operating
cost efficiency
improvements**

Mad Paws exits FY22 a Substantially Larger Business, with Significant Momentum for the Future



FY19 – FY22 GMV and Operating Revenue in \$ million



¹GMV 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.
²The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition

FY23 Trading Update

We enter FY23 being a very different company compared to FY22. Not just from a scale perspective but also from an efficiency perspective.

Marketplace

First 8 weeks of FY23 performing strongly with GMV exceeding internal expectations (refer GMV chart opposite).

Monthly Operating EBITDA margins expected to trend between 10% to 20% for 1H 23.

Significant improvements to our yearly cohorts a result of our ongoing improvements to the platform and search algorithm.

eCommerce & Subscriptions

Positive momentum in Q4 FY22 has continued to improve in Q1 FY23. With *Q1 FY23 QTD operating revenue trending 15% to 19% up on QTD Q4 FY22.

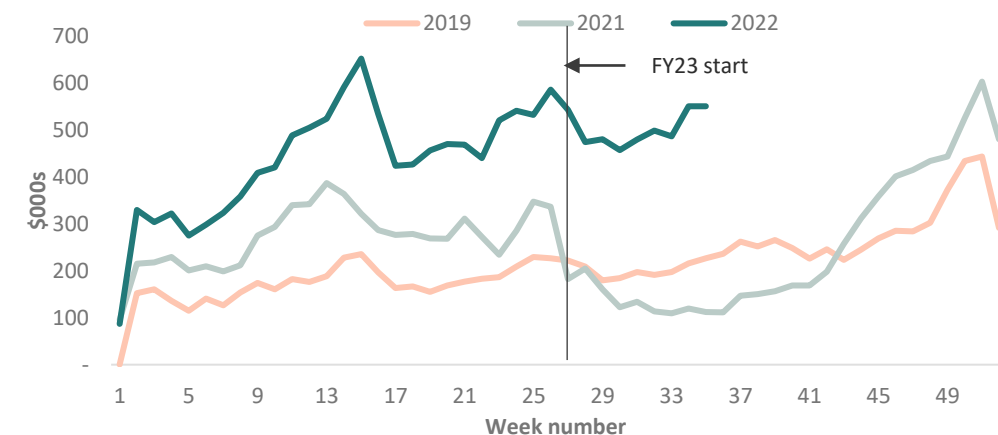
Pet Chemist growth accelerating with completion of integration activities.

Subscriber numbers +23% in the first 2 months of FY23 versus 30 June 22

Improving gross margin and marketing efficiencies are leading to further improvements in monthly Operating EBITDA margins, ranging from -25% to -18%.

Central & Corporate expenses are expected to remain consistent.

Weekly Marketplace GMV in \$000s



Marketplace Average Lifetime Value**



*Q1 FY23 QTD operating revenue represents July 22 actuals and an estimate for August 22, the operating revenues are unaudited

**Average Lifetime Value = Marketplace take rate \$ excluding GST. Dotted line shows part of the cohort year that has not yet had the time to reach full 12 months. That part was constructed using the trajectory of Jan & Feb cohorts in the same cohort year. Final cohorts may vary from the historical trend line.

FY22 Execution Milestones

Pet Services Marketplace

- Achieved **profitability** in Q4 FY22
- Optimised acquisition cost while still delivering record months
- Continuous improvements to our search algorithm resulted in **improved conversion, retention rates and lifetime values**
- **Data integration** – single data layer from all businesses
- Foundational work for our **central pet database** – to be used by all verticals



eCommerce & Subscriptions

FOOD

- **New and improved production facility** for Dinner Bowl now operational
- Laser focus on improving operational efficiencies

JOY

- Found a new level of **growth for the subscription** business at significantly reduced acquisition cost
- Improved buying to **improve margins**
- Website improvements

HEALTH

- **Increased scale** through acquisition of **Pet Chemist**
- Completed Pet Chemist integration
- Data integration
- Operations integration
- Customer support improvements
- In-housing marketing functions and setting channels up for rapid growth

HOME

- Expanded product range resulting in **5x growth in revenue** from acquisition
- Website improvements **increasing site conversion rates**, reducing acquisition costs



02

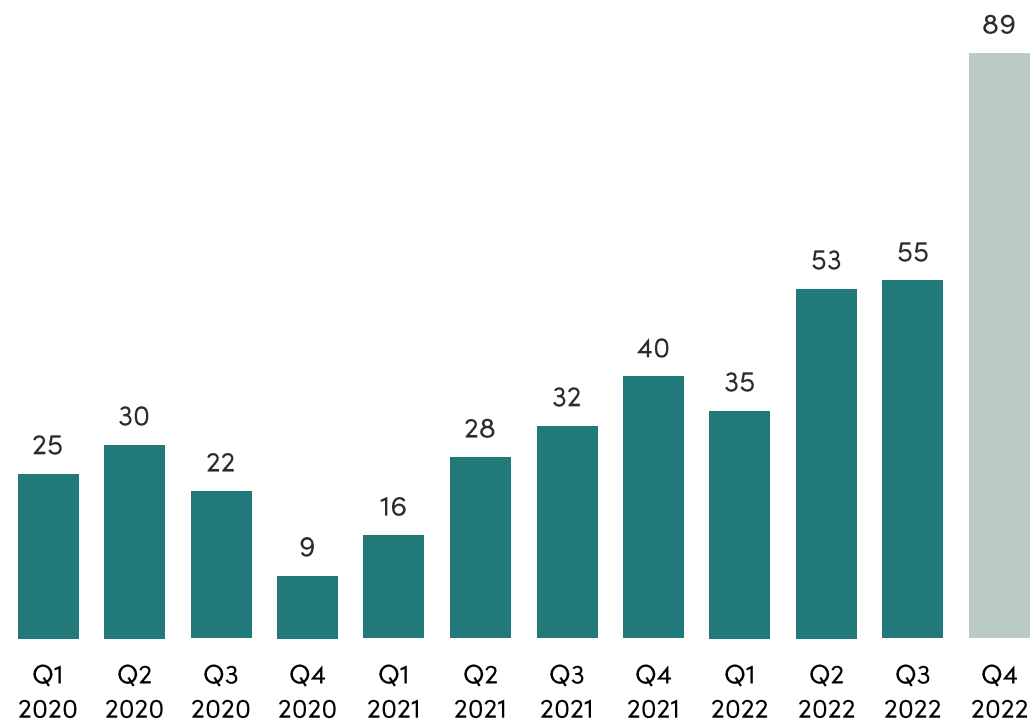
Financial Results



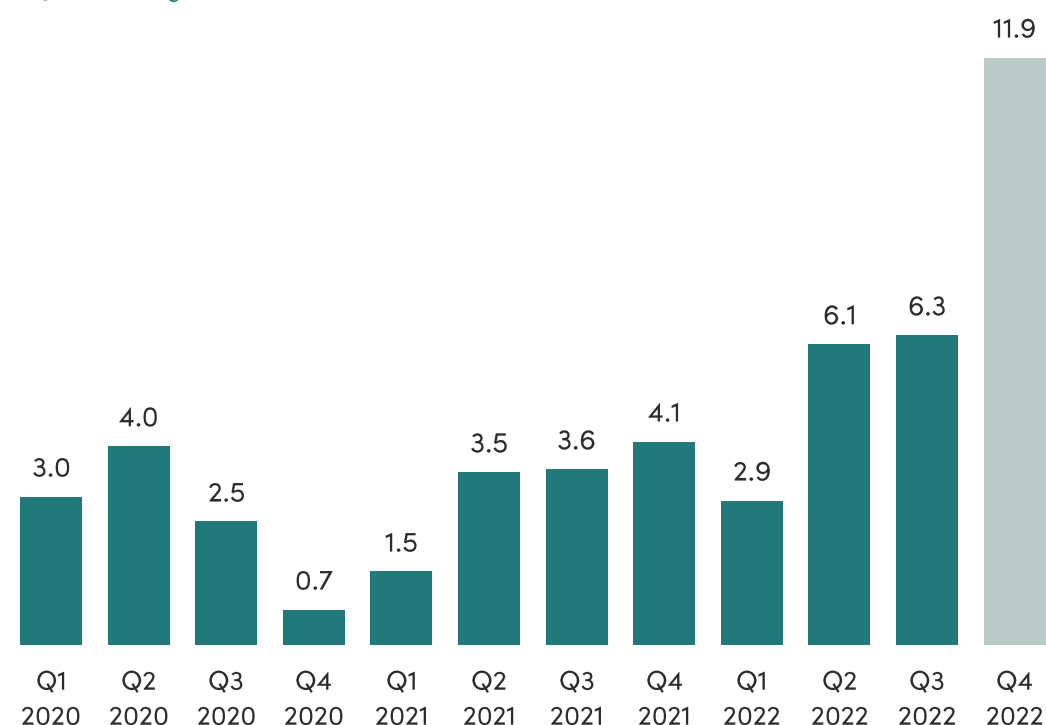
Execution of our pet life cycle strategy is gaining share of the pet owner’s wallet and accelerating growth throughout FY22 resulting in significantly growing number of bookings and GMV



Quarterly Bookings/Transactions in 000s



Quarterly GMV¹ in millions



FY22 LTM ²PF Group GMV \$37.1 million

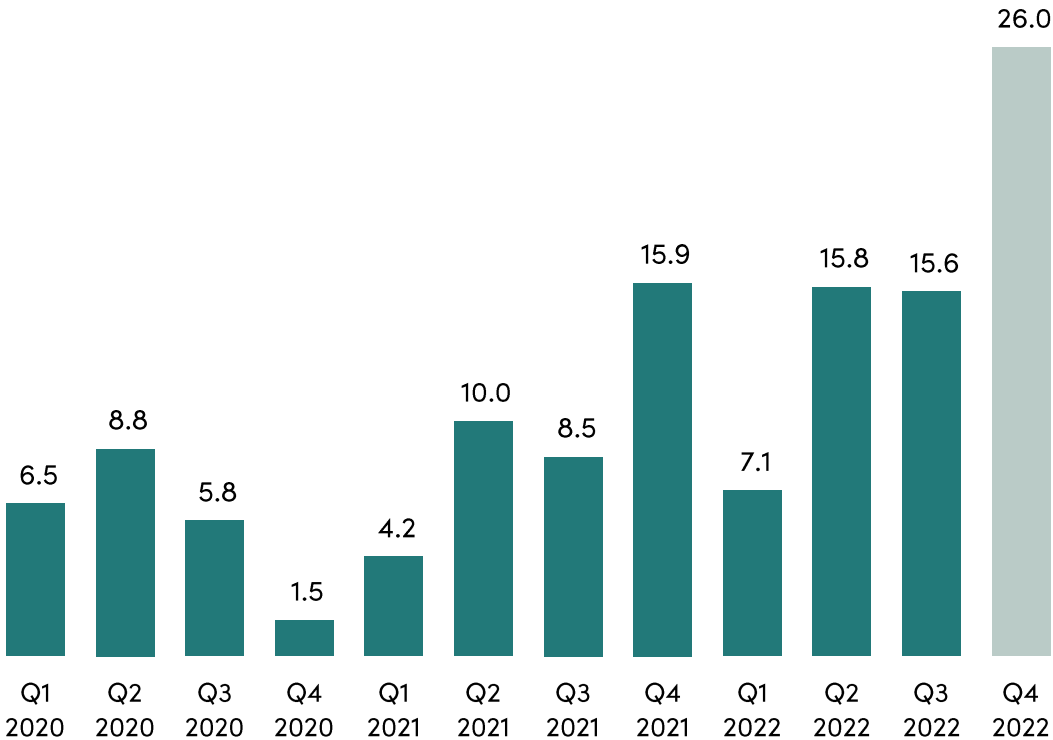
¹GMV is the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

²The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition

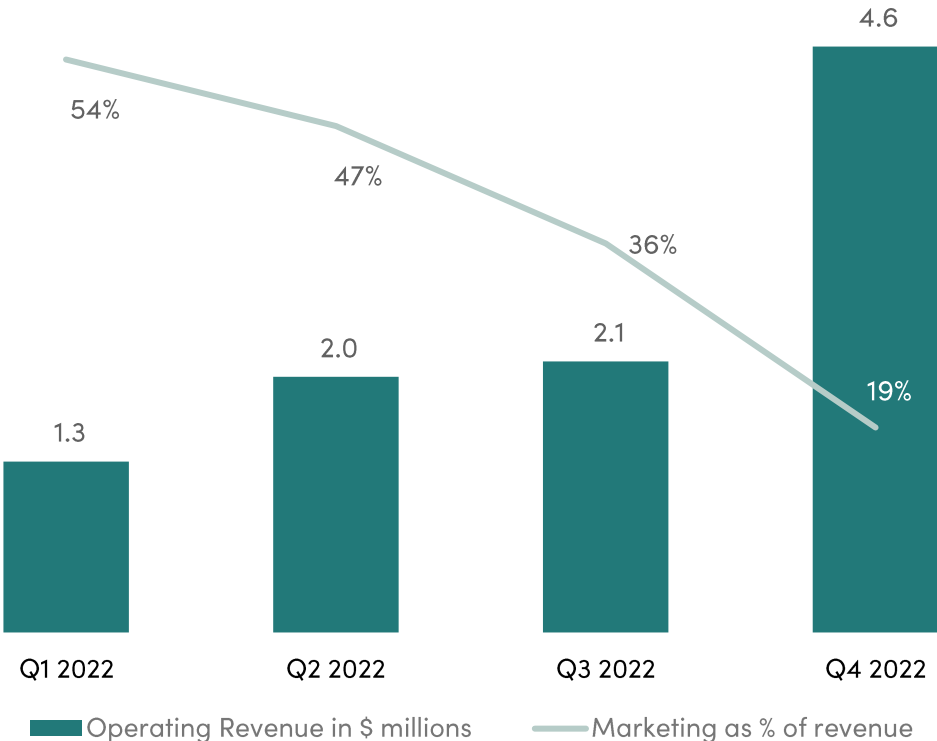
Record new customers acquired at a lower cost of acquisition drives marketing efficiency



Quarterly New Customer in 000s



FY22 Quarterly Marketing as a % of Revenue

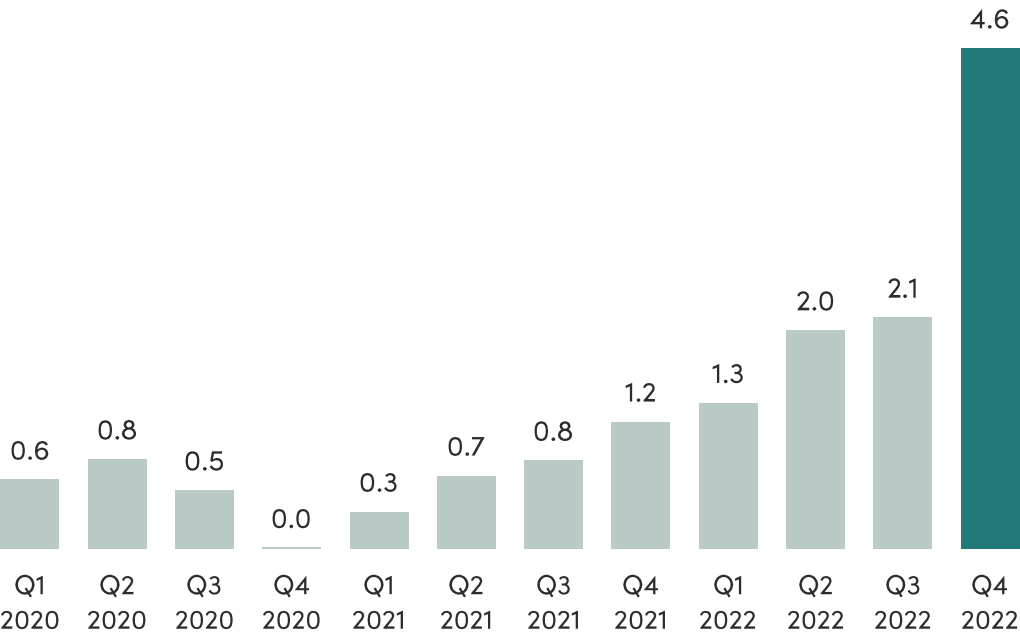


¹GMV is the total value of transactions processed by Mad Paws, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

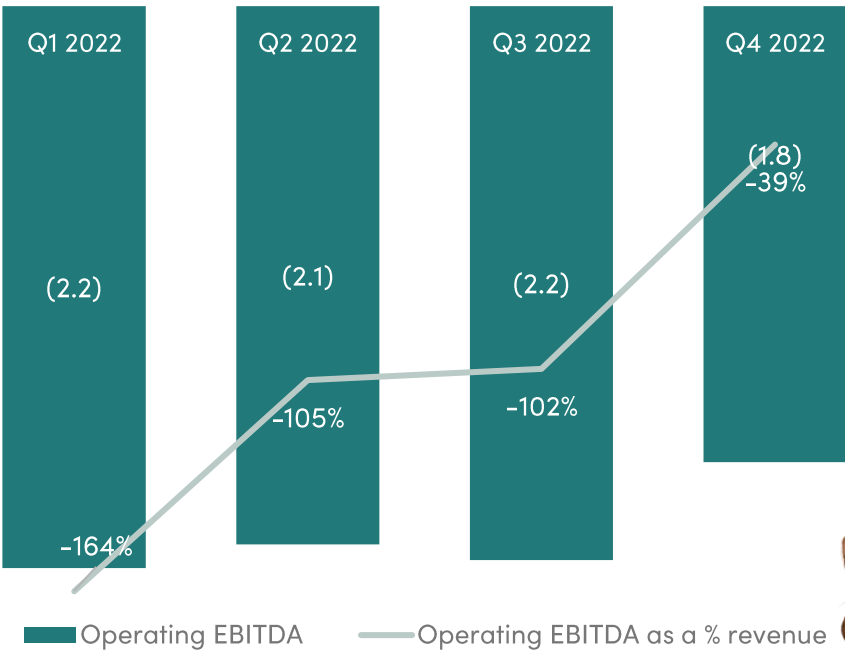
²The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition

Mad Paws focus on profitable revenue growth, marketing efficiency and prudent cost management across FY22 means we exit FY22 with strong momentum and clear path to Operating EBITDA breakeven

Quarterly Operating Revenue in millions



FY22 Operating EBITDA in millions



FY22 LTM ¹PF Group Operating Revenue \$15.4 million

¹The pro forma group includes the audited results of the Mad Paws Group for the 12 months ended 30 June 22. Pet Chemist results are audited from the date of acquisition of 1 April 22 and are unaudited for the 9 month period prior to acquisition



FY22 MPA Group P&L in \$000s

	FY21	FY22	Change	
			\$000s	%
Marketplace	2,378	3,740	1,361	57%
Ecommerce & Subscription	476	6,291	5,815	1222%
Operating revenue	2,854	10,031	7,177	251%
Cost of goods sold	(668)	(5,036)	(4,368)	-654%
Gross Margin	2,186	4,995	2,808	128%
<i>% of revenue</i>	<i>77%</i>	<i>50%</i>		
Marketing	(2,123)	(3,316)	(1,193)	-56%
Employment costs	(1,740)	(4,215)	(2,474)	-142%
Other opex	(459)	(1,331)	(871)	-190%
Segment Operating EBITDA	(2,136)	(3,867)	(1,731)	-81%
<i>% of revenue</i>	<i>-75%</i>	<i>-39%</i>		
Central/Corporate costs	(2,568)	(4,341)	(1,774)	-69%
Group Operating EBITDA	(4,704)	(8,208)	(3,504)	-74%
<i>% of revenue</i>	<i>-165%</i>	<i>-82%</i>		
Non operating, non-cash and non-recurring items	(7,231)	(2,169)	5,061	233%
Loss before income tax benefit	(11,935)	(10,378)	1,557	13%
Income tax benefit	-	33	33	nm
Loss after income tax benefit	(11,935)	(10,345)	1,590	13%
Group Key Performance Metrics				
GMV \$000s	12,628.0	27,119.9	14,491.9	115%
Bookings/Transactions 000s	115.7	232.4	116.7	101%
New Customer acquisition 000s	38.7	64.4	25.7	66%

Commentary

FY22 Operating revenue grew 251% to \$10.0 million, with marketplace revenue increasing 57% to \$3.7 million due to the relaxation of COVID19 travel restrictions. Our e-Commerce and subscription revenues grew by 1222% to \$6.3 million, an increase of \$5.8 million versus FY21. This is as a result of the full year contribution from the Waggly acquisition, the acquisition of Sash Beds and the contribution of the Pet Chemist acquisition from 1 April 2022. In addition, we saw organic growth from these acquisitions well above their performance pre-acquisition which is a reflection of our cross-selling efforts and marketing excellence.

Gross margin increased by \$2.8 million to \$5.0 million in FY22 a 128% improvement versus FY21. The change in the Group's gross margin in FY22 is due to a greater contribution of the e-commerce and subscription segment versus the prior year. At a segment level we have seen improving margins across FY22 and expect to see further margin improvements in FY23 from operational initiatives, direct sourcing, and increased scale.

Group Operating EBITDA loss for FY22 was \$8.2 million, an increase of \$3.5 million from FY21. The increase relates to the following factors:

- Segment Operating EBITDA loss was \$3.9 million an increase of \$1.7 million from FY21. This is due to higher marketing costs across both segments as we continued to invest in customer acquisition due to the strong return on investments and customer acquisition costs trending lower. Employee costs were \$2.5 million higher with the integration of the Waggly, Sash and Pet Chemist acquisitions as well as the build out of the segment product, technology and marketing teams. Other segment opex costs increased \$0.9 million due to higher technology platform running costs such as messaging and hosting as well as additional property costs from the expansion of our warehousing facilities to support growth.
- Central and corporate costs increased \$1.8 million largely due to higher employment costs from the build out of the central management team post the company's IPO in March 2022, as well as public company costs.

Notes

¹In the MPA Group operating P&L promotional \$ off offers are added back to revenue and treated as a marketing expense a reconciliation is detailed in the appendix to their statutory treatment

²Gross Merchandising Value ('GMV') is a non-GAAP measure that represents the total value of transactions processed by all Mad Paws Businesses, on a cash basis, before deduction pet service provider payments, cancellations, refunds, chargebacks, discounts and GST

03

Segment Performance

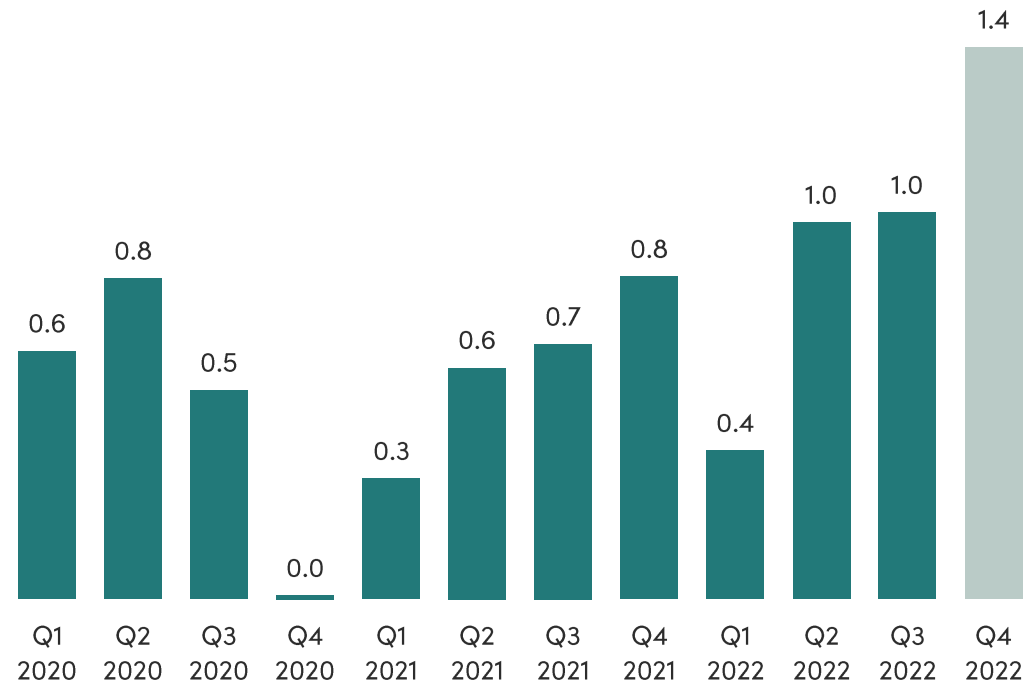


Marketplace performance

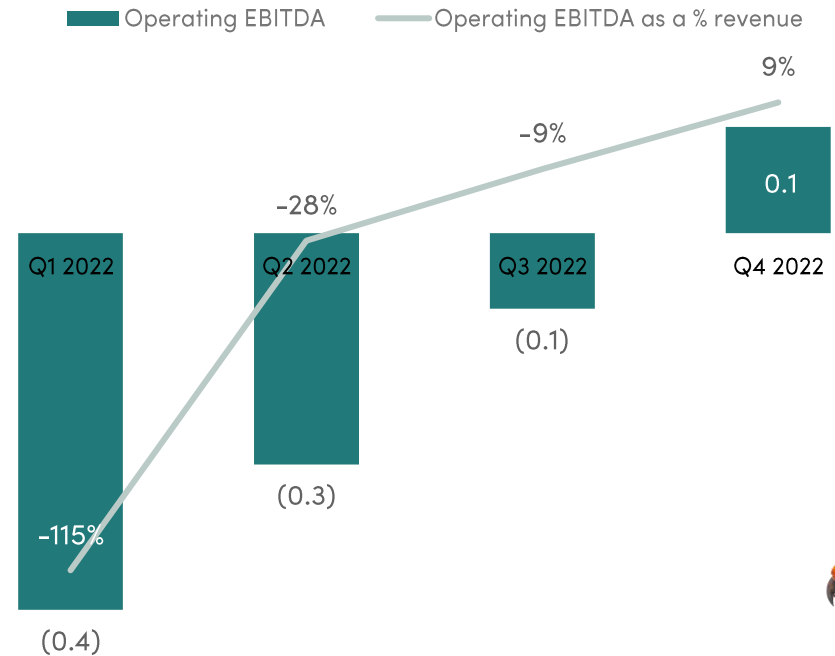
Marketplace performance rebounded strongly with the easing of restrictions. Strong operating leverage and improving marketing efficiency are driving Operating EBITDA as % of revenue



Quarterly Marketplace Operating Revenue in millions



FY22 Quarterly Operating EBITDA in millions



FY22 Marketplace P&L in \$000s

	FY21	FY22	Change \$000s	%
Operating revenue	2,378	3,740	1,361	57%
Cost of goods sold	(165)	(254)	(89)	-54%
Gross Margin	2,213	3,486	1,273	57%
<i>% of revenue</i>	93%	93%		
Marketing	(1,547)	(1,408)	139	9%
Employment costs	(1,559)	(2,042)	(483)	-31%
Other opex	(383)	(701)	(318)	-83%
Segment Operating EBITDA	(1,275)	(665)	610	48%
<i>% of revenue</i>	-54%	-18%		
<u>Marketplace Key Performance Metrics</u>				
GMV \$000s	12,065.3	18,487.8	6,422.5	53%
Take rate %	24.1%	24.7%	0.0	2%
Bookings 000s	106.2	127.4	21.2	20%

Commentary

Our pet services marketplace delivered 57% operating revenue growth to \$3.7 million in FY22. The first half of FY22 was a challenging period with the impact of the Omnicron variant. After the relaxation of restrictions during Q2 FY22, the marketplace performance has accelerated, regularly exceeding monthly GMV benchmarks.

Across our key marketplace drivers, we have seen a strong rebound in booking activity and average booking values.

- Total bookings increased 20% versus FY21. Year over Year booking growth is impacted by changes in customer booking behavior in FY21 due to international border closures. During FY21 customers made shorter bookings due to the COVID 19 market uncertainty. This trend reversed in H2 FY22 as customers had greater confidence in booking domestic and international travel due to higher vaccination rates. Comparing the number of time units' customers booked in FY22 versus FY21 we see a 31% increase year over year.
- The marketplace take rate improved 0.6ppt to 24.7% on a booked basis.
- Marketplace segment operating EBITDA loss was \$0.7 million an improvement of 48% or \$0.6 million compared to FY21. The marketplace has strong operating leverage as revenue grows the cost base increases at a much lower rate. However, during FY22 employment costs increased \$0.5 million from, the build out of segment product, marketing and technology teams. Other opex costs increased \$0.3 million due to higher platform messaging and hosting costs.
- Marketplace marketing costs decreased \$0.1 million versus FY21, with the greater use of our central data and analytics team as well improved direct traffic sources such as SEO. We have seen a 30% decrease in our performance customer acquisition costs versus FY21. We expect this trend to continue as we enter FY23.
- As a result of the bookings, revenue and customer acquisition trends the profitability of the marketplace has been improving through FY22. In Q4 FY22 the marketplace segment achieved operational EBITDA profitability for the first time achieving \$0.1 million

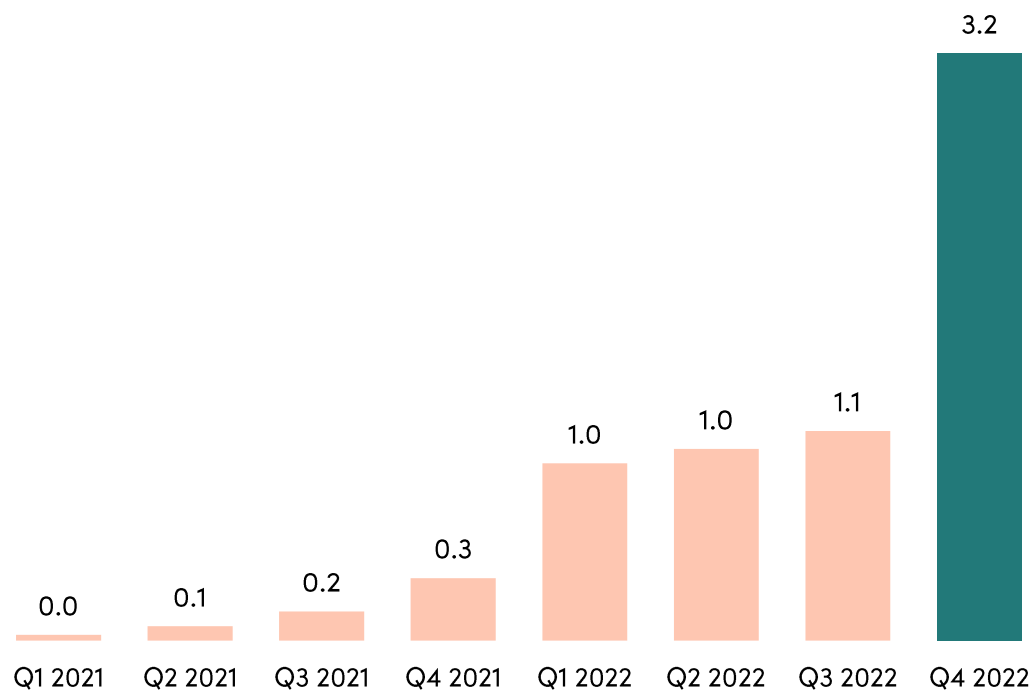
Note

²Gross Merchandising Value ('GMV') is a non- GAAP measure that represents the total value of transactions processed by all Mad Paws Businesses, on a cash basis, before deduction pet service provider payments, cancellations, refunds, chargebacks, discounts and GST

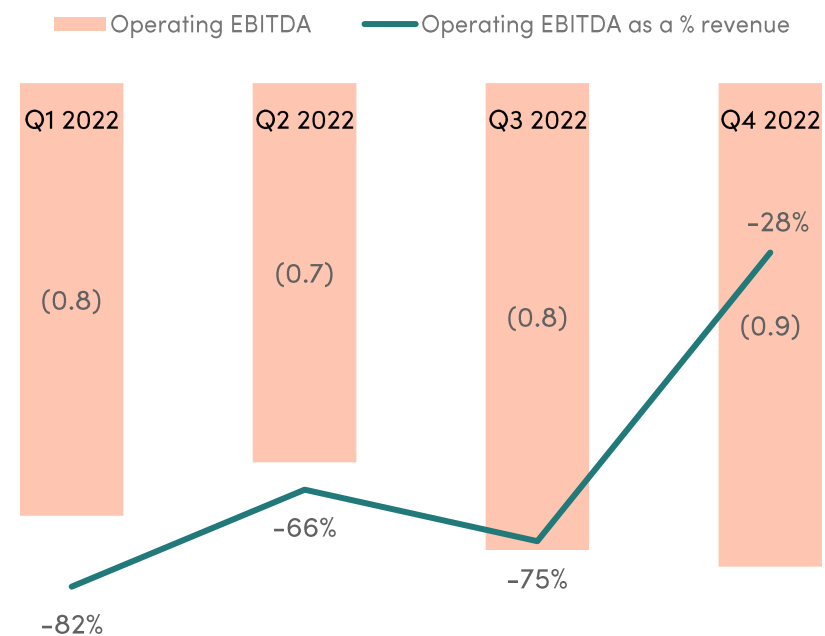
eComm & Subscription performance

Focus on gross margin improvements and lower customer acquisition costs are driving significant improvements in Operating EBITDA margins with strong momentum for FY23

Quarterly Operating Revenue in millions



FY22 Quarterly Operating EBITDA in millions



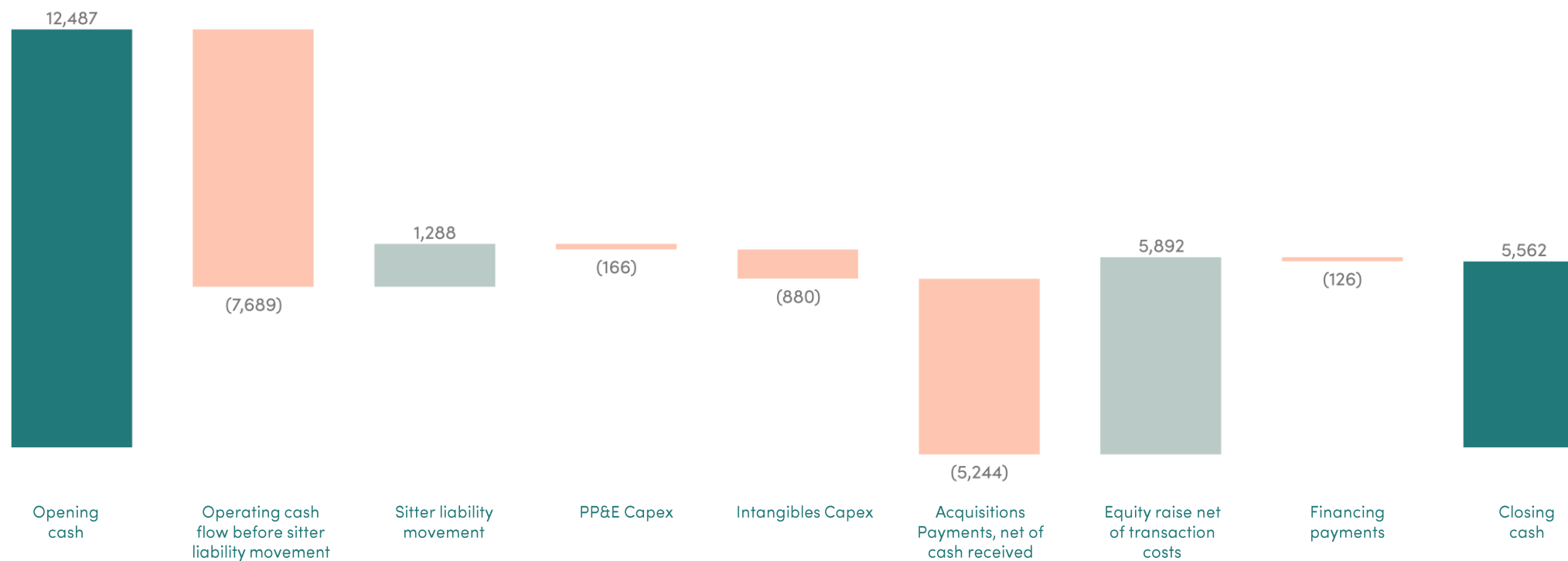
FY22 eCommerce & Subscription P&L

	FY21	FY22	Change	
			\$000s	%
Operating revenue	476	6,291	5,815	1222%
Cost of goods sold	(503)	(4,782)	(4,280)	-851%
Gross Margin	(27)	1,509	1,536	5707%
<i>% of revenue</i>	<i>-6%</i>	<i>24%</i>		
Marketing	(576)	(1,908)	(1,332)	-231%
Employment costs	(181)	(2,172)	(1,991)	-1098%
Other opex	(77)	(630)	(553)	-720%
Segment Operating EBITDA	(861)	(3,202)	(2,340)	-272%
<i>% of revenue</i>	<i>-181%</i>	<i>-51%</i>		

Commentary

- Ecommerce & Subscription revenue increased 1222% or \$5.8 million in FY22. Most of the growth is attributable to full year impact of the Waggly acquisition and contributions from acquiring Sash beds in November 21 and Pet Chemist in Q4 FY22. We have seen acceleration in performance of these acquisitions once they are fully integrated.
 - Waggly subscribers increased 96% from acquisition, and Sash monthly revenue has increased 5 times from acquisition date. With the learnings from these acquisitions, we expect to see similar trends following the Pet Chemist integration.
- Gross margin increased \$1.5 million in FY22 with gross margin improving to 24%. Our pet food business was impacted in the period by rising input costs, sub scale operations and transition costs in centralizing our operations in Melbourne. Dinnerbowl is exiting the FY22 with stronger gross margins across its product suite.
- Waggly gross margins were steady throughout the period at 35%, Waggly is exiting FY22 with a higher subscription revenue mix and this coupled with a number of sourcing initiatives should see margin improvement during FY23.
- Marketing costs were \$1.3 million in FY22 due to a full year of investment for Waggly and Dinnerbowl (launched during FY21). Several new customer acquisition approaches were tested during the year resulting in significantly improving our performance marketing metrics. During the second half of FY22 the launch of a new subscriber journey as well as the launch of a multi offer strategy for Waggly have resulted in significant increase in new customer acquisitions at significantly lower cost of acquisition.
- Employment costs increased \$2.0 million in FY22 due to the integration of the teams following the acquisition, additional warehouse labour costs from higher orders as well as labour costs from the launch of the lightly cooked product for Dinnerbowl.

FY 22 Cash Flow Waterfall



04

Outlook



Strategic Focus For FY23



Pet Services Marketplace

With our marketplace now contributing positive EBITDA to the group, we are doubling down on our data efforts, focusing on our flywheel of more owner requests, more matches, more data, better offerings, increased bookings/transactions.

Upselling and Margins

We have made significant headway putting our subscription business in a position to scale them even faster. With customer acquisition in a very good place, we are now laser focused on increasing our average order value through “add to box” as well as increasing margin through better sourcing taking advantage of our volume and internal capabilities.

Cross Selling

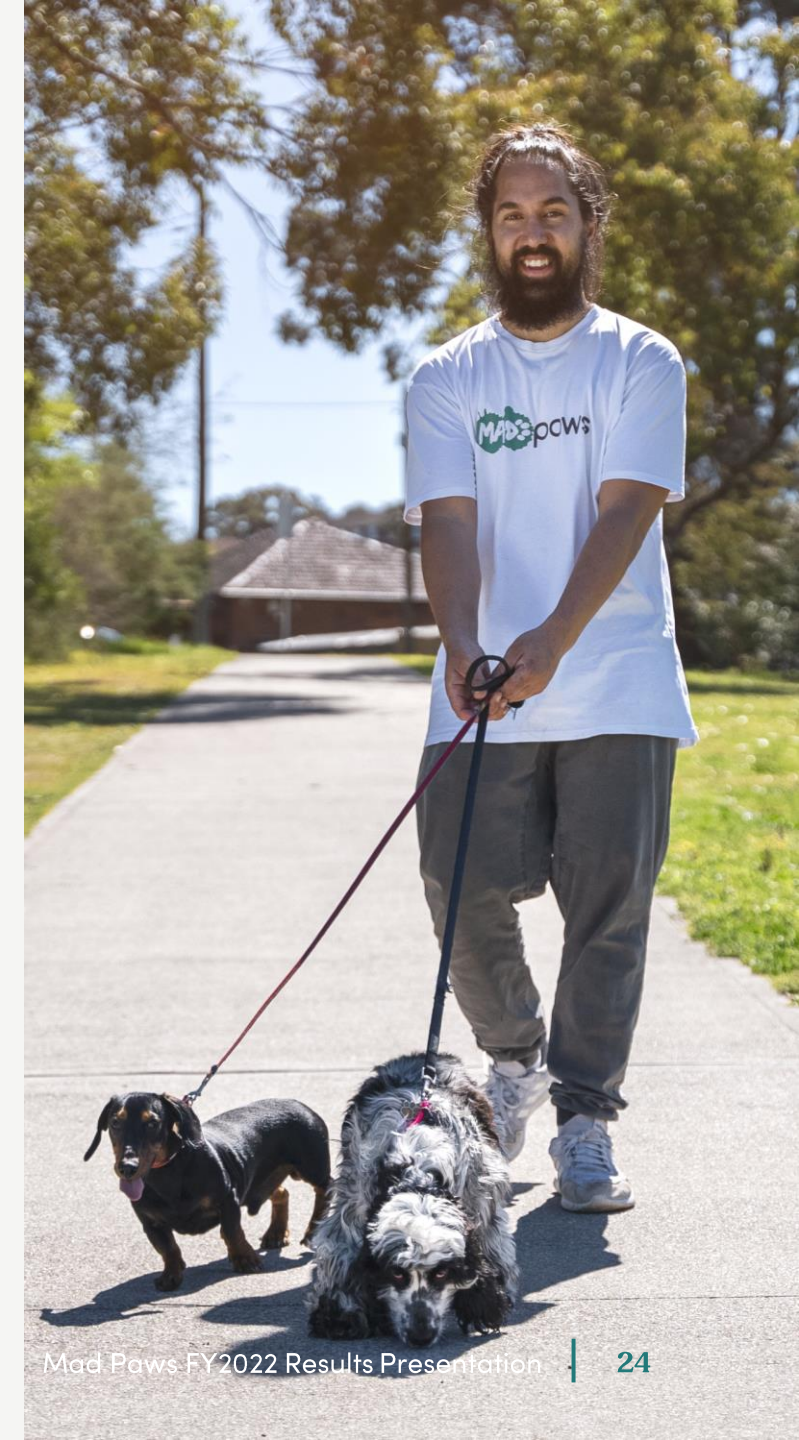
We have already seen our cross-selling strategy working. The next step for us is to make our customer experience even more cohesive and enjoyable. We are doing this by focusing on three things:

- Identity layer: Single sign-on for all our verticals
- Loyalty: Mad Paws loyalty offering
- Payments: single payments layer for all verticals



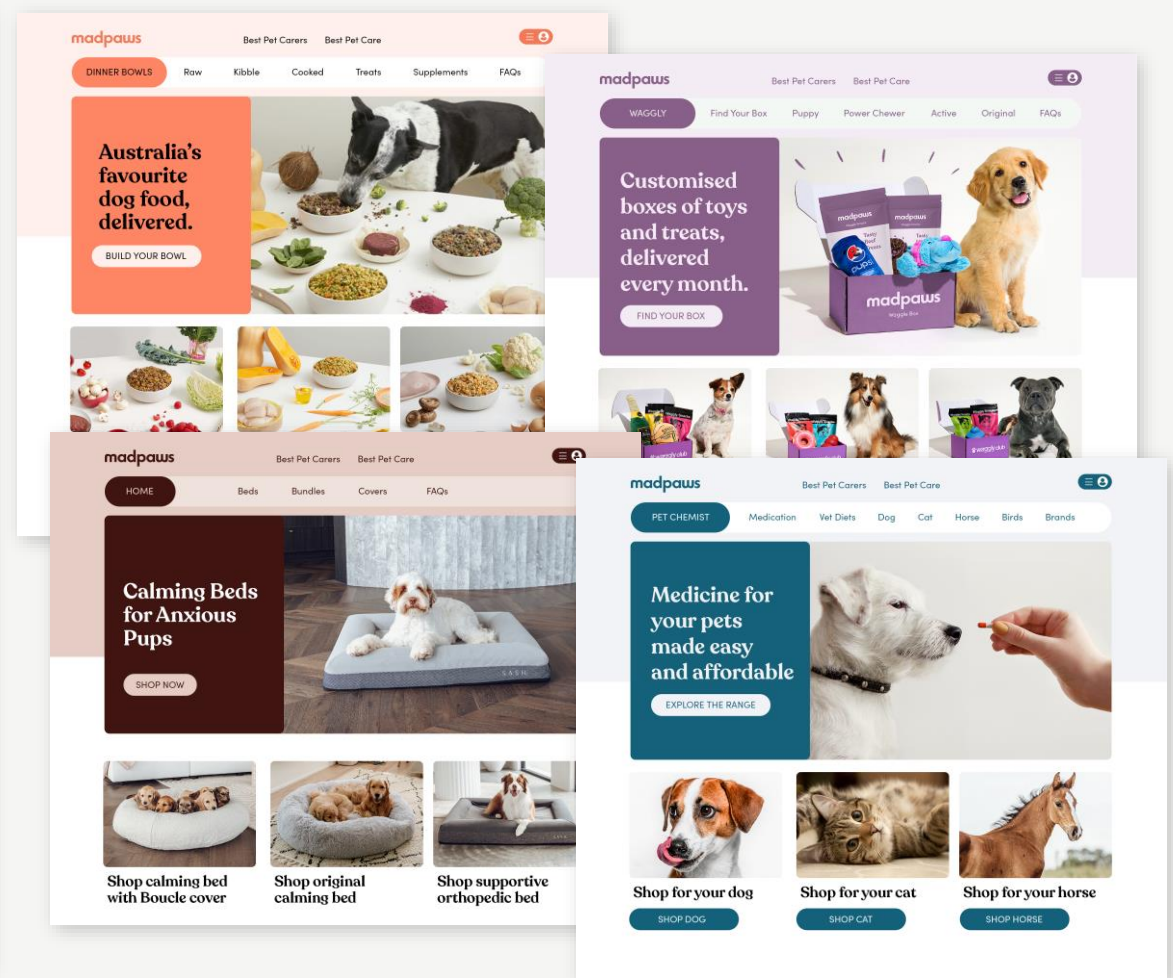
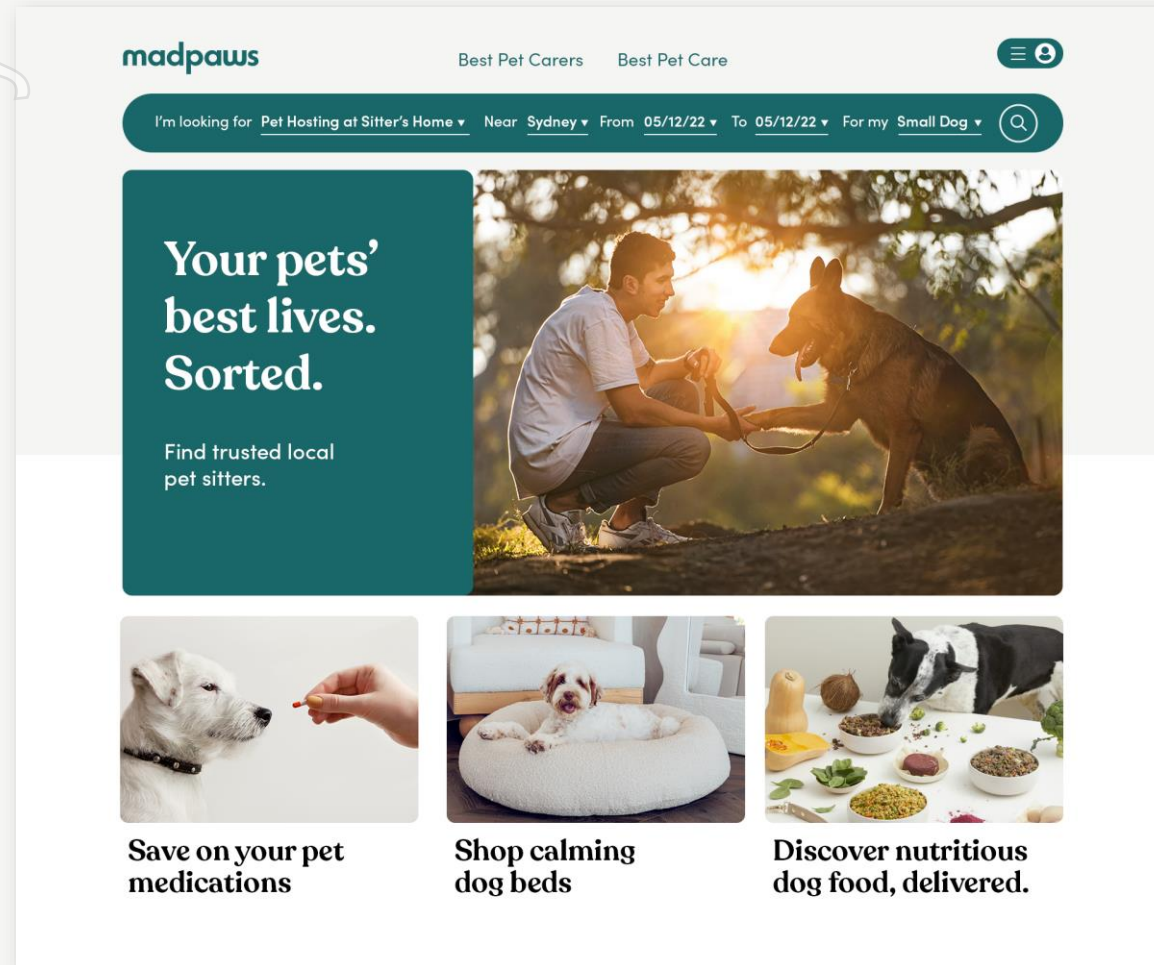
Ecommerce Efficiencies

Optimising the current set up we have to better service our customers and at the same time reduce operating cost and increase margins.



Mad Paws is consolidating its brands

Master Mad Paws brand, with a variety of categories, housed in the same product ecosystem.



Mad Paws Has Never Been Better Placed for Accelerated Growth and Recovery

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 \$30B 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.

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

Strong balance sheet with \$5.6m of cash at 30th of June, with revenue growth and prudent cost management expected to deliver cash flow breakeven and profitability



¹ Animal Medicines Australia, Pets in Australia (2019): A national survey of pets and people.

ersonal use only

Thank You



Appendix

FY 22 Summary Balance Sheet in \$000s

	FY21	FY22
Cash	12,487	5,562
Inventory	181	921
Prepayments & Other receivables	506	935
Current assets	13,173	7,419
PP&E	69	231
ROA	-	1,252
Intangibles & Other	3,698	22,018
Non Current assets	3,766	23,500
Trade & Other payables	1,316	4,126
Deferred revenue	68	451
Borrowings & Lease liabilities	28	352
Other	1,408	3,097
Current Liabilities	2,821	8,027
Borrowings & Lease liabilities	-	1,151
Other	143	142
Non Current liabilities	143	1,294
Net Assets	13,976	21,598

Commentary

- \$5.6m in cash at 30 June 22, remaining well capitalized with positive quarterly trends in operating EBITDA and cash flow
- Inventory increased \$0.7m from Dinnerbowl product expansion, subscriber growth in Waggly and the Pet Chemist and Sash acquisitions.
- Intangibles relate to goodwill and customer contracts on the Waggly acquisition and capitalised web development costs across both segments
- Accounts payable increased by \$2.8m with \$1.2m due to the payable to Sunny Chemist as part of the pharmacy supplier agreement. \$0.6m for contingent acquisition payments linked to ongoing employment services which are largely equity settled
- Other payables include the marketplace sitter liability of \$2.4m and \$0.3m of contingent consideration payments for the Pet Chemist acquisition that are not linked to employment services
- Lease liabilities of \$1.5m relate too the application of AASB16 Leases in relation to the Melbourne warehouse and kitchen leases.

Group Operating EBITDA reconciliation to statutory net loss after income tax benefit

	FY21	FY22
Group Operating EBITDA	(4,704)	(8,208)
<i>% of revenue</i>	<i>-165%</i>	<i>-82%</i>
Non operating, non-cash and non-recurring items		
R&D Grant & COVID 19 support	649	835
Capital raising/IPO costs	(923)	(269)
Share based payments	(6,554)	(1,399)
Depreciation and amortisation	(248)	(610)
Deferred consideration - linked to remuneration	-	(636)
Other non-recurring items	(27)	(57)
Net interest (Expense)/Income	(128)	(34)
Non operating, non-cash and non-recurring items	(7,231)	(2,169)
Loss before income tax benefit	(11,935)	(10,378)
Income tax benefit	-	33
Loss after income tax benefit	(11,935)	(10,345)

Reconciliations to statutory revenue and marketing to segment disclosures

	Revenue	Marketing expenses
Management Approach	10,031	3,316
Promotion discounts on subscription products	(205)	(205)
Statutory reported	9,826	3,111

Glossary

Term	Definition	Calculation/Comment
GMV	Gross Merchandise Value	GMV is a non-IFRS measure, it 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.
ARR	Annual Recurring Revenue	Annual recurring revenue (ARR) = Closing subscribers at the end of period X Subscription price X 12 months
Operating Revenue	Non GAAP measure of revenue	Operating revenue is revenue recognised in accordance with IFRS before the deduction of promotional voucher cost for subscription customers
Operational EBITDA	Management's core earnings metric	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 consolidated entity
LTM	Last Twelve Months	Refers to the trailing 12 month period ending on the reporting date, or as otherwise indicated
FCF	Free cash flow before strategic investments	FCF = Free cash flow less maintenance capex excludes strategic marketing and technology investments and sitter liability working capital movements

Glossary

Term	Definition	Calculation/Comment
Performance marketing CAC	Performance marketing customer per customer acquired	Includes all performance marketing costs including paid search, social, programmatic (excluded brand, PR and agency cost) and the cost of any promotions e.g. %/\$ discount, giveaways etc / number of new customers acquired
Marketplace take rate %	Mad Paws earning % from marketplace transactions	Takes the marketplace owner booking fee + Sitter fee (at the date of payment) divided by the GMV (at the date of payment)