

ersonal use only

madpaws

Q1 FY23 Quarterly update

Mad Paws Holdings Ltd (ASX: MPA)

October 20, 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.



ersonal use only

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

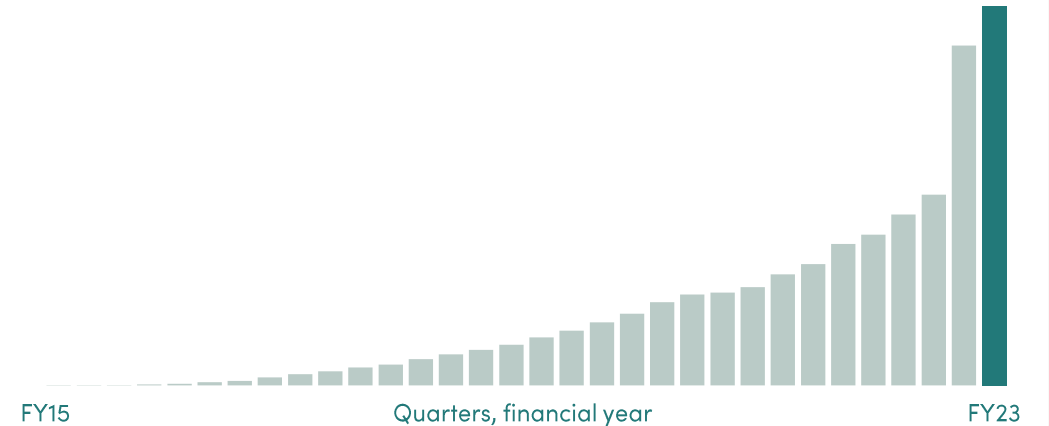


Product Review Best Raw Dog Food of 2021

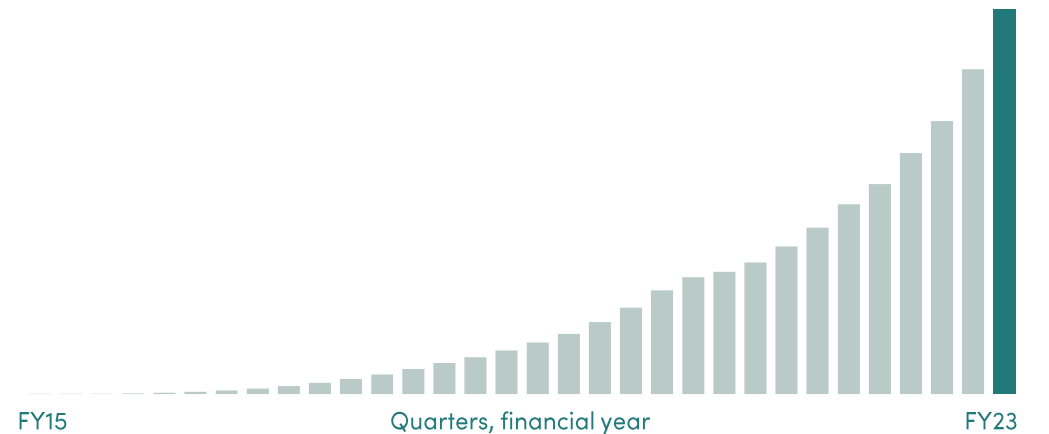


Qantas Partnership & Access to Qantas FF

295K Cumulative unique customers



660K 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



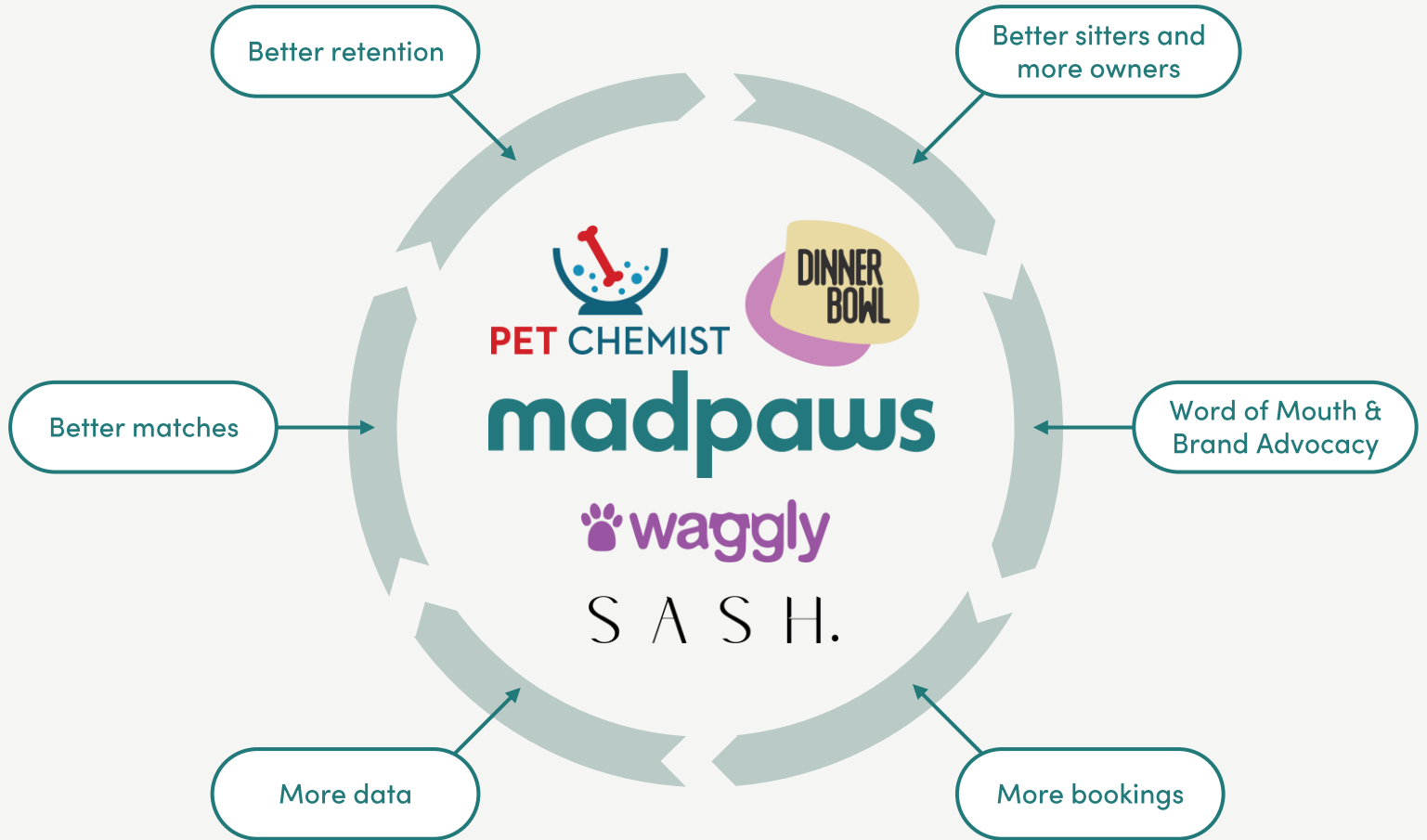
Mad Paws is Building a Powerful Network Effect

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.

onix
use
ors
use

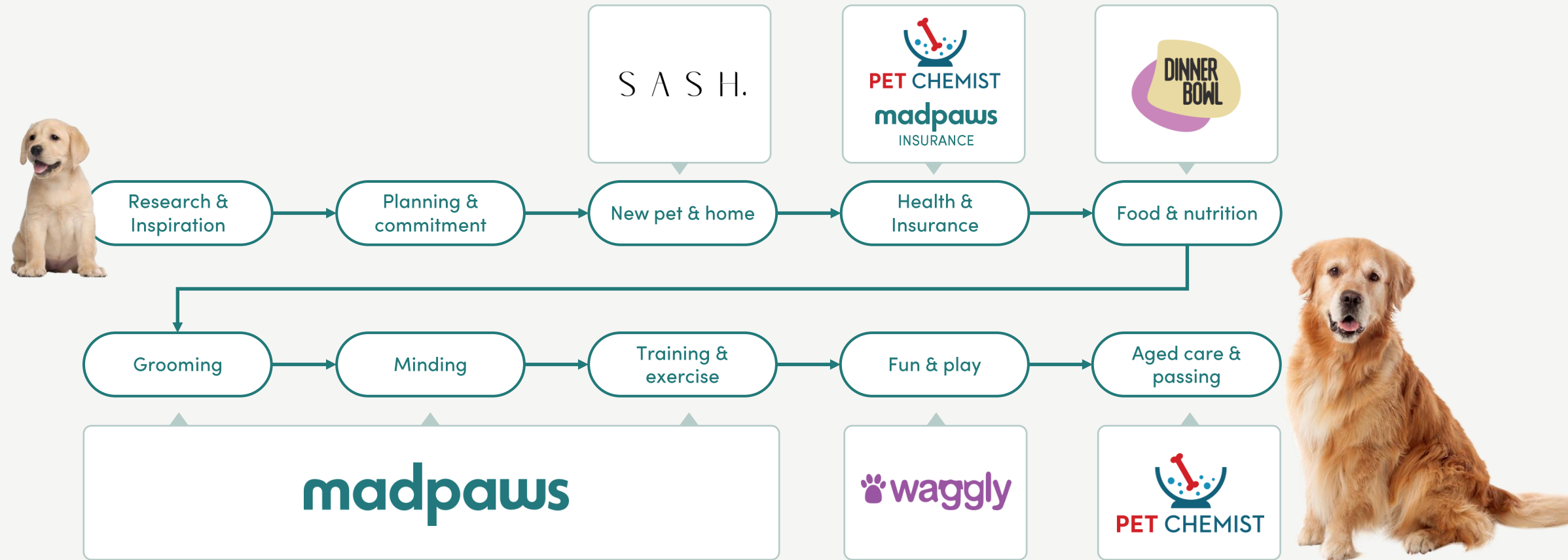


ersonal use only

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 it's 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.



Q1 FY23 Highlights

Revenue of \$5.4m
Q1 FY23
+301% to pcp

Group operating revenue
run rate of \$23m
Sept 22
+85% to pcp

30,000 new customers
acquired
+335% to pcp

Operating EBITDA as a %
of revenue improved
by 12ppt

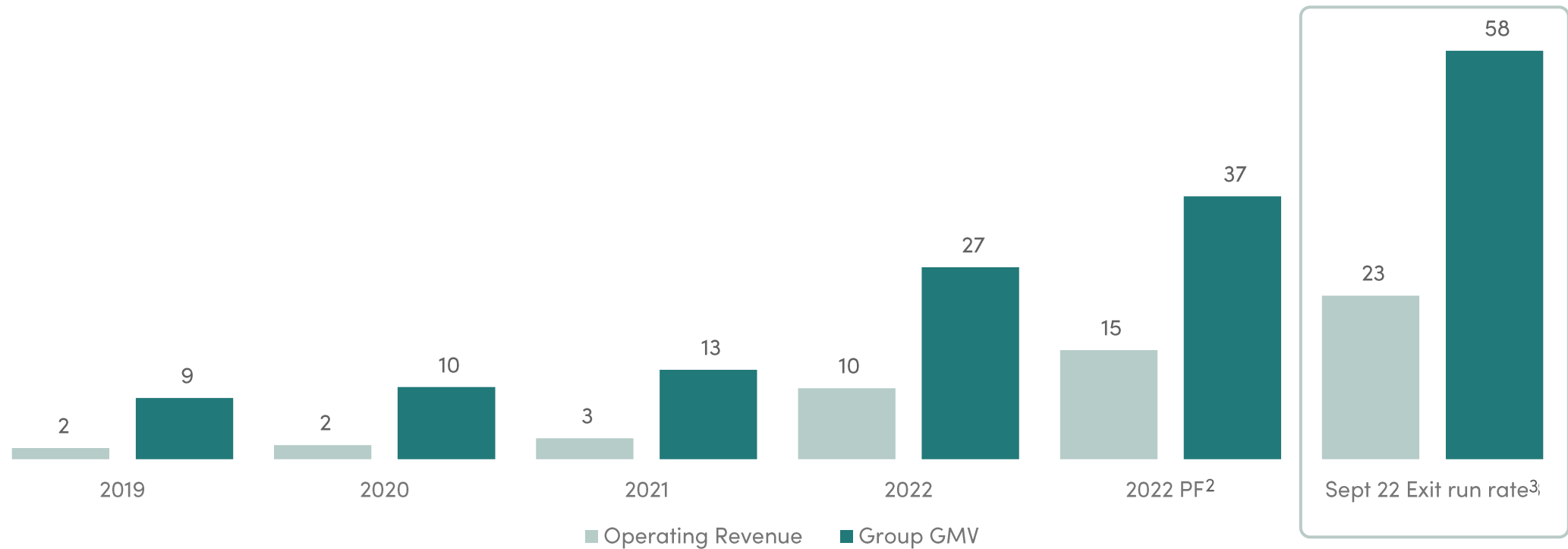
Marketing as a % of
revenue improved
3ppt to 16%

Profitable Marketplace
Operating EBITDA as a %
of revenue improved to
20%
+11ppt

Operating Revenue and Share of pet owner's wallet continue to accelerate in Q1 FY23



GMV and Operating Revenue in \$ million



ersonal use only

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

³September 22 Exit run is based on the Group September 22 GMV and operating multiplied by 12

Q1 FY23 Execution Milestones

Pet Services Marketplace

- Increased Operating EBITDA margins 11ppt to 20%
- Continuous improvements to our search algorithm resulted in **improved conversion, retention rates and lifetime values**
- **Record number** of Active sitters acquired
- **Data integration** – finalized single data layer for all businesses

eCommerce & Subscriptions

FOOD

- **New and improved production facility** for Dinner Bowl now operational
- Improved lightly cooked gross margins and operating costs

JOY

- Found a new level of **growth for the subscription** business at significantly reduced acquisition cost
- Improved buying to **improve margins**
- Implemented improvement to our customer life cycle management

HEALTH

- Expanded product offering
- Implemented new customer support solution
- Successful launched cross-sell acquisition campaigns

HOME

- Developed new products for launch in Q2
- Launched paid influencer campaigns

personal use only



ersonal use only

02

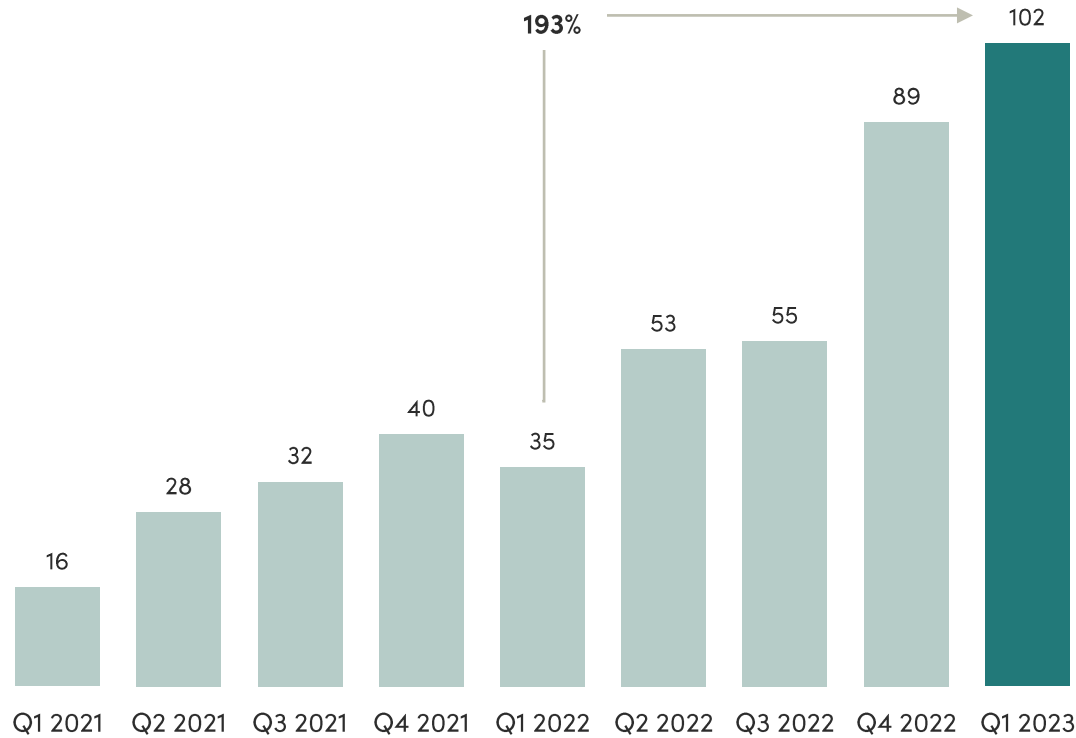
Financial Results



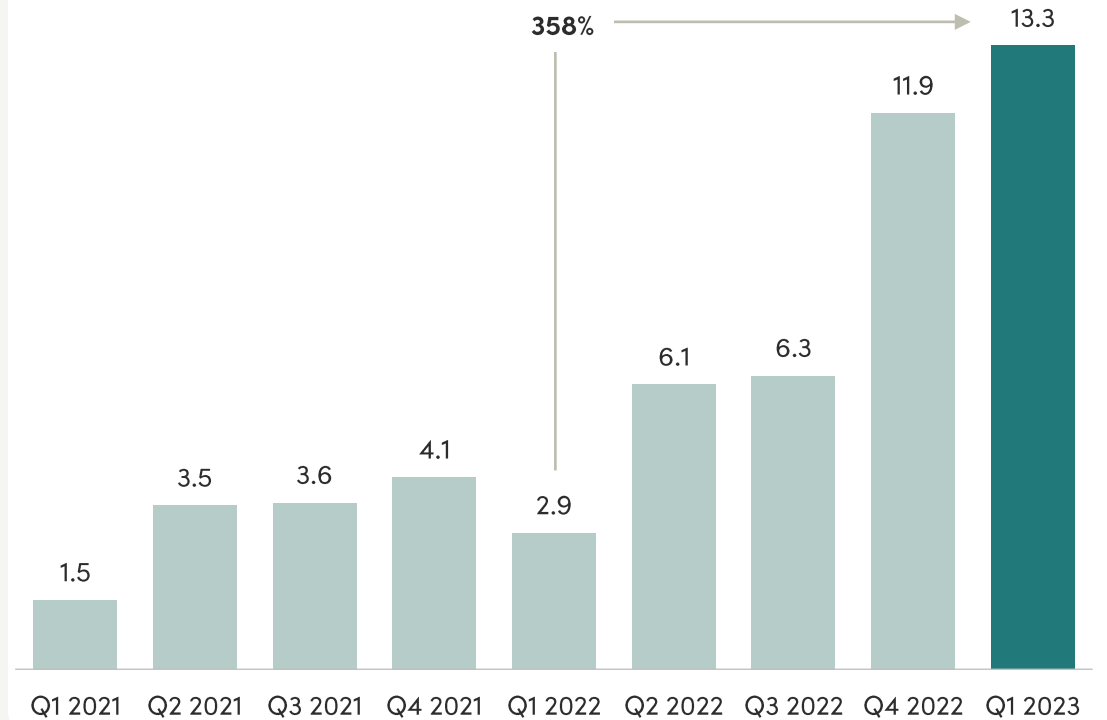
Execution of our pet life cycle strategy is gaining share of the pet owner's wallet and with momentum continuing through Q1 FY23



Quarterly Bookings/Transactions in 000s



Quarterly GMV¹ in millions



September 22 Exit run rate² Group GMV \$58 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.

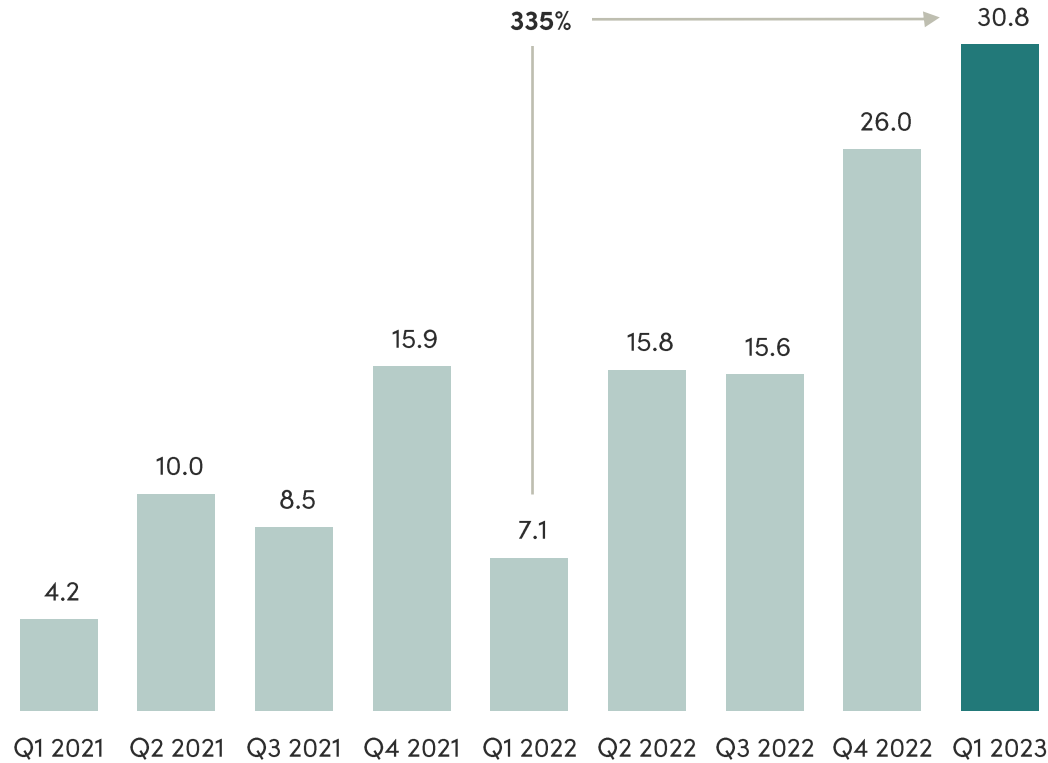
²September 22 Exit run is based on the Group September 22 GMV multiplied by 12

ersonal use only

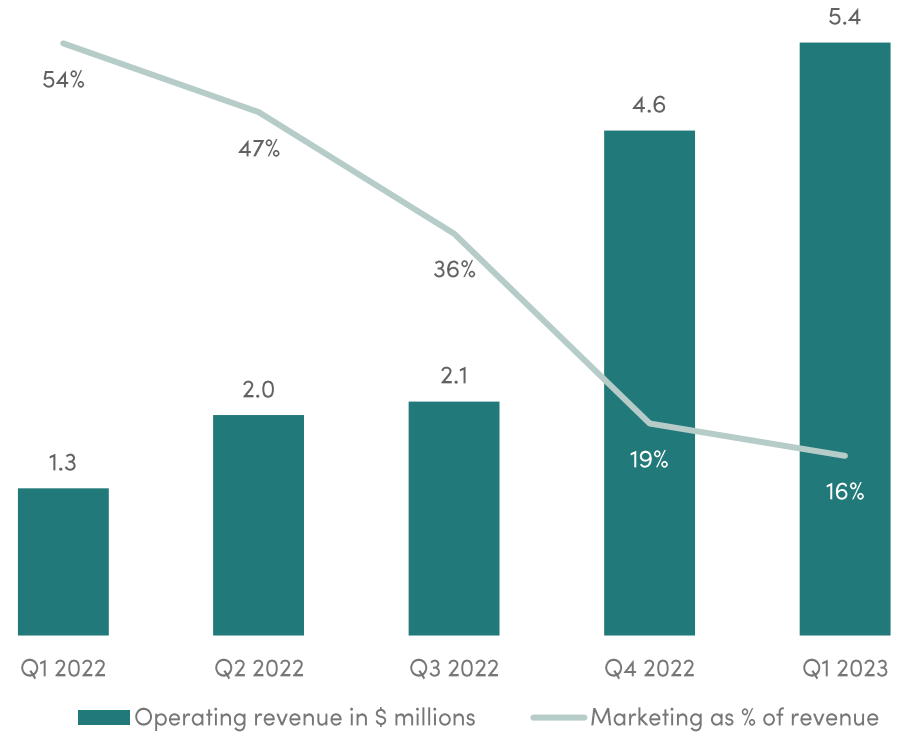
Focus on cross-sale and product improvements drive marketing efficiencies at record high customer acquisition levels



Quarterly New Customer in 000s



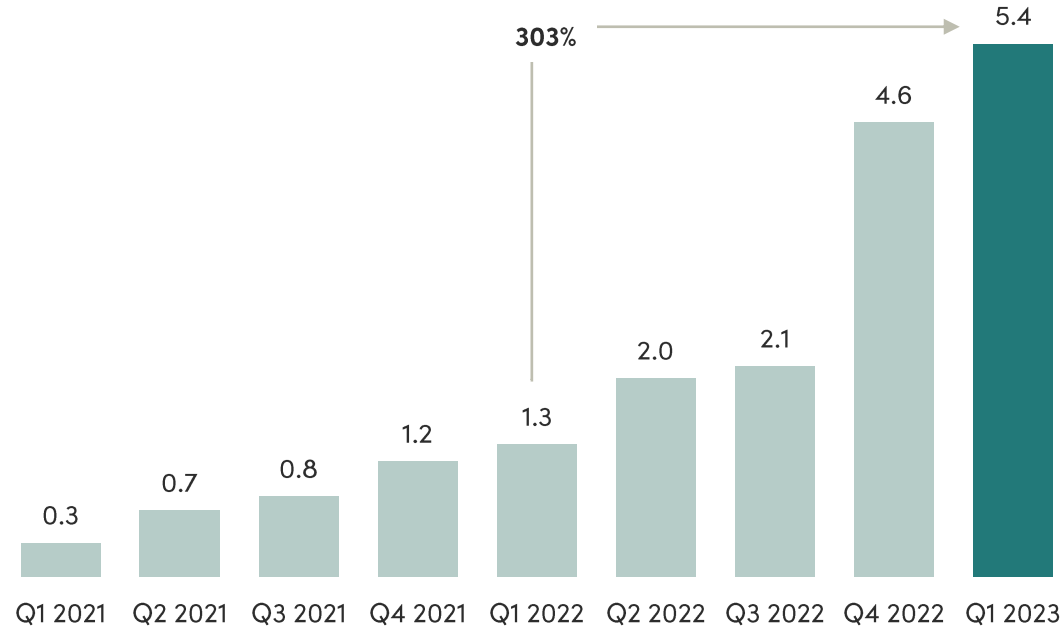
Quarterly Marketing as a % of Revenue



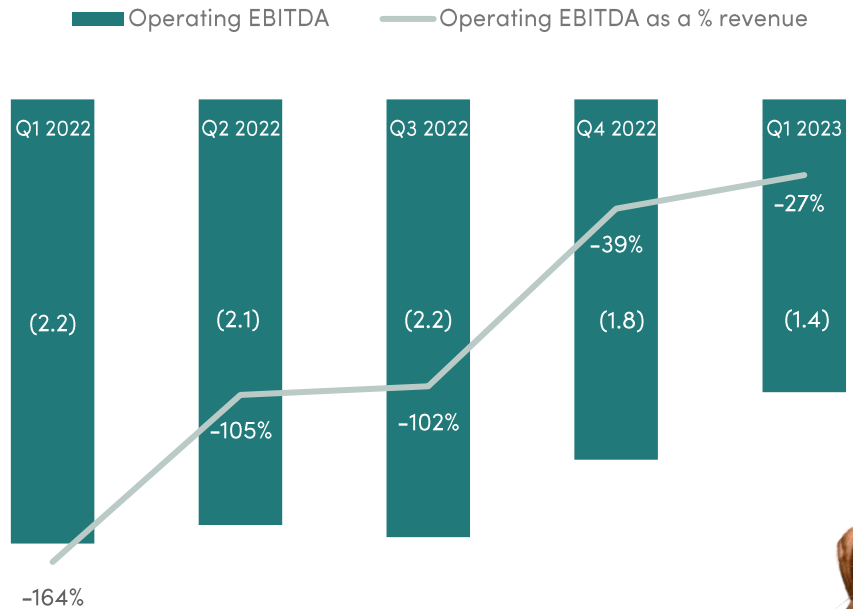
ersonal use only

Mad Paws on track for Operating EBITDA breakeven midway through calendar year 2023 due to focus on profitable revenue growth, marketing efficiency and prudent cost management

Quarterly Operating Revenue in millions



Quarterly Operating EBITDA in millions



¹September 22 Exit Group Operating Revenue \$23 million

¹September 22 Exit run is based on the Group September 22 Operating Revenue multiplied by 12



ersonal use only

ersonal use only

03

Segment
Performance

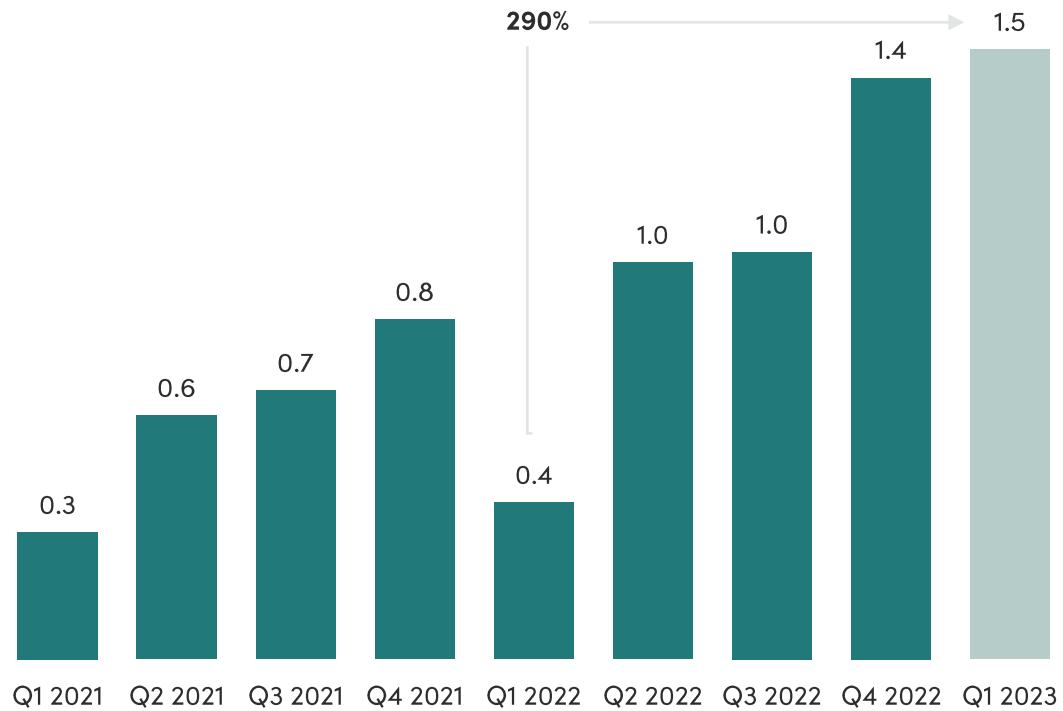


Marketplace performance

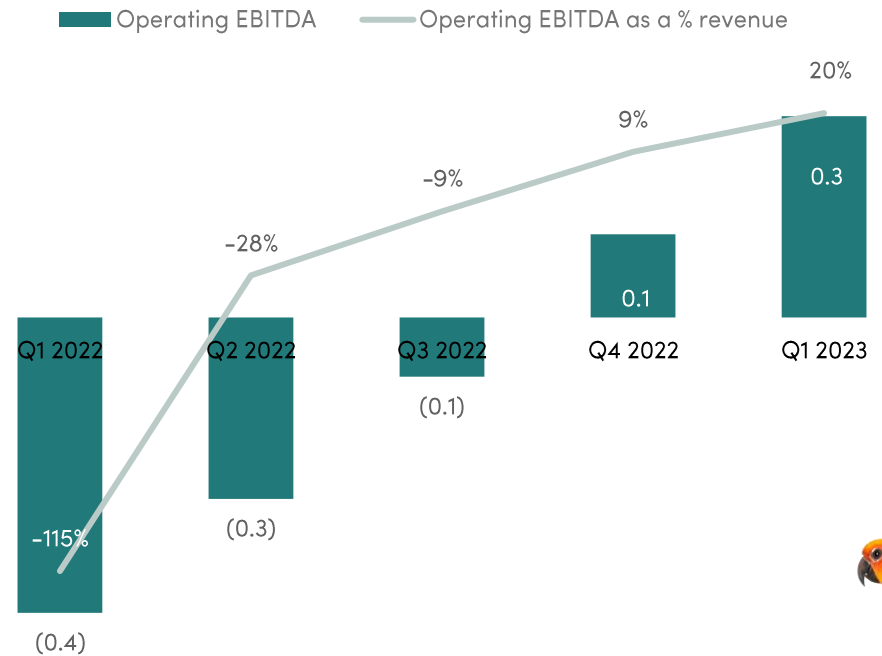
Marketplace performance continues to perform strongly, benefiting from pent up travel demand. Strong operating leverage and improving marketing efficiency are driving Operating EBITDA as % of revenue



Quarterly Marketplace Operating Revenue in millions



Quarterly Operating EBITDA in millions

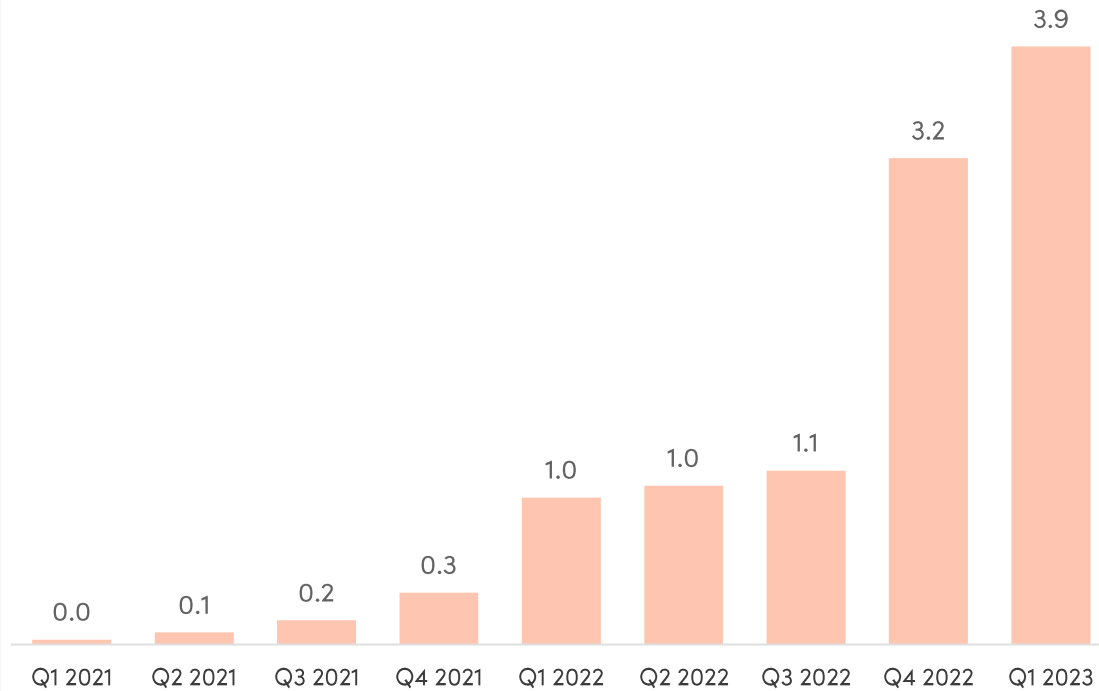


ersonal use only

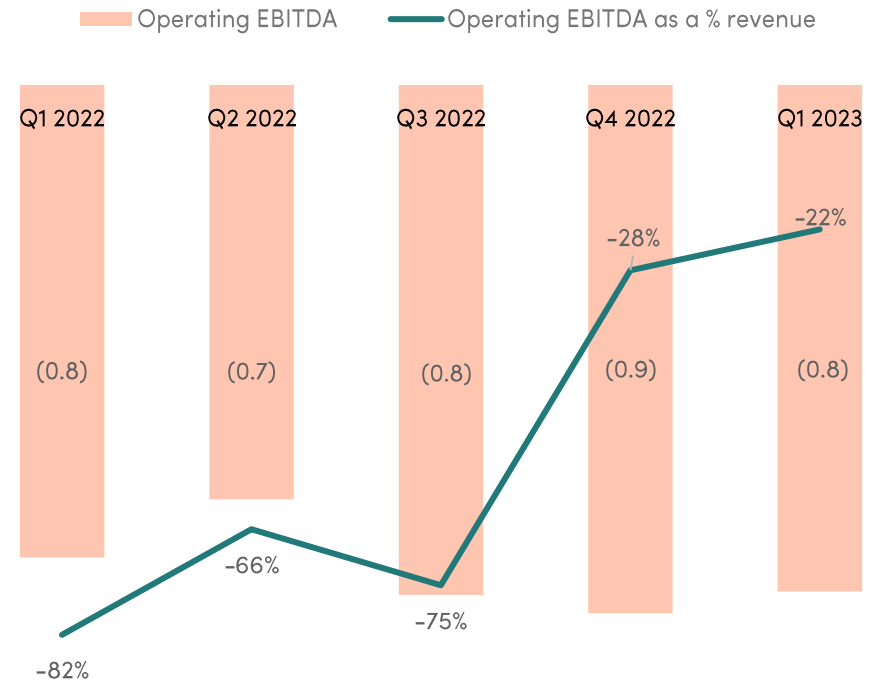
eComm & Subscription performance

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

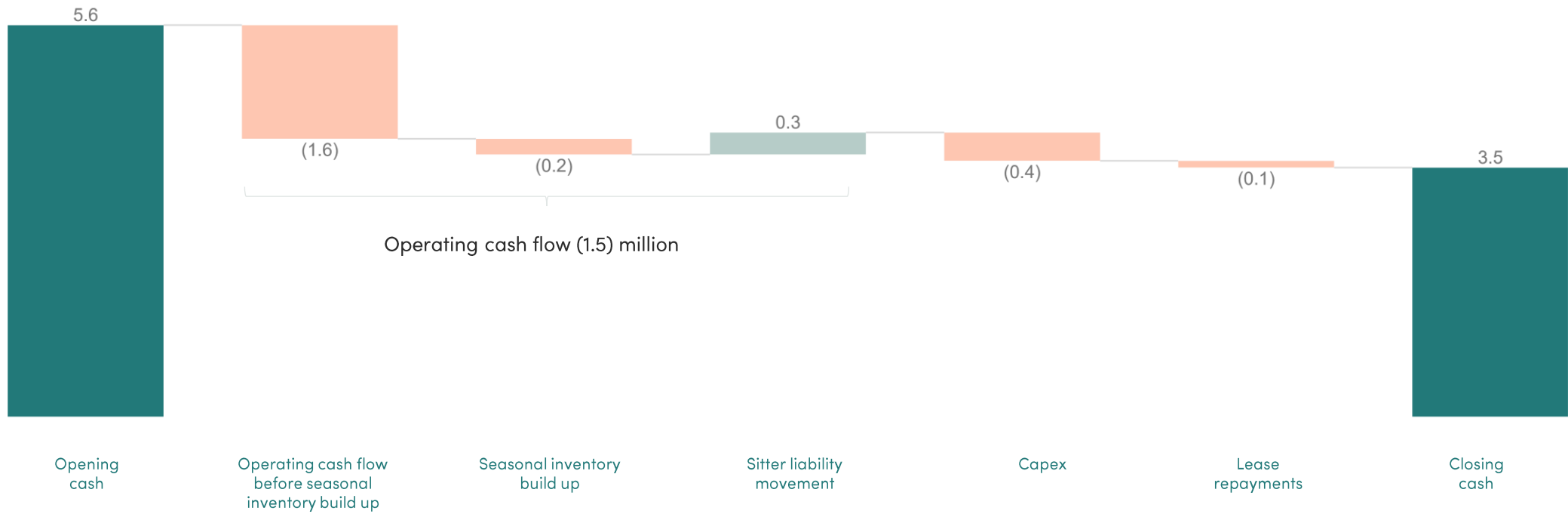


Quarterly Operating EBITDA in millions



Personal use only

Q1 FY23 Cash Flow Waterfall



ersonal use only

ersonal use only

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

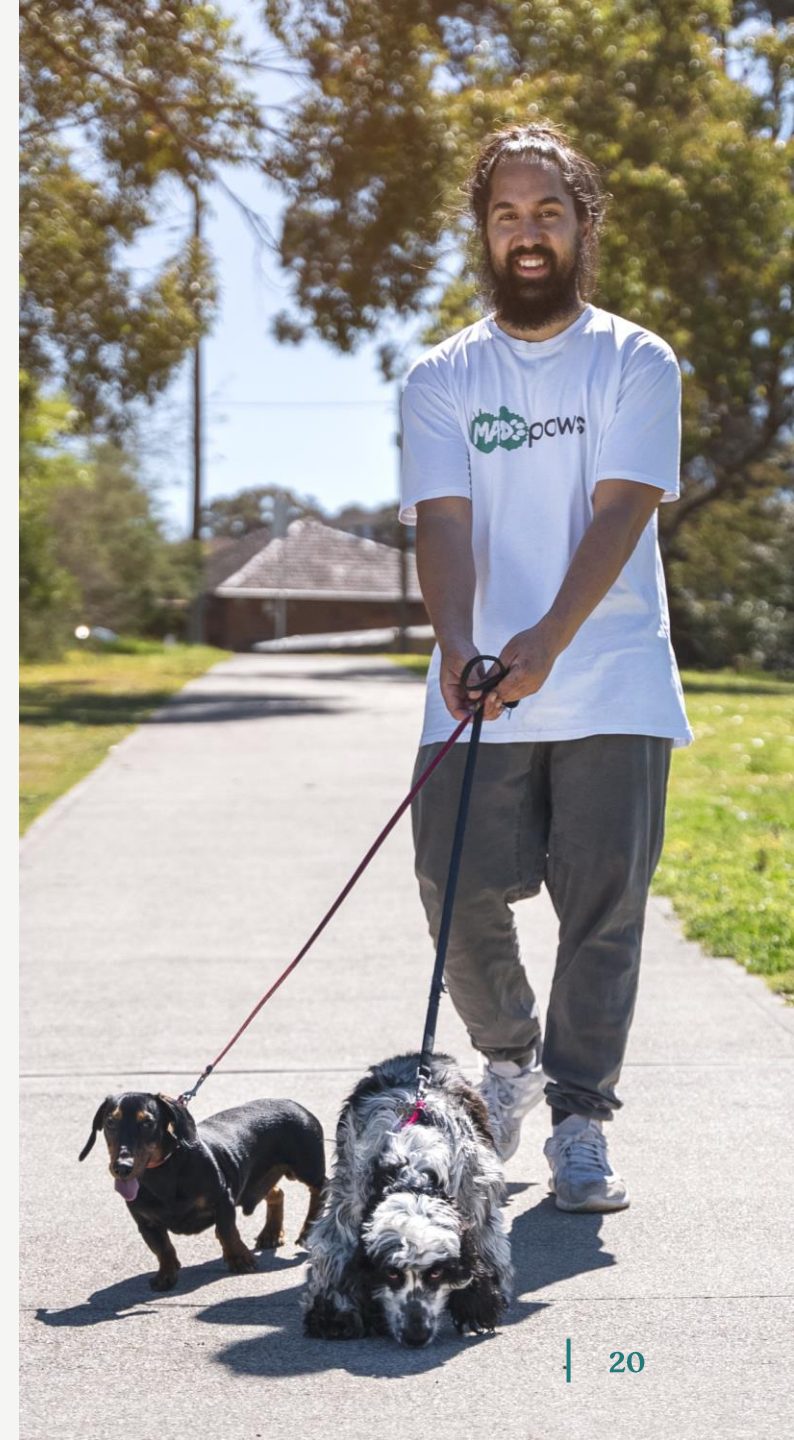
We have already seen our cross-selling strategy working. The next step for us is to make our customer experience even more cohesive and enjoyable. We are doing this by focusing on three things:

- 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.



Q2 FY23 Trading outlook

Our Q1 results are in line with our break-even trajectory, and we exit Q1 FY23 with a current revenue run rate of \$23 million, which has been growing at an average of 14-21% quarter on quarter over past 12 months.

Marketplace

Focus on Christmas, traditionally our strongest growth quarter of the year, see graph on the right (compared against last non-covid impacted year).

Focus on releasing our pet data capturing flow for the marketplace which will improve the customer experience (better matches) and allow us to better cross-sell other Mad Paws products

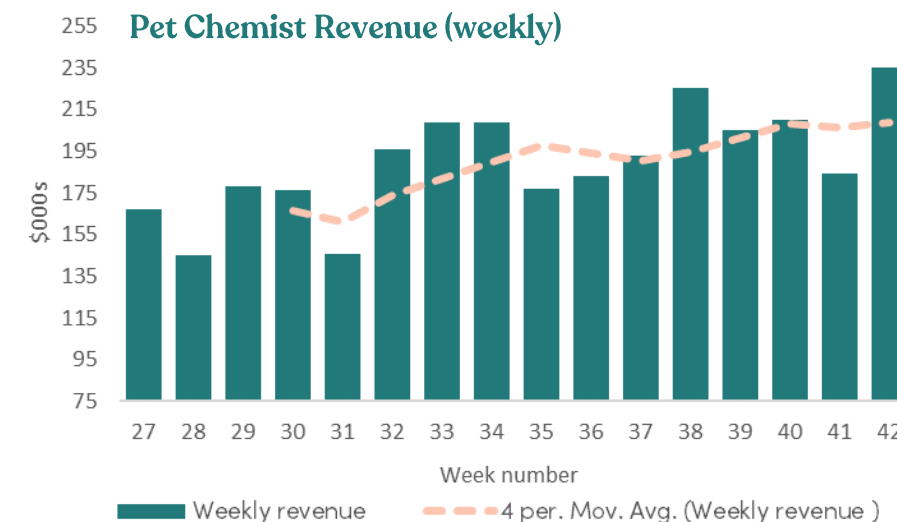
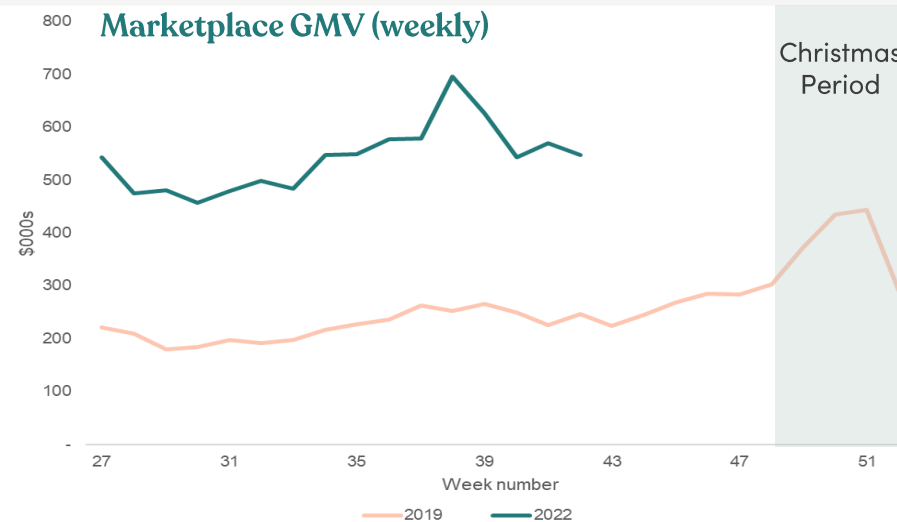
eCommerce & Subscriptions

Positive momentum in Q4 FY22 has continued to improve in Q1 FY23 with subscriber acquisitions at record levels while customer acquisition costs are continuously going down.

Pet Chemist growth is accelerating as a result of our integration, cross-sell and laser focus on efficiently accelerating marketing activities.

Continued emphasis on improving EBITDA margins for the vertical with a focus on range expansion and autoship

Central & Corporate expenses are expected to remain consistent.



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 \$3.5m of cash at 30th of September 22, 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



ersonal use only

Appendix

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