



27 April 2021

MAD PAWS – March 2021 Quarterly Update and Appendix 4C

Mad Paws (ASX: **MPA**) is pleased to provide its Appendix 4C cash flow and activity report for the quarter ending 31 March 2021.

Highlights:

- Month of March 21 was a record month with highest ever number of bookings achieved of 13.5k bookings
- 31 March quarter bookings of 32k achieved in typically low seasonal quarter
- GMV increased +43% over the prior corresponding period to \$3.6m
- Revenue is up +46% over the prior corresponding period to \$776k
- Significant customer growth of +10% compared to last quarter, 8,500 new customers have been added to the platform
- Increased pet ownership as a result of COVID is benefiting the demand for Mad Paws' offerings
- The Company is well positioned to benefit from further easing's of travel restrictions

Quarterly Overview:

Mad Paws had a very strong quarter especially considering Q3 is seasonally the slowest quarter of the year. GMV for Q3 FY21 was up +43% pcp which again shows the accelerated recovery after Covid.

This is also reflected in the growing customer numbers (up +10% on last quarter) and the record number of bookings of 13.5k received in March.

Unique customers on the platform have grown to 95k customers at the end of March which reflects a growth of +8,500 customers over the quarter. Given that international traffic is still non existing this is a great sign for future growth.

The lack of international travel explains the slightly lower average GMV per booking, 10% lower in March 2021 compared to March 2019 (March 2020 was already Covid impacted and is not a good comparison). With international travel resuming this year, we expect these averages to return to pre-Covid figures, which will further accelerate our growth.

With the successful IPO in March 2021, Mad Paws is very well-capitalised and positioned for growth with a cash balance of \$16.5m at the end of March 2021.

Cash outflows are traditionally high in the Q3 quarter as sitters are requesting their payments for services rendered over the Christmas period. With the Christmas period being the strongest period of any year with high cash in-flow, cash outflows are higher in



the following Q3 quarter. This is obviously only a timing issue and will be reverted in the following quarters with higher cash inflows. Because Mad Paws is receiving payments from customers before they get paid out to pet sitters Mad Paws should see increased capital inflow for the period of growth.

As detailed in Item 6.1 of the accompanying Appendix 4C, payments to related parties and their associates during the quarter totalled \$0.12m for the quarter comprising the Directors' fees and expenses as well as the CEO's base remuneration for Q3 FY21.

Product update

Mad Paws has launched its Mad Paws Pet Insurance product (madpawspetinsurance.com.au) this week.

The company continues to execute on its strategy focusing on two things

Marketplace

- Marketplace health – improve our marketplace dynamics
- Marketplace offerings – increase our marketplace offerings – new features for pet owners and pet service providers
- Build out cross selling capabilities between our different platforms and offerings
- Double down on content to cement our #1 position in Australia

Subscription Products and Services

- Grow our existing subscription offerings and drive user acquisition
- Increase the breath of product and services we offer on our subscription platform

Team

Mad Paws is pleased to announce the appointment of Graham Mason as Chief Financial Officer for the Company effective as of June 2021.

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

Outlook

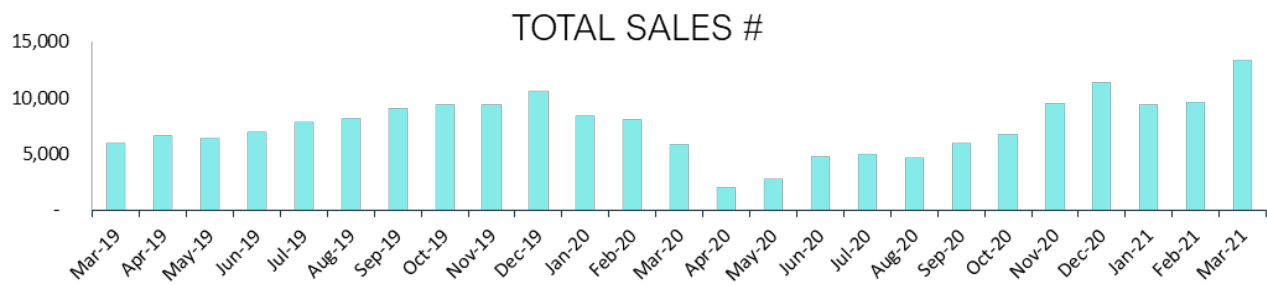
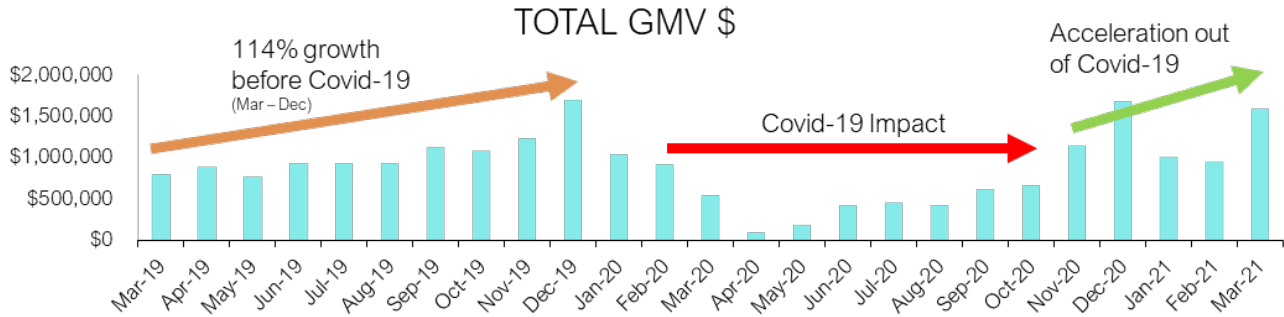
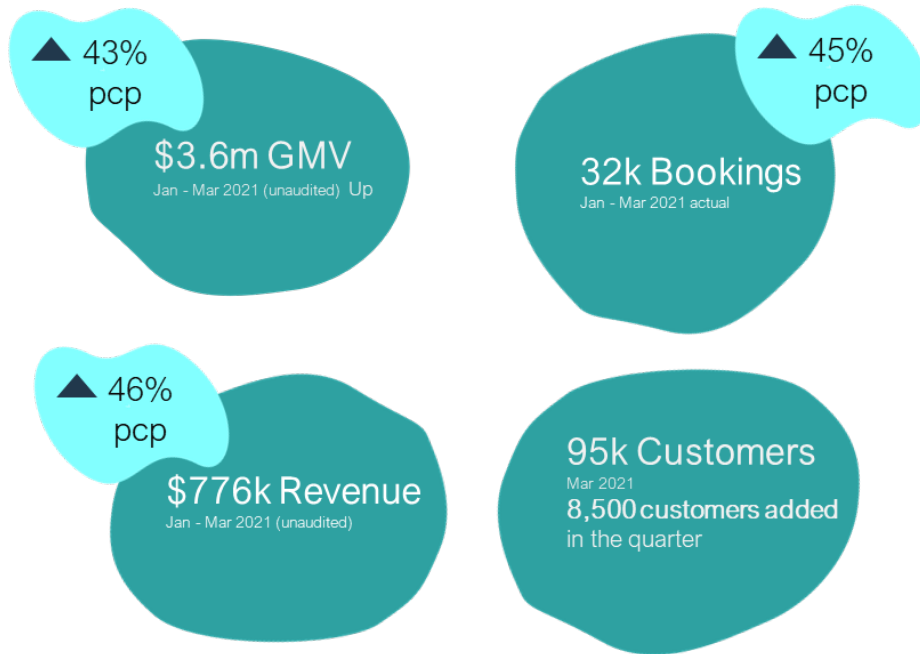
- Mad Paws showed stronger than expected growth in the months before Christmas. This trend continued in Q3 FY21 with a record month in March and a very strong bookings period leading into 31 March 2021.
- Due to seasonality, March results normally reflect a 20-25% drop in GMV compared to December leading up to it. This year we have seen a drop in GMV of only 5%.

13.5k Bookings

Mar 2021 actual

Single month record for
Mad Paws

Key Metrics



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 on the customer payment date.

Appendix 4C

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

Name of entity

Mad Paws Holdings Limited (ASX:MPA)

ABN

39 636 243 180

Quarter ended (“current quarter”)

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,319	7,668
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	-2,637	-4,669
(c) advertising and marketing	-760	-1,221
(d) leased assets		
(e) staff costs	-1,050	-1,909
(f) administration and corporate costs	-982	-1,956
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	45	351
1.9 Net cash from / (used in) operating activities	-2,062	-1,733

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	-41	-61
	(d) investments		
	(e) intellectual property	-90	-196
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	1	1
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		975
2.6	Net cash from / (used in) investing activities	-130	720

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,000	12,000
3.2	Proceeds from issue of convertible debt securities	5,593	5,593
3.3	Proceeds from exercise of options	47	47
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-1,100	-1,100
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		-40
3.10	Net cash from / (used in) financing activities	16,540	16,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,124	985
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-2,062	-1,733
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-130	720
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,540	16,500
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	16,472	16,472

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	16,472	2,124
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,472	2,124

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	120
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	-2,062
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,472
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	16,472
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

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

Date: 27/04/2021

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

Notes

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