



ASX Announcement

Mad Paws Holdings Limited (ASX:MPA)

27 August 2021

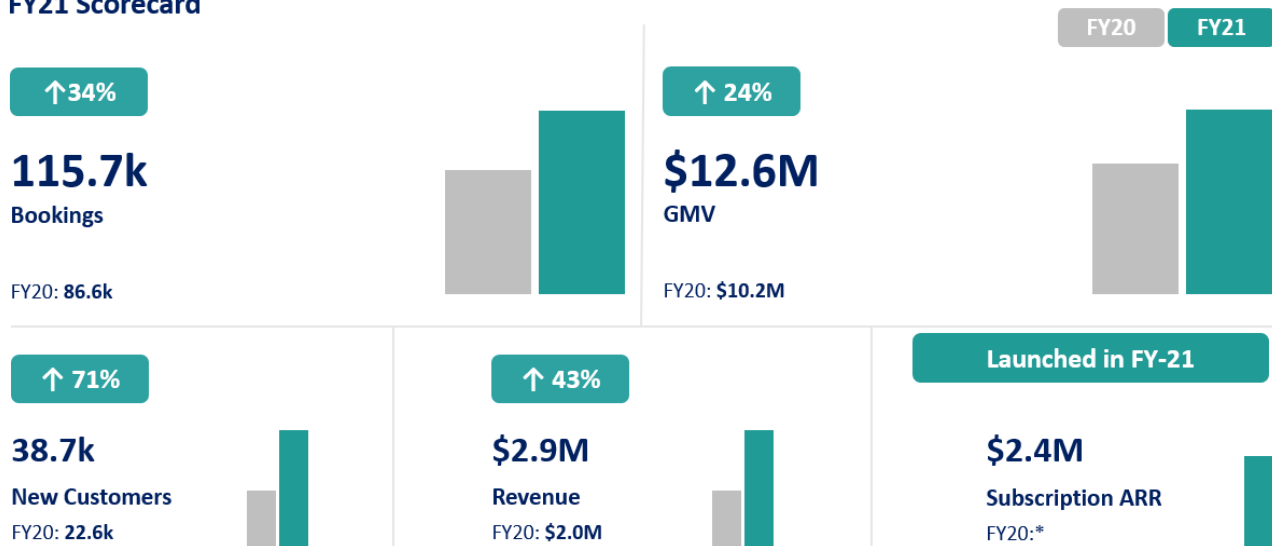
FY21 Preliminary Full Year Results – Delivering strong growth as we build Australia’s leading pet services platform

Mad Paws Holdings Limited is pleased to report its preliminary full year results for the twelve months to June 30th, 2021.

Highlights

- FY21 Bookings **+34%** from FY20
- FY21 Revenue growth **+43%** from FY20
 - Subscription revenues accelerating quarter on quarter to record levels now **\$2.4** million in ARR up from zero in FY20;
 - Market place services revenues up **+18%** compared to FY20 despite covid lockdowns;
 - Record December 2020 (seasonal peak for the marketplace), despite lockdowns;
- Over 110,000 paying pet customers and 25,000 pet sitters on the platform
 - Great momentum, Q4 FY21 alone added a record +15,900 customers or +944% pcp;
 - 3,000 active Waggly and Dinner Bowl subscribers at 30 June 21
- Acquisition of Waggly in June 2021 adds \$0.1 million in revenue for FY21 (acquisition date 7 June 21)
- \$12.5m cash on hand at 30 June 2021, to fund growth strategy
- Outlook post current lockdowns sets up significant 2021 Christmas holiday period supplemented by significant growth in subscription business

FY21 Scorecard



Justus Hammer, Co-Founder & CEO highlighted, “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, and we delivered strong results”.



Our vision is to provide a broad range of pet services to make pet owners' lives and, more importantly, their pets lives' more enjoyable. In FY21 we delivered on our execution priority: building on the assets we have put in place to scale marketplace revenues to complement growing subscription revenues.

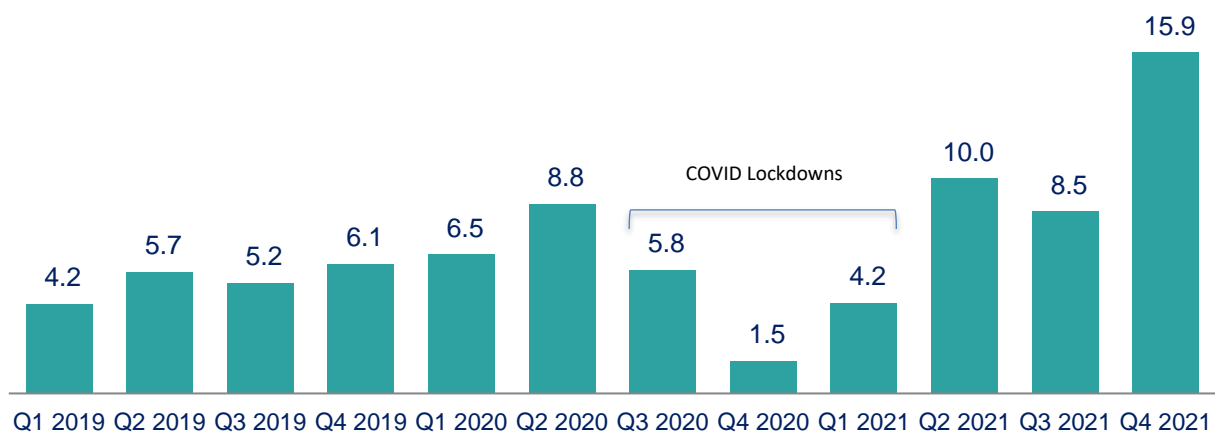
We doubled down on our content strategy and focusing on driving repeat business which resulted in Mad Paws' strongest year in regards to paid bookings and traffic even with experiencing significant Covid impact. Mad Paws is now well positioned for accelerated growth and expansion of our current offerings.

Dinner Bowl and Waggly

The subscription businesses Dinner Bowl, and recently acquired Waggly, in the pet toys and treats space, are performing ahead of plan. Dinner Bowl ended FY21 with over 790 active subscribers since launching in August 2020 and Waggly has over 2,189 active subscriptions. These businesses are taking advantage of current lockdowns with people turning to online alternatives.

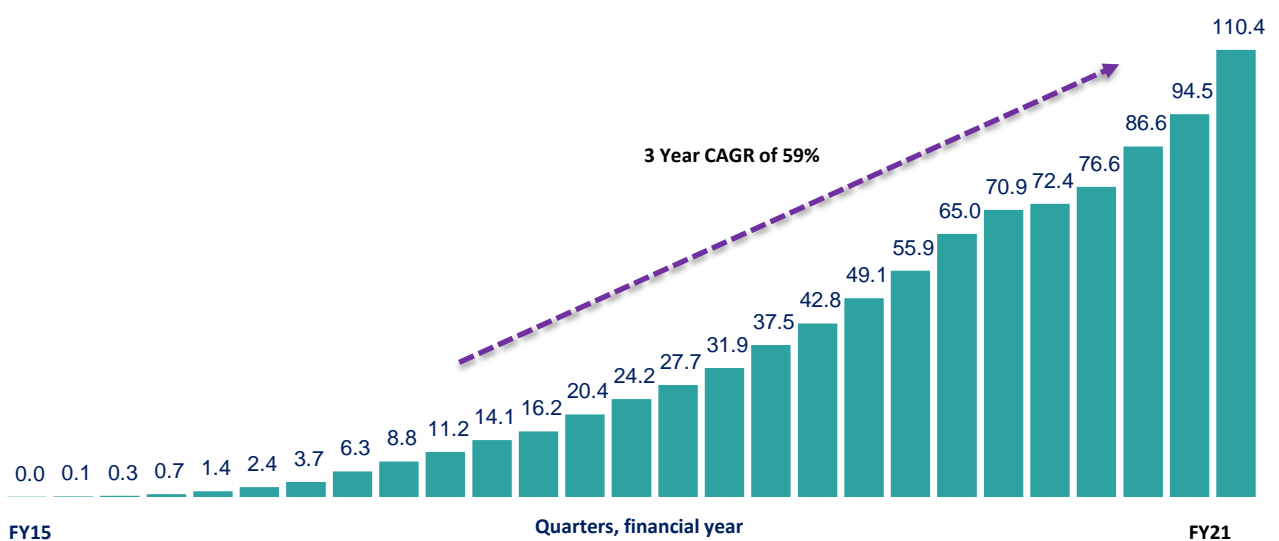
Key performance metrics for FY21

New customers in 000s



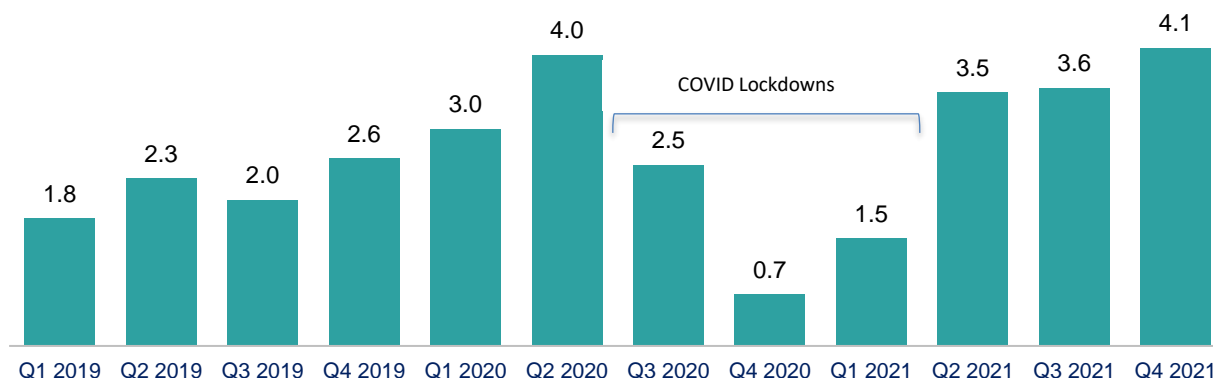
New customers increased 944% in Q4 FY21 vs Q4 FY20 (+163% on Q4 FY19) with growth accelerating through the year.

Cumulative unique customers in 000s





Gross Marketplace Value (GMV) in \$ millions



¹GMV growth accelerating across the year with Q4 FY21 +483% vs Q4 FY20 (+59% on Q4 FY19)

FY21 Results Summary (unaudited)

In millions	2020	2021	\$ change	% change
Gross Marketplace Value (GMV)	10.2	12.6	2.4	24%
Marketplace revenue	2.0	2.4	0.4	18%
Subscription revenue	-	0.5	0.5	nm
Ecommerce revenue	-	0.0	0.0	nm
Revenue	2.0	2.9	0.9	43%
Operating expenses				
Employee benefits expense	(1.2)	(3.2)	(2.1)	-178%
Marketing expenses	(1.4)	(2.1)	(0.7)	-54%
Professional and consultancy expenses	(0.1)	(0.2)	(0.1)	-129%
IT expenses	(0.6)	(0.8)	(0.2)	-31%
Raw materials and consumables used	(0.0)	(0.4)	(0.4)	nm
Delivery expenses	(0.0)	(0.2)	(0.2)	nm
Other operating expenses	(0.6)	(0.7)	(0.1)	-22%
Operational EBITDA	(1.8)	(4.7)	(2.9)	-164%
Non operating, non recurring income and costs				
R&D grant & COVID government support	0.4	0.6	0.3	83%
IPO, acquisition expenses	(0.0)	(0.9)	(0.9)	nm
Depreciation and amortisation expense	(0.2)	(0.2)	(0.0)	-24%
Share-based payments expense	(0.5)	(6.6)	(6.0)	-1154%
Other non-recurring items	-	(0.0)	(0.0)	nm
Net interest (Expense)/Income	(0.0)	(0.1)	(0.1)	-265%
Total non-operating, non recurring income and costs	(0.4)	(7.2)	(6.8)	-1666%
Net profit after tax	(2.2)	(11.9)	(9.7)	-443%

¹GMV 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, discount's and GST.

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 2.9 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 FY 21, 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 Paw is well capitalised to invest in strategic growth initiatives with a cash balance of \$12.5 million at the end of 30 June 2021.

FY21 Execution milestones

2021 was a huge year for setting Mad Paws up for future growth

- IPO of the business
- Strong balance sheet
- Built an exceptional team

Mad Paws is laser focused on its three main strategic pillars

1. Pet Services Marketplace

- a. Customer acquisition - Further improved our content marketing
- b. Increased new customer acquisition by 71% compared to previous year
- c. Repeat Weekly Booking - Upgraded our subscription functionality on the marketplace

2. Pet Product Subscription Offerings

- a. New revenue streams - successfully launched Dinner Bowl Raw and Kibble offerings
- b. In its first year of operation, Dinner Bowl was voted Australia's 2nd best pet food product in Australia, independent Award from Productreview.com.au
- c. Focus on cross-selling between different offerings
- d. Taking full advantage of current lockdown conditions which are favorable for subscription businesses

3. Pet Life Cycle management

- a. Identified new opportunities
- b. Acquired Waggly to accelerate subscription business growth and breadth of offerings

Outlook

● Marketplace growth

- With vaccination rates growing and the rest of the world opening up again we are making sure the marketplace is ready for the increased volume we expect once national and later international travel is becoming a reality again.
- Growing our sitter base



- Improving on the quality of our sitters
- Continue to improve the platform to make our sitters life and that of our owners as simple as possible
- Build our flywheel of more owner requests, more matches, more data, better matches, increased bookings

- Accelerate subscription businesses
 - Take full advantage of current lockdowns
 - Expand current food offerings - We anticipate offering offer lightly cooked options by the end of Q1 FY22
 - Focus on cross selling between our different brands

- Expand product offering
 - Increase share of wallet
 - Increase our offerings in the pet health space
 - Develop customer offerings in order to acquire customers early in their journey of pet ownership

- Acquisitions
 - The board continues to monitor and discuss logical strategic acquisitions

FY22 Outlook

We enter FY22 with a confident and positive outlook. Mad Paws is following a similar path in the pet space in Australia to the successful growth curve seen in the US. We are early in this growth phase with a huge opportunity ahead of us. With the tailwinds of the accelerating shift online, large increase in pet ownership since Covid, and the scope for a sharp recovery once lockdowns lift, we expect further growth in marketplace and subscription revenues.

Assuming COVID lockdowns cease in Q4 we expect a big December holiday period for services and continued strong growth for food and treat subscriptions.

For further information, please contact:

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This announcement was approved for release by the Board of Directors of Mad Paws Holdings Limited



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
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