

Mad Paws signs binding agreement for \$2 million loan facility with Partners for Growth

Mad Paws Holdings Limited (ASX:MPA) (**Mad Paws** or the **Company**) is pleased to announce the establishment of a new secured debt funding facility from Partner's for Growth VI, L.P (**PFG**) to support its strategic growth initiatives and operational objectives.

Highlights

- New A\$2.0 million debt facility to be provided by Partners for Growth
- Refinancing enables the Group to support brand and customer acquisition, realize the benefits of our cash cost savings plan executed in Q1 FY25, and provide general working capital
- 36 month term and lower cost of funds compared to existing facility
- No options or equity dilution from the facility

The structure and duration of the facility is intended to enhance Mad Paw's financial position and provide the Company with resources to support its business objectives, including Mad Paws' upcoming brand and customer acquisition efforts and general working capital. In addition, funds from the new facility will also be used to repay the pre-existing A\$1 million growth working capital facility with Kashcade that was secured in September 2023 that will be discharged in full following PFG drawdown (repayment amount of remaining drawn funds of \$0.4 million).

Justus Hammer, Co-Founder & CEO commented, "This funding structure provides Mad Paws with capital to support our strategic initiatives and the necessary support for the launch of our brand and customer acquisition campaign, leveraging the \$4.0 million in marketing contra from the Seven West Media investment commencing August 2024".

Loan facility details

- The facility interest rate is pegged at BBSW plus 8.6975%, with a minimum rate of 12.00%.
- Other fees include:
 - an establishment fee of 2.00% (being A\$40,000);
 - pre-payment fees for any early voluntary prepayment;
 - back end fee of up to A\$315,000 payable upon maturity.
- Mad Paws is required to adhere to certain financial covenants during the facility term, including maintaining minimum levels of profitability, gross margin, and liquidity, in addition to other undertakings and covenants, which are customary for facilities of this nature.
- The loan facility contains typical events of default on which the facility becomes repayable, including for breach of covenants or misrepresentations.
- PFG will be granted a first-ranking security interest over all assets of the Company and its subsidiaries.

It is expected that all funds will be drawn at initial drawdown which is expected to occur by 26 July 2024 subject to the satisfaction or waiver of customary drawdown conditions.



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

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CONTACTS

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About Mad Paws

Mad Paws operates Australia's leading online pet ecosystem, connecting pet owners with an ecosystem of high-quality services and products.

The Mad Paws pet ecosystem supports over 300,000 active pet owners, facilitating over 400,000 transactions last year, driven by the rapid growth in pet ownership and increased spending on pets in this \$30 billion Australian pet market.

The Mad Paws marketplace is the leading online platform for pet owners to book their pet sitting, walking, day care and grooming services, with one of over 55,000 registered pet carers Australia wide. With over 2 million pet care services since inception the Mad Paws pet services marketplace is the leading marketplace of its kind in Australia. Mad Paws also operates an online only e-Commerce division offering pet healthcare, prescription medicine, pet treats and specialty items to improve the every day life of Australian pets, with brands including Pet Chemist, Waggly and Sash beds.

Mad Paws is a purpose driven organisation and exists to enable pets to live their lives to the fullest, supporting owners through all stages of the pet lifecycle.

For more information: www.madpaws.com.au