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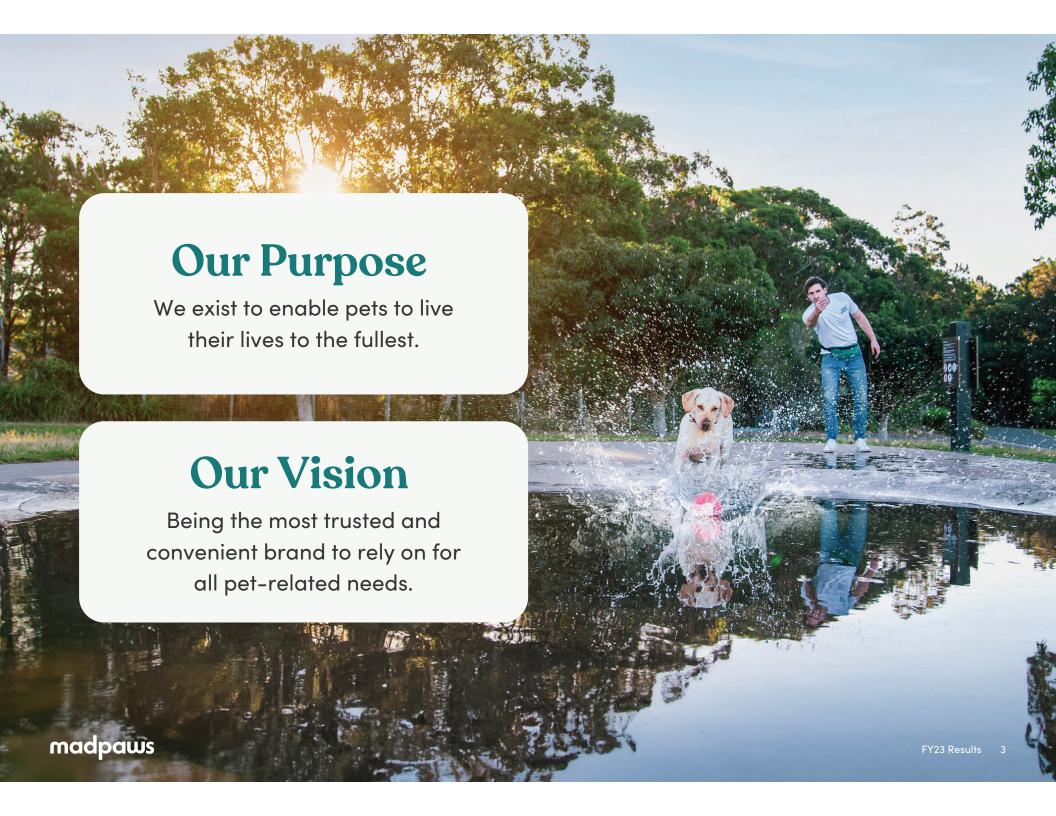
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# Mad Paws at a glance

Mad Paws provides a safe and convenient digital platform that connects pet owners with high quality services and products.

Mad Paws has build a loyal and growing, market leading community of pet owners and sitters, enabling their loves pets to live their lives to the fullest.



**Qantas Partnership** and access to Qantas FF



> 2 million pet care services provided

Deloitte.

#29 2022 Deloitte Tech Fast 50

# madpaws GROUP

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### **Australias #1**

Pet services marketplace



### **Australias #1**

Toys & treats subscription box



### **Australias #1**

Online pet chemist

# SASH.

### High growth

Premium dog beds and accessories









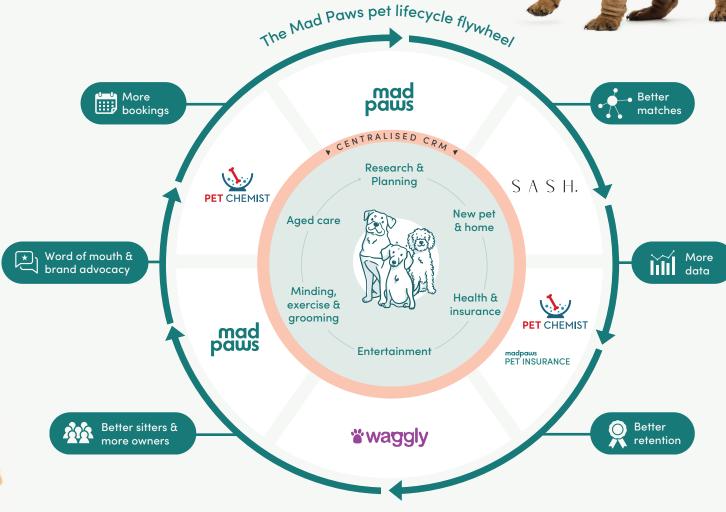


Breadth and depth of our data create an unrivalled competitive advantages

Where personalised care is priority, Mad Paws leverages the family of brands to connect with Australian Pet Owners across every stage in the pet lifecycle.

Anchored by our significant firstparty data points, we're able to seamlessly attract, engage and delight customers.

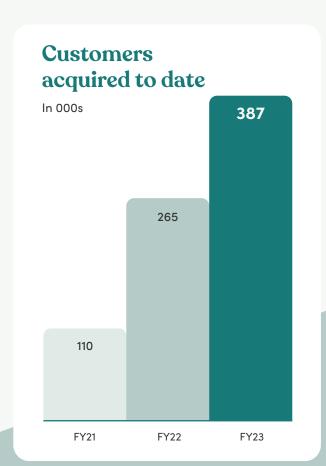
- Allows us to capture a larger customer network - more products equals more solutions and more data
- Enabling greater scope to achieve maximum value from owned and earned data

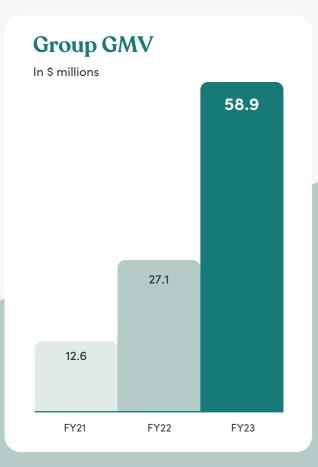


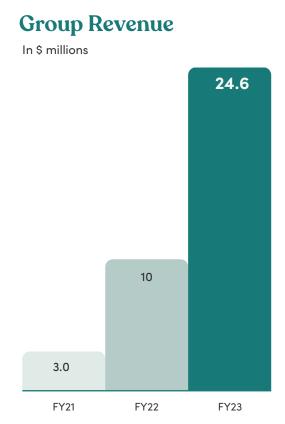
# Mad Paws 3 year growth profile

Mad Paws has grown to become Australia's Leading Online Pet Ecosystem

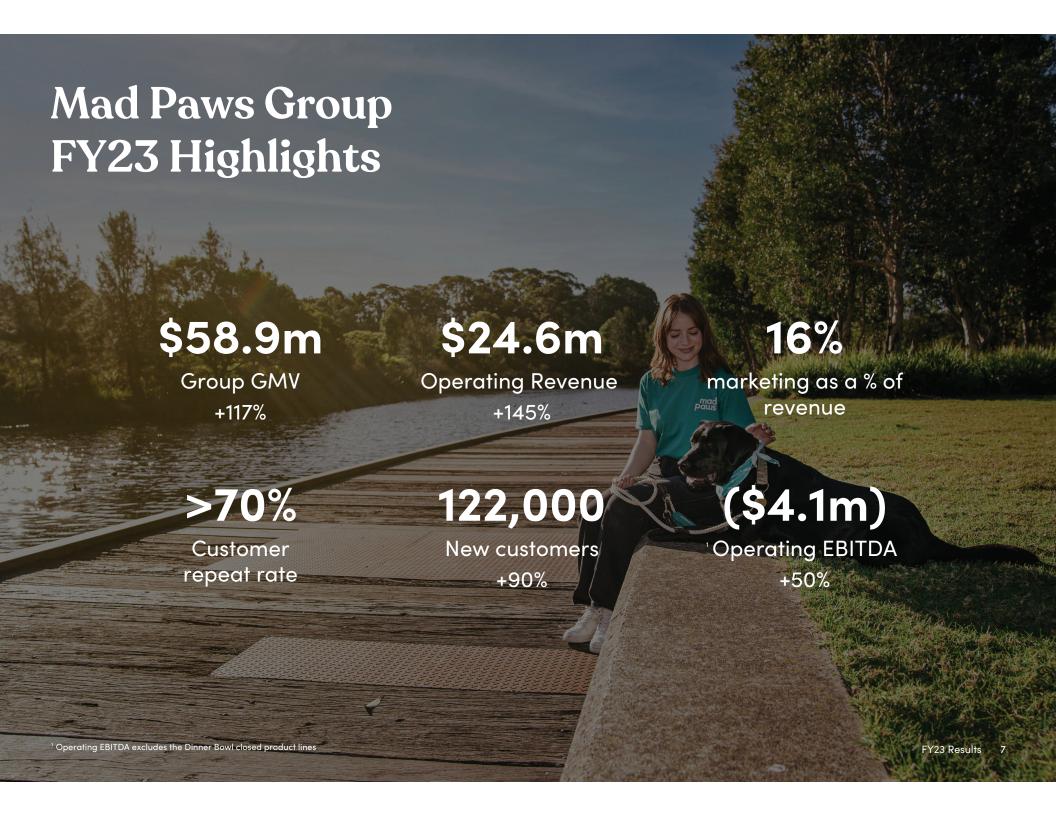


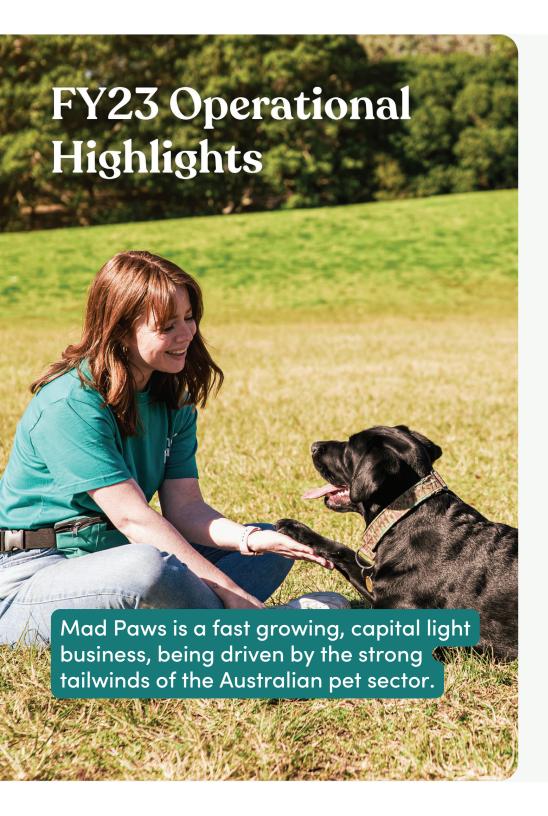






Three year revenue CAGR of 194%





## FY23 results built around 3 key pillars:



# Profitable revenue growth

- Maintaining high new customer acquisition rates and repeat customer rates
- Increasing our number of SKUs
- Bringing marketing resources in-house
- Improving marketing efficiency



### Prudent cost management

- Streamlining operational and corporate cost base
- Expanding directly sourced products
- Greater use of AI tools across the business



# Disciplined capital management

- Re-aligning Dinner Bowl dog food product offering
- Consolidating Waggly Shop operations into Pet Chemist

# We've had a brand visual overhaul

In January 2023 we unveiled our first brand re-fresh since inception of Mad Paws in 2016.

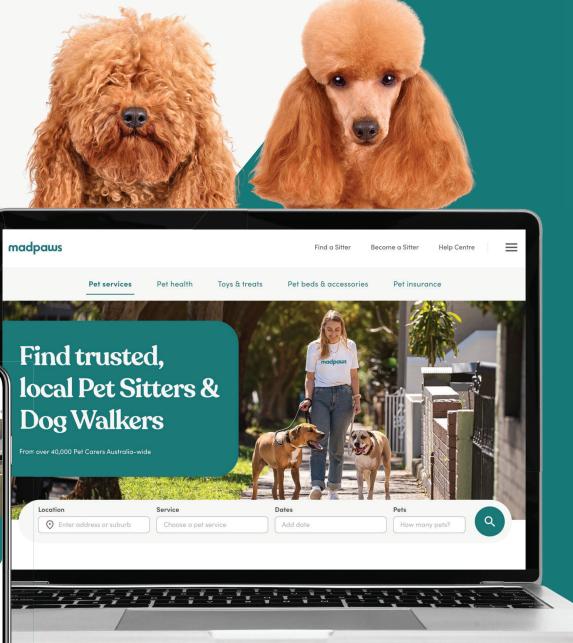
The driving force behind this refresh was to enable the family of brands to emerge as a unified Group ready to embark on the next chapter and future direction as a one-stop-shop for pet care in Australia.

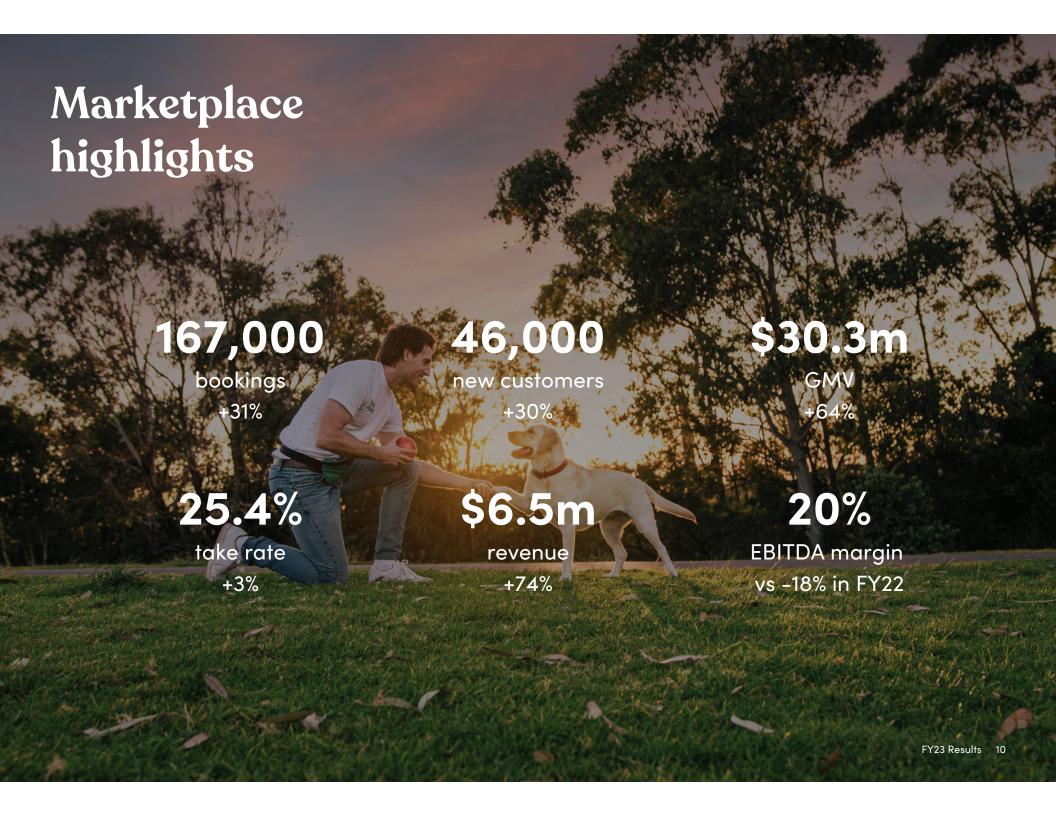


New home page saw a **†20%** 

**INCREASE** in conversion







# Marketplace operational highlights

Product initiatives and marketing optimisation drive higher revenues and improvements in operating EBITDA.

## **Product initiatives**

### Launch of 'Links Data':

Our comprehensive Pet Profile Database allows for more accurate matchmaking between Sitter and Owner. Big data monetisation opportunities in the near term.

# Expanded use of data science & machine learning:

Conversion rates improved and off-platform bookings reduced.

### Re-brand of website home page:

Seamless user experience and brand consolidation.

### Increased website speed:

Enabled a significant uplift in site traffic and conversion.

# Marketplace liquidity

As demand on our platform has continued to accelerate we released a number of strategic initiatives to improve the quality of care provided to Pet Owners as well as the earning potential of Pet Sitters, which has been successful in attracting more sitters to our platform.

# Operational initiatives

Improved customer service efficiencies: Harnessing Al to reduce customer services contacts.

Introduction of peak period pricing.

Continuous development of content and SEO resources



# **eCommerce** highlights

267,000

total orders +155%

\$18.1m

revenue

+188%

>70%

Customer repeat rate

600+

New SKUs added

(11%)

Operating <sup>1</sup>EBITDA margin

significantly improved across the year



Completed realignment of Dinner bowl strategy

# e-Commerce operational highlights

Successful Pet Chemist integration, range expansion and realignment of Dinner Bowl drive EBITDA improvement.

## More space to grow

Expanded warehouse and distribution centre

## **Expand owned range**

SASH launched 3 new products in FY23, all exceeding launch expectations

# Improve customer acquisition cost

Enhancements to the website and shopping cart

## Accelerate growth

Ongoing expansion of product range: Already 600 SKUs added in FY24

## **Increase margins**

Moved Waggly to in-house designed and sourced toys, maintain consistent product quality while improving bottom line

## Strategic Re-alignment of Dinner Bowl

Ceasing production of raw and lightly cooked meals



# Customer feedback builds trust and loyalty across our community

As a barometer of product acceptance and effectiveness, for us, customer reviews and feedback are central to our Group's value proposition and longterm growth growth. It's authentic, unbiased feedback from real customers that has been pivotal in building trust and loyalty, assuring potential buyers of quality and reliability - particularly pertinent when we entered but also as we grow in the eCommerce space.



2,676 reviews

# madpaws





### They were amazing.

Mad Paws put in contact with the best, kindest caring sitters for my dog while I was away and at such short notice. I will definitely be using them again. - Jade G. (QLD)



#### Great service and experience.

It's hard to leave your beloved pet with someone you don't know, mad paws is a great service to find reliable, friendly and amazing walkers/sitters for your furry friends. - Rupp Z. (VIC)

99

99



66



#### Amazina price difference!!

I bought a medicine for my dog through this website, and the price difference was amazina almost half price.

- Alexandra M. (NSW)

99



#### Medication for my fur baby

Cheaper than buying through veterinary hospital. Efficient delivery. Great service. - Sherry B. (TAS)

99







#### It's a win win!

Kodi goes nuts for his Waggly box and gets a major case of the wiggly butts when he sees it! Seeing his excitement makes it feel like a present to myself too, so win win! - Nicolena R. (VIC)

99





#### My favourite day!

When my waggly club subscription box arrives and I get to see which new lil treats and toys are waiting for me.

- Cookie (SA)

SASH.





### Thank you so much SASH!!

Bear has NEVER been so content and relaxed, I'm actually still so surprised at the difference in him 4 weeks in.

- Emma E.

99



#### MY PUPS ARE OBSESSED!!

The hype is real and 100% worth it!! I kept seeing these ads pop up and bought two for my pups and obsessed is an understatement, they literally don't move from the bed! - Natalie (QLD)

99



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# Financial Performance

# FY Group 2023 performance

### Strong financial performance, 50% improvement in Operating EBITDA

in \$000s	FY22	FY23 Reported	%	FY23 DB adjusted*	%
Marketplace	3,740	6,516	74%	6,516	74%
Ecommerce & Subscription	6,291	18,099	188%	17,144	173%
Operating revenue	10,031	24,615	145%	23,660	136%
Cost of goods sold	(5,036)	(13,755)	-173%	(12,982)	158%
Gross Margin	4,995	10,860	117%	10,678	114%
% of revenue	50%	44%		45%	
Marketing	(3,316)	(3,841)	-16%	(3,776)	14%
Employment costs	(4,215)	(6,285)	-49%	(5,821)	38%
Other opex	(1,331)	(1,956)	-47%	(1,647)	24%
Segment Operating EBITDA	(3,867)	(1,221)	68%	(566)	85%
% of revenue	-39%	-5%		-2%	
Central/Corporate costs	(4,341)	(3,541)	18%	(3,541)	-18%
Group Operating EBITDA	(8,208)	(4,761)	42%	(4,107)	50%
% of revenue	-82%	-19%		-17%	
Non operating, non-cash and non-recurring items	(2,390)	(2,969)	-19%	(2,969)	24%
Loss before income tax benefit	(10,598)	(7,731)	27%	(7,076)	33%
Income tax benefit	88	251	186%	251	186%
Loss after income tax benefit	(10,510)	(7,479)	29%	(6,825)	35%
Group Key Performance Metrics					
GMV \$000s	27,119.9	58,854.2	117%	57,803.3	113%
Bookings/Transactions 000s	232.4	434.6	87%	426.8	84%
New Customers 000s	64.4	122.3	90%	121.6	89%

<sup>\*</sup>FY23 DB adjusted represents existing products and services only - excludes Dinner Bowl product lines which were closed in FY2023.

#### Notes/definitions

- 1. In the MPA Group operating P&L promotional \$29k (2022; \$205k) off offers are added back to revenue and treated as a marketing expense
- 2. Gross 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 of pet service provider payments, cancellations, refunds, chargebacks, discounts and GST.
- 3. 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.

#### Revenue

- FY2023 Operating revenue increased by 145% to \$24.6 million
  - Marketplace revenue increased 74% to \$6.5 million
  - e-Commerce division revenues increased 188% to \$18.1 million.
- Group revenue increased by 136% in FY2023 excluding FY2023 revenues from Dinner Bowl closed lines
- Group pro forma revenue growth of 59% on FY22

#### Gross Margin

- Gross Margin increased by \$5.9 million to \$10.9 million, a 117% improvement versus FY2022
- The Group's Gross Margin was 44%, down from 50% due to the e-Commerce segment increasing to 74% of Group revenue, up from 63% in FY2022.

#### Segment Operating EBITDA

- Segment Operating EBITDA improved 68% on FY22, +85% excluding Dinner Bowl closed product lines
- Segment Operating EBITDA margins were (5%), (2%) excld Dinner Bowl
- Segments were Operating EBITDA positive in Q4 FY23 contributing to corporate costs

#### **Group Operating EBITDA**

- FY2023 Group Operating EBITDA was (\$4.7 million) or (\$4.1 million) excluding the closed Dinner Bowl product lines
- Central/Corporate cost decreased 18% to FY22

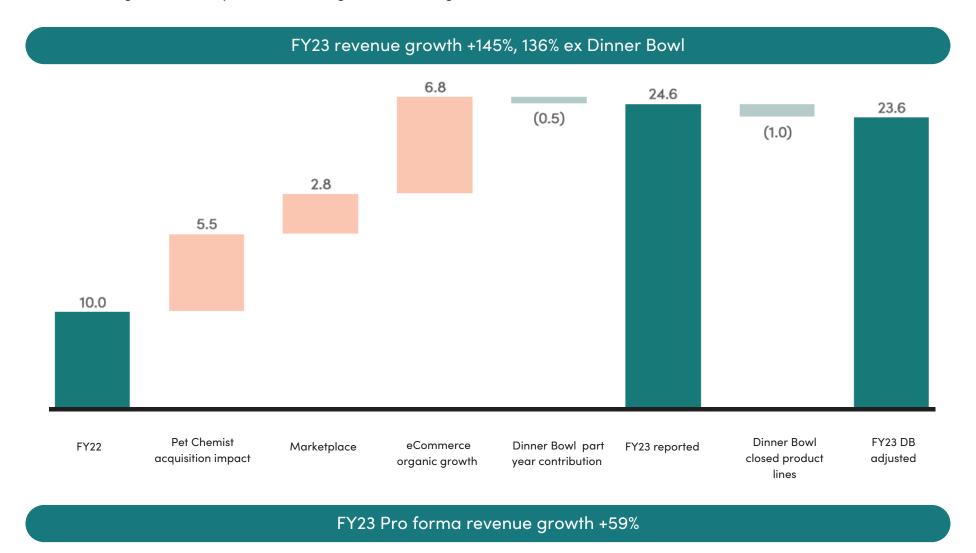
#### Loss after income tax benefit

- 29% improvement to (\$7.7 million) vs FY22
- · Non-operating and non-recurring items increased \$0.6 million due to
  - Lower R&D rebates and COVID government support
  - Additional amortisation expense from Pet Chemist acquisition
  - o Offset by lower share based payments expense and reductions in earn out payments



# FY23 Revenue growth

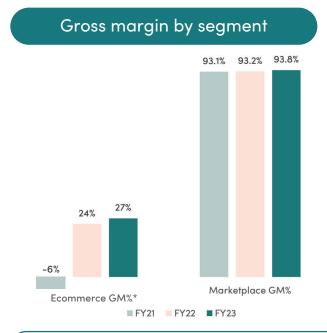
Successful integration of acquisitions and organic revenue growth drive revenue



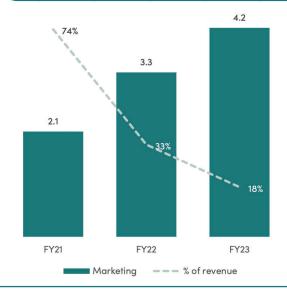


# FY23 Cost base drivers

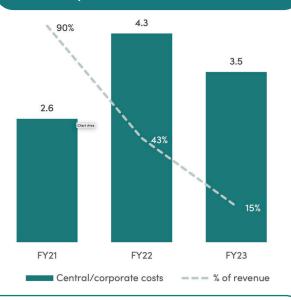
Gross margin and operating leverage driving towards profitability







### Corporate a % of revenue



#### **eCommerce**

- Direct and better sourcing relationships with suppliers
- Delivery panel expansion and partner routing optimisations

### Marketplace

- Take rate improvements
- Cancellation rate normalised

### Marketing

- Product and website usability initiatives improve conversion rates
- Increased scale allows for inhousing of marketing expertise delivering better optimisations
- Lowered cost of subscription offers

### Central/Corporate

- Rationalised SaaS and technology spend
- Simplified organisation structures and reporting lines

# FY23 Group cash flow

in \$000s	FY22	FY23
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	23,227	47,072
Payments to suppliers - sitters payment	(10,870)	(21,481)
	12,357	25,591
Payments to suppliers and employees (inclusive of GST)	(19,442)	(29,946)
Interest received	3	28
Government grants received	363	-
Research and development tax incentive	356	411
Interest and other finance costs paid	(38)	(61)
Income taxes paid	(1)	-
Net cash used in operating activities	(6,401)	(3,977)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(125)	-
Payment for purchase of subsidiary, net of cash acquired	(5,119)	_
Payments for property, plant and equipment	(166)	(111)
Payments for intangibles	(880)	(1,547)
Net cash used in investing activities		(1,658)
Cash flows from financing activities	0.400	2.504
Proceeds from issue of shares	6,103	3,584
Share issue transaction costs	(211)	(178)
Repayment of borrowings	(60)	30
Repayment of lease liabilities	(66)	(276)
Net cash from financing activities	5,766	3,159
Net change in cash and cash equivalents	(6,924)	(2,475)

### Operating Cash flow

- 38% improvement in operating cash outflow in the year, driven by improvements in
  - o Operating cash flow inclusive of closed Dinner Bowl EBITDA loss of \$0.6 million
  - FY22 suported by government COVID support

### Investing activities

- Continued investments in marketplace and Pet Chemist platforms drive the \$1.5 million in intangible capex
- Capex inclusive of \$0.2 million of Dinner Bowl technology costs subsequently written off

#### Financing

• Completed \$3.6m capital raise through new and existing investors



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# Segment Performance

# FY23 Marketplace performance

Revenue and high operating leverage delivery 300% increase in Operating EBITDA

in \$000s	FY22	FY23	%
Operating revenue	3,740	6,516	74%
Cost of goods sold	(254)	(404)	-59%
Gross Margin	3,486	6,113	75%
% of revenue	93%	94%	
Marketing	(1,408)	(1,688)	-20%
Employment costs	(2,042)	(2,143)	-5%
Other opex	(701)	(950)	-36%
Segment Operating EBITDA	(665)	1,332	300%
% of revenue	-18%	20%	
Marketplace Key Performance Metrics			
GMV \$000s	18,487.8	30,287.5	64%
Take rate %	24.7%	25.4%	3%
Bookings 000s	127.4	167.1	31%
New customers 000s	35.2	45.7	30%
Average booking value \$	145.1	181.2	25%

#### Notes

Take rate is calculated on a booked basis

#### Revenue

- Marketplace revenue increased 74% to \$6.5 million
  - o Driven by normalising domestic and international travel trends
  - Improving demand and supply liquidity
  - o Product initiatives driving conversion rate and booking growth
  - Take rate changes and higher booking values

#### **Gross Margin**

• Gross Margin increased by 75% to \$6.1 million versus FY2022

#### Operating EBITDA

- Delivered strong operating leverage with gross margin increasing 75% and operating expenses including marketing increasing 75%
- Marketplace EBITDA achieved a maiden profit of \$1.3 million a \$2.0 million improvement on FY22
- EBITDA margin of 20%, on track for medium-term target

# FY23 e-Commerce performance

Strong revenue growth, gross margin expansion and realignment of Dinner Bowl drive EBITDA improvement

in \$000s	FY22	FY23	%	FY23 DB	%	
	F122		/6	adjusted*		
Operating revenue	6,291	18,099	188%	17,144	173%	
Cost of goods sold	(4,782)	(13,352)	-179%	(12,579)	163%	
Gross Margin	1,509	4,748	215%	4,565	203%	
% of revenue	24%	26%		27%		
Marketing	(1,908)	(2,153)	-13%	(2,088)	-9%	
Employment costs	(2,172)	(4,142)	-91%	(3,678)	-69%	
Other opex	(630)	(1,006)	-60%	(697)	-11%	
Segment Operating EBITDA	(3,202)	(2,553)	20%	(1,899)	41%	
% of revenue	-51%	-14%		-11%		
Ecommerce Key Performance Metrics						
Transactions 000s	105.0	267.5	155%	259.7	147%	
New customers 000s	29.2	76.6	163%	75.9	160%	

<sup>\*</sup>FY23 DB adjusted represents existing products and services only - excludes Dinner Bowl product lines which were closed in FY2023.

#### Revenue

- e-Commerce revenue increased 188% to \$18.1 million.
  - The successful integration of Pet Chemist, coupled with organic growth of 55%
  - o Focus on efficient marketing investment, drove an increase in e-Commerce new customers

#### Gross Margin

- Gross Margin increased to \$4.7 million in FY2023 with Gross Margin improving to 26% (27% excluding the closed Dinner bowl product lines).
  - Expansion of private label strategy
  - Supplier optimisation

#### **Operating Expenses**

- Marketing as a % of revenue improved to 12% from 30% in FY22
  - Full-year impact of Pet Chemist acquisition
  - o Paid media optimisations
  - Subscription offer optimisations
- Employement costs increased as result of the full year impact of the Pet Chemist acquisition

#### Operating EBITDA

• \$1.3 million improvement in Operating EBITDA loss excluding closed Dinner Bowl lines



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# Strategy & Outlook

# **Group Strategy**

"Building Australia's number one destination for pet parents."

Mad Paws blended marketplace and e-Commerce model enables us to take advantage of the attractive benefits of each platform.



# Horizon 1 FOUNDATIONS

- Marketplace Leadership
- Differentiation of revenues
- Build data foundations

## Horizon 3 EXPANSION

- Internationalisation
- Data commercialisation
- Cover more stages of the pet life-cycle

# Horizon 2 BUILD THE BRAND

- Single Destination
- Data driven cross-sell
- Home brand strategy
- Media partnerships



FY23 Results 24



# Building a highly engaged, data-rich community across the pet lifecycle



**⋈** 1.1 mil

Subscribed Pet Owner e-mails



**1.3** mil

Monthly website visits



**∱** 40,000

Brand ambassadors: Pet Sitters and **Doa Walkers** 



70%+

Customer repeat rate



Our passionate and loyal pet sitting community are a key part of building trusted brand.

### Our research shows...

Mad Paws customers are highly engaged because of the personalised care their pet receives, the access they have to helpful pet ownership information, and the relevant products & services available when they need them.



Large valuable community of pet owners who travel



Multi channel touch points



Pet parents: pets are part of the family



Highly trusted brand, leading the charge in pet care

### Based on our pet profile data...



160k Unique pet profiles created since November 2022



of pets have some sort of health problem



of pets have some level of separation anxiety



of owners are unable to walk their dog calmly without being pulled, dragged or without incident

# The positive impact of pet ownership remains strong

The pet market boom is resulting in a high growth, recession–proof market



of all households would like to add a pet to their family. This tells us that pet ownership is becoming a way of life for most Australians, estimated at 7.3 million households.

of pet owners say their pet has vastly improved their lives.

# Part of the family

Owners nowadays have a more human-like relationship with pets and more inelastic spend.



# Pet humanisation and premiumisation are driving spend



Prioritisation of pet needs



Increasing spend per pet



Increasing spend on pet products and services



Recession resilience

# Average household spend for dogs and cats represents a large wallet size





# **Outlook for FY24**

Mad Paws exited June 2023 with a record operating EBITDA of (\$0.1m) and this momentum has continued in early trading into FY2024.

Mad Paws is expecting the growth trajectory across both the pet services marketplace and the subscription and ecommerce divisions to continue in FY2024, delivering strong improvements in revenues and gross margin. Mad Paws re-affirms FY2024 guidance of being EBITDA positive.

The future trading Outlook for Mad Paws in FY2024 will leverage the following strategies and initiatives to provide customers with a more seamless experience and open up the much-anticipated cross sell opportunities between the Mad Paws verticals

### The Group's key strategies include:



Improve the search for sitter experience, sitter pricing dynamics, and reduce off platform bookings



# **E-COMMERCE**

Completing the Pet Chemist website rebuild, and leverage this technology to create a single platform to book or buy Mad Paws products and services



Leveraging our data capabilities and centralised CRM to provide personalised offers and solutions for our customer base. Furthermore, we will launch a Mad Paws loyalty offering, driving our share of wallet and decreasing customer acquisition cost for the verticals.



Additional revenue stream through media partnerships



Targeting 3,000 SKUs with Pet Chemist, utilising our new warehouse



# SCALE PRIVATE LABEL

Continuing the success with Sash and Waggly, launch of the first cohort of private label products for Pet Chemist

madpaws

# Appendix

# Operating EBITDA reconciliation to loss after tax benefit

			Change	e		Change	
in \$000s	FY22	FY23 Reported	\$000s	%	FY23 DB adjusted*	\$000s	%
Group Operating EBITDA	(8,208)	(4,761)	3,447	42%	(4,107)	4,101	50%
Non operating, non-cash and non-recurring items	s						
R&D rebate	835	64	(771)	-92%	64	64	8%
Acquisition/Capital raising costs	(269)	(146)	123	46%	(146)	(146)	54%
Share based payments	(1,399)	(284)	1,115	80%	(284)	(284)	20%
Depreciation and amortisation	(831)	(1,874)	(1,043)	-125%	(1,874)	(1,874)	225%
Deferred consideration - linked to remuneration	(636)	(120)	515	81%	(120)	(120)	19%
Impairment of assets	-	(557)	(557)	0%	(557)	(557)	0%
Other non-operating items	(56)	(24)	32	57%	(24)	(24)	43%
Interest revenue	3	28	25	724%	28	28	824%
Finance costs	(38)	(61)	(23)	-62%	(61)	(61)	162%
Non operating and non cash items	(2,390)	(2,974)	(584)	-24%	(2,974)	(584)	24%
Loss before income tax benefit	(10,598)	(7,735)	2,863	27%	(7,081)	3,517	33%
Income tax benefit	88	251	163	186%	251	163	186%
Loss after income tax benefit	(10,510)	(7,484)	3,026	29%	(6,830)	3,680	35%



# Group balance sheet

in \$000s	2022	2023
Current assets		
Cash	5,562	3,087
Trade & Other receivables	935	915
Inventories	921	1,493
Total current assets	7,419	5,495
Non-current assets		
Property, plant and equipment	231	145
Right-of-use assets	1,252	2,585
Intangibles	23,844	23,642
Other assets	10	10
Total non-current	25,337	26,383
Total assets	32,756	31,879
Current liabilities		
Trade & other liabilities	4,577	5,008
Borrowings & Lease liabilities	352	543
Employee benefits	402	497
Sitter liabilities	2,695	3,005
Total current liabilities	8,027	9,054
Non-current liabilities		
Borrowings & Lease liabilities	1,151	2,323
Deferred tax	2,061	1,810
Other	84	88
Total non-current liabilities	3,297	4,221
Net assets	21,432	18,603

#### Key movements commentary

- Inventories increased in line with growth across our e-Commerce segment and the expansion of our product range in Sash
- Rights of use assets increased \$1.3 million due to the expansion of Pet Chemist warehouse capacity offset by the exit of the Dinner Bowl kitchen lease
- Sitter liabilities represent payments made by customers for bookings that have not yet been redeemed by the sitter. The increase of \$0.3 million relates to marketplace growth since FY22
- Borrowings and lease liabilities increase due to the expansion of Pet Chemist warehouse capacity



# 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.
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 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
CAC	Customer Acquisition Cost	Refers to the cost to acquire a customer across the Group's brand and consists of performance marketing costs such as social, search, affiliates and general performance marketing costs
TAM	Total Addressable Market	Represent the current overall revenue opportunity of the Australian Pet market sourced from "Animal Medicines Australia, Pets and the Pandemic: A social research snapshot of pets and people in Australia" report

