

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Quarter ended 31 December 2024

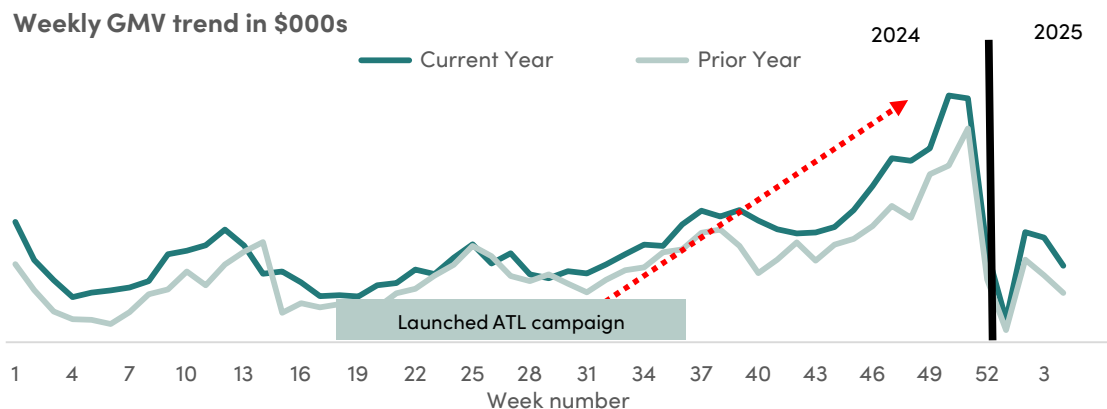
Mad Paws Holdings Limited (ASX:MPA) (Mad Paws or Company) Australia's leading online pet ecosystem, seamlessly connecting pet owners with high quality services and products, is pleased to announce its December 2024 Quarterly (including the Appendix 4C and Activities Report). All financial results are in Australian dollars and are unaudited.

Highlights for the Quarter – Positive Cash EBITDA and Operating Cash flow

Q2 FY25 Group Financial Summary in \$ millions	Q2 FY2024	Q2 FY2025	Change	
			\$	%
GMV	18.5	20.3	1.8	10%
Marketplace revenue	2.4	2.8	0.4	16%
Ecommerce revenue	5.2	4.9	(0.2)	-4%
Group Operating revenue	7.6	7.7	0.2	2%
Segment Cash EBITDA	0.7	1.4	0.6	86%
Group Cash EBITDA	(0.1)	0.3	0.5	328%
<i>% of revenue</i>	-5%	4%		
<i>SWM marketing contra used</i>	-	(1.3)	(1.3)	100%
Group Operating EBITDA	(0.1)	(0.9)	(0.8)	-538%

- **Group Operating Revenues of \$7.7 million** – Up 2% on pcp, and up 12% excluding Sash and Waggly
 - **Marketplace Operating Revenue of \$2.8 million** – up 16% on pcp
 - **Ecommerce Revenue of \$4.9 million** – down 4% on pcp, and up 10% excluding Sash and Waggly
- **Group Cash EBITDA positive of \$0.3 million for the quarter**; +328% on pcp
 - **Segment Cash EBITDA of \$1.4 million** – +86% on pcp
 - **Marketplace Cash EBITDA of \$1.4 million** – +37% on pcp, with 49% EBITDA margin
- **Operating Cash flow of \$1.7 million** +81% on pcp

Above-the-line campaign builds growth momentum across the Quarter



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Mad Paws launched its first-ever above-the-line (ATL) brand campaign in August 2024, marking a significant milestone in elevating our brand presence and expanding our reach. This campaign is broadcast across multiple platforms, including television and social media, with the objective of showcasing the unique and invaluable benefits of Mad Paws' pet care services.

The second campaign burst commenced on 3 November, targeting Melbourne, Brisbane, and Sydney. Since the ATL campaign launch, our Pet Services marketplace has experienced an inflection in growth, with GMV increasing at a mid-teen percentage rate compared to 6% in the 24 weeks prior. This strong growth momentum validates our strategic approach, particularly against the backdrop of relatively weak consumer sentiment in Australia.

Justus Hammer, Co-Founder & CEO, commented on the result "This quarter has been a significant one for the Mad Paws team, marked by the launch of the second wave of our above-the-line campaign utilising the Seven West Media contra. Despite challenging market conditions, including a 9% year-on-year decline in Google search volume trends, the campaign has successfully shifted momentum in our pet services marketplace. Early results are encouraging, with increased website sessions since the campaign launch, driving improvements in bookings and new customer acquisition.

Our unwavering focus on profitability has delivered a Cash EBITDA of \$0.3 million for the quarter – a 328% improvement compared to the prior corresponding period. This milestone also positions the Mad Paws Group as Cash EBITDA positive for the first half of FY25. These results highlight the team's dedication to driving profitable revenue growth and enhancing margins, particularly through our performance initiatives in the eCommerce segment.

As we enter the second half of FY25, we are well-positioned with strong momentum across our core businesses and \$1.9 million remaining in SWM media contra to further accelerate our growth".

Financial Adviser Update

In October 2024, Mad Paws announced that it had appointed Highbury Partnership Pty Ltd as its Financial Adviser to advise on expressions of interests in various elements of the group from third parties.

This work is progressing and Mad Paws will update the market in accordance with its continuous disclosure obligations.

Operational highlights

Marketplace

The Marketplace team focused on executing the holiday playbook. This included executing on the second part of our brand campaign with TV and digital support to drive awareness and bookings.

The product and tech team supported our peak period with optimisations to the funnel, more trust builders on our landing pages as well as our new search infrastructure laying the foundation for real-time match making driven by machine learning and AI.

The first measurable improvement of the new search infrastructure was a 52% reduction in our average search time, significantly improving the user experience.

Ecommerce

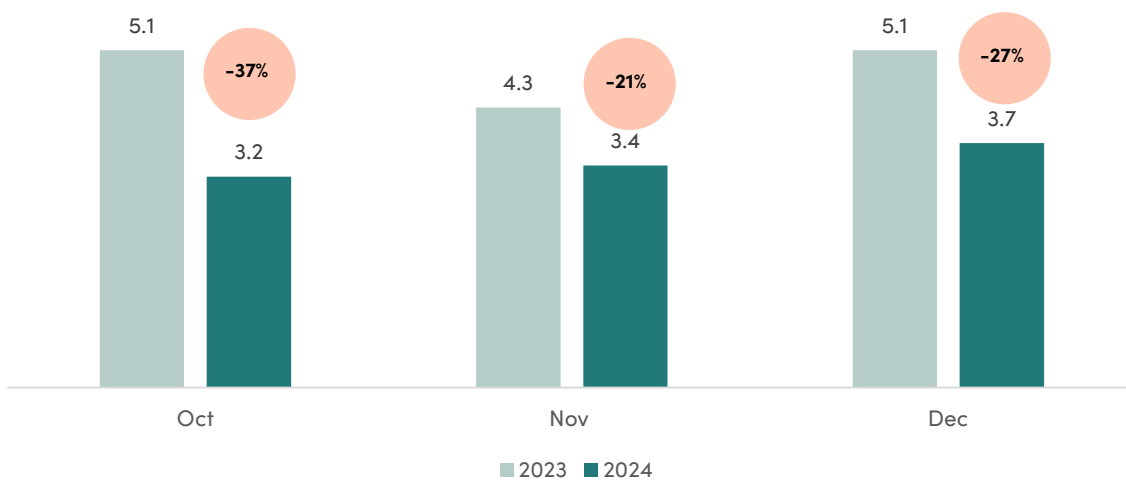
This quarter sustained the positive momentum observed in the Ecommerce segment in Q1 FY25. Notably, Pet Chemist experienced another strong quarter, with significant improvements in both revenue and EBITDA.

We rove media, in-box sampling, and rebate revenue with key suppliers to help boost margins consistently higher than previous quarters.

Delivered on peak trade campaigns across Black Friday-Cyber Monday and Boxing Day to realise annual revenue growth, while maintaining margin improvements.

We continued with our commitment to automation and process enhancements, which substantially increased the efficiency of our customer service and administrative teams, leading to a reduction in our cost-per-order ratio to all-time lows. Additionally, we successfully implemented our media partnership strategy, achieving record revenue from media partners.

Monthly Pet Chemist Warehouse staff minutes per order



Outlook

Building on the positive momentum from Q2 FY25, we aim to accelerate our growth further and fully utilize our remaining media budget of \$1.9 million. Additionally, the improvement in customer sentiment is expected to support robust growth as we approach our next growth period leading up to Easter.

After achieving our first positive EBITDA in Q2 FY25 and a positive overall EBITDA for H1 FY25, we are focusing on aligning the group and its segments on key priorities to maximize future opportunities.

- Brand Campaign
 - We are looking to deploy the lion share of our remaining \$1.9 million budget in the period before Easter holidays.
 - Driving the positive momentum we have seen from our campaign in H1 FY25 and capitalising on the brand uplift we have seen from our first burst.
- Cross-sell and customer acquisition
 - Leveraging data and a centralised CRM to provide personalised offers and solutions for customers.
 - New channel expansion – continue our work on new social strategy

- Improving critical user journey for new customer acquisition – improving new customer conversion rate
- Pet Chemist
 - Maintain and improve efficiencies in warehouse and customer service processes. Focus on automating the prescription process and streamlining warehouse operations.
 - New customer growth - boosting the active customer base with new offerings designed to incentivise repeat orders, working with our paid and organic search strategy
 - Focus on customer retention - improving the AutoShip offering with key brands and building out the website functionality for the customer account area, especially when it comes to managing prescriptions
 - Improved on-site recommendations - continuing to improve the recommendation logic and algorithms to put in front of customers more relevant recommendations to increase average basket size

Investor Call details

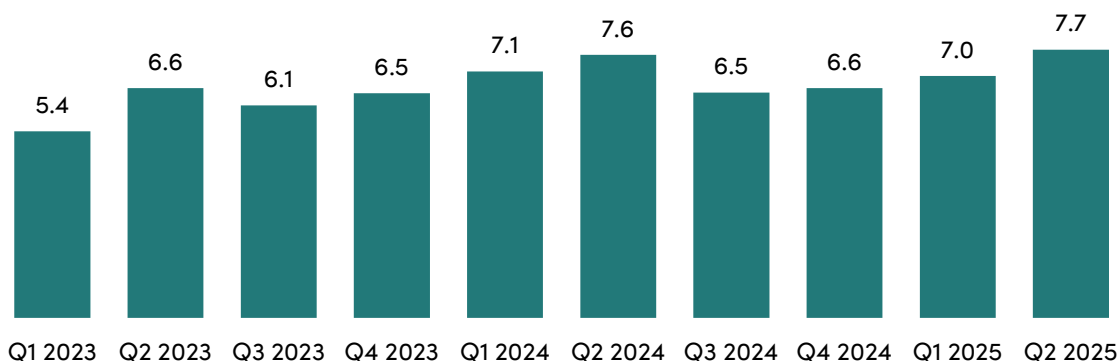
Mad Paws' CEO, Justus Hammer and CFO Graham Mason are hosting an Investor Webinar at **10.30am AEDT on Thursday, 30th January 2025** to discuss the results of the December 2024 Quarter and the future business outlook. Shareholders and investors wishing to attend the Investor Webinar can register to attend using the link below:

https://us06web.zoom.us/webinar/register/WN_zLo9W5JITGi1sUQe6ukKhA

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Detailed Trading results

Group Pro-Forma Operating Revenue (unaudited) in millions



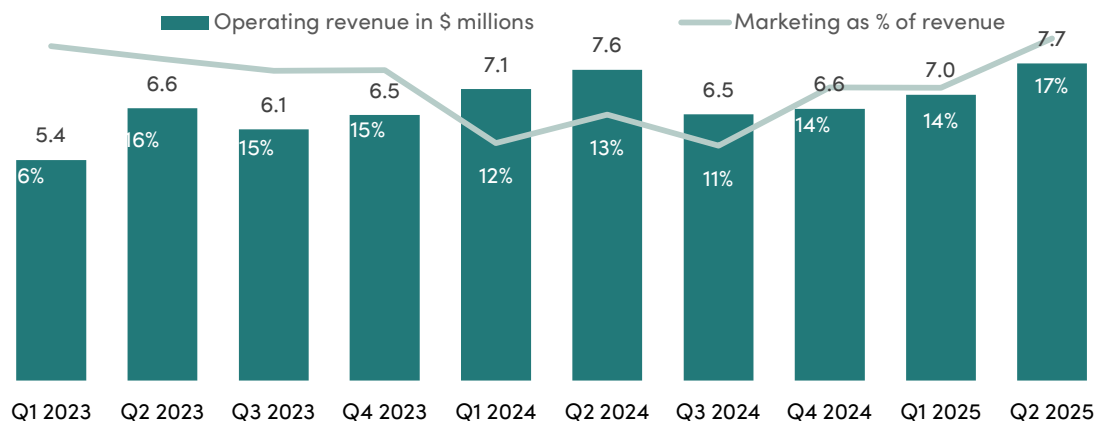
Group pro-forma Operating revenue increased 2% on pcp to \$7.7 million in Q2 FY25 (up 12% excluding Waggly and Sash). Marketplace revenue increased 16% on pcp reflecting continued strong growth momentum following the launch of phase 2 of the ATL campaign. Key volume drivers including new customers returned to growth up 6% vs pcp and bookings up 8% vs pcp.

Pro-forma eCommerce revenues were \$4.9 million, down 4% on the prior corresponding period (pcp) but up 10% on pcp when excluding Waggly and Sash. Pet Chemist revenues grew by 8% compared to pcp, driven by consistent new customer acquisition and improved retention through a focused core medication value proposition.

Media revenues, launched in Q1 FY24, increased by an impressive 96% compared to pcp, reaching \$0.2 million. This represents a high-growth, high-margin opportunity for the group, leveraging both marketplace and eCommerce assets.

Waggly revenue was 50% lower compared to pcp, as we prioritised profitability and reduced marketing investment in this business. Meanwhile, Sash revenue underperformed relative to the Company's expectations, declining by 37% compared to pcp due to increased competition in its core calming bed product. In response, we have implemented multiple changes to brand positioning and pricing. However, these adjustments resulted in volatility in site conversion rates, which negatively impacted revenue performance during the quarter.

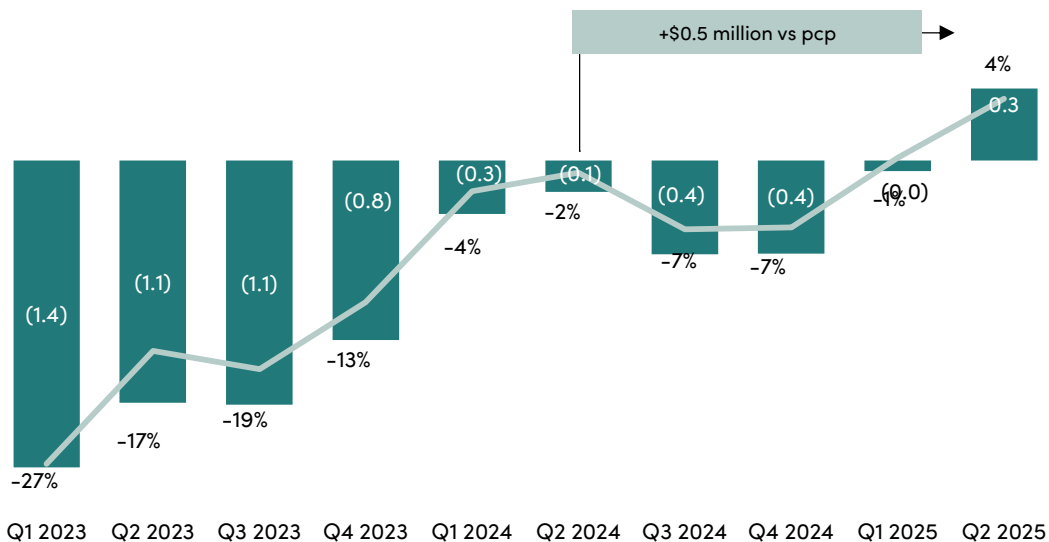
Group Marketing (excluding SWM non-cash contra) as a % of Operating Revenue



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Marketing as a percentage of revenue was 16.7%, up from 13% in the prior corresponding period. During the quarter we increased marketing spend to support our above the line campaign across social, organic and paid channels. Group marketing as a % of revenue was impacted by the weaker performance of Sash and the conversion volatility we experienced across the quarter.

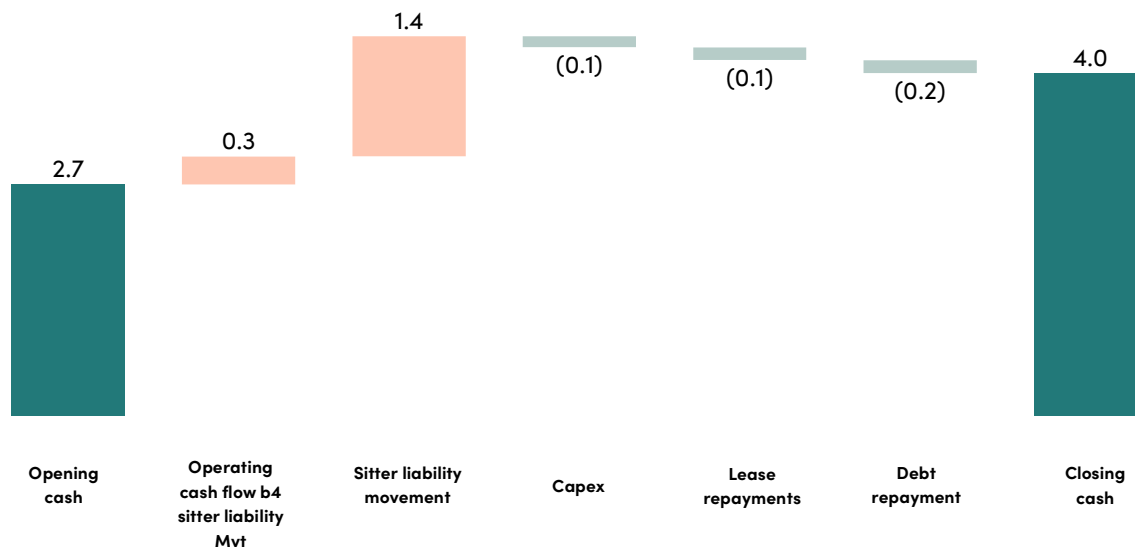
Group Cash EBITDA in \$ millions



In Q2 FY25, Group Cash EBITDA (excluding non-cash marketing contra used) was positive \$0.3 million, a significant milestone for the Group, up \$0.5 million from the previous period. Segment Operating EBITDA for Q2 FY25 was positive at \$1.4 million, a 86% increase, and Ecommerce was EBITDA was breakeven, marking a \$0.3 million improvement. Marketplace Operating EBITDA was \$1.4 million with a 49% margin. The continued improvement in Group Cash EBITDA is driven by revenue growth in the Marketplace and Pet Chemist, product and technology team rationalisation completed in the Q1 FY25 and successful implementation of operational efficiencies in our Ecommerce segment.

Corporate & Cash flow

Cash flow bridge for the Quarter



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Operating cash flow, before sitter liability, was positive \$0.3 million, reflecting the continued improvement in the group's operating performance. Including the sitter liability movement group operating cash flow was \$1.7 million, a 81% improvement vs pcp.

Financing and Investment Activities

During Q1 FY25 Mad Paws rationalised its product and technology employment costs as the platform reaches a level of maturity to allow this, and the Group focuses on innovating the current platform rather than bigger platform builds. As a result, capex cash flows continued to trend lower to \$0.1 million a 59% reduction vs the pcp.

During the quarter, the Group made \$0.2 million in debt repayments and \$0.1 million in lease payments

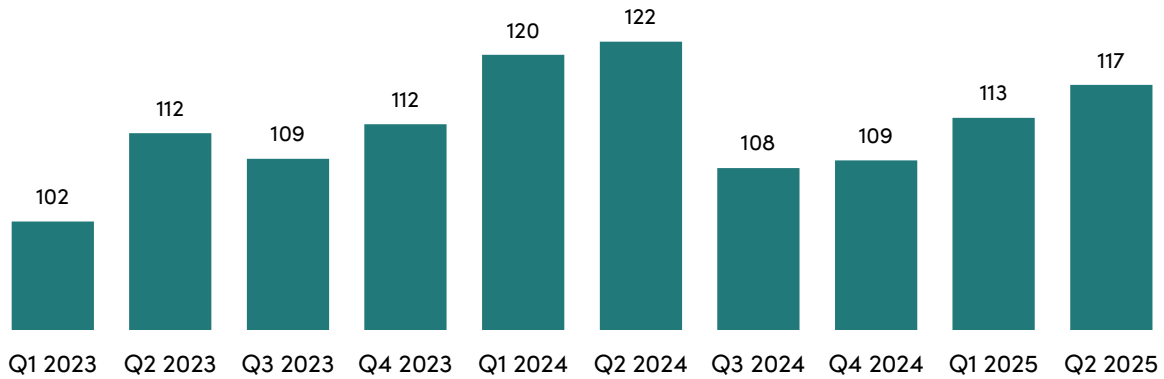
As detailed in Item 6.1 of the accompanying Appendix 4C, this Quarter the Company paid \$92k in relation to the CEO and the Executive Director remuneration and Directors' fees.

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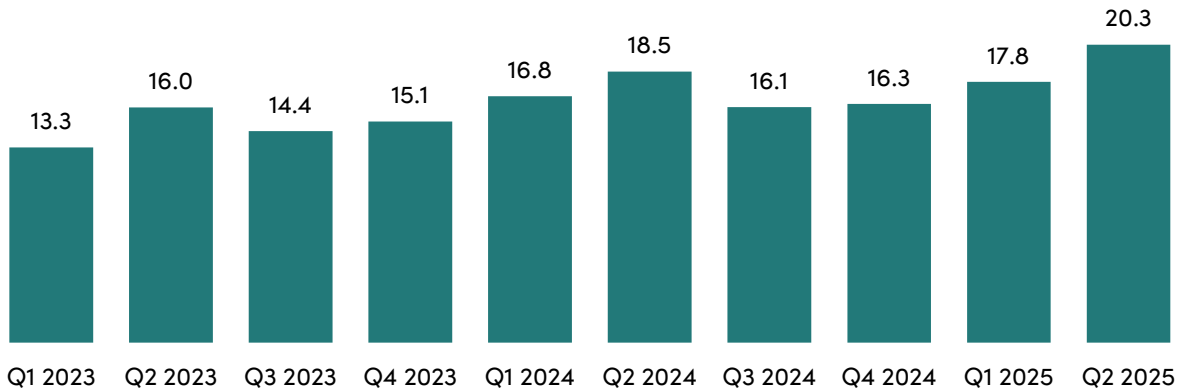
Key performance metrics for the Quarter

Group metrics

Group Bookings/transactions in 000s

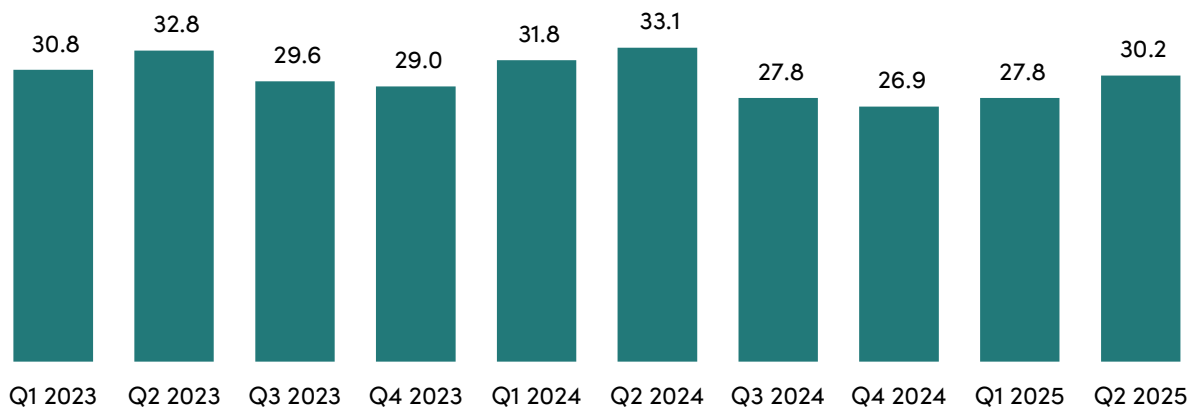


Group Gross Merchandise Value (GMV ¹) in \$ million



¹GMV is a non-IFRS measure, it represents the total value of transactions processed by All Mad Paws businesses, on a cash basis, before deducting pet service provider payments, cancellations and refunds, chargebacks, discounts and GST.

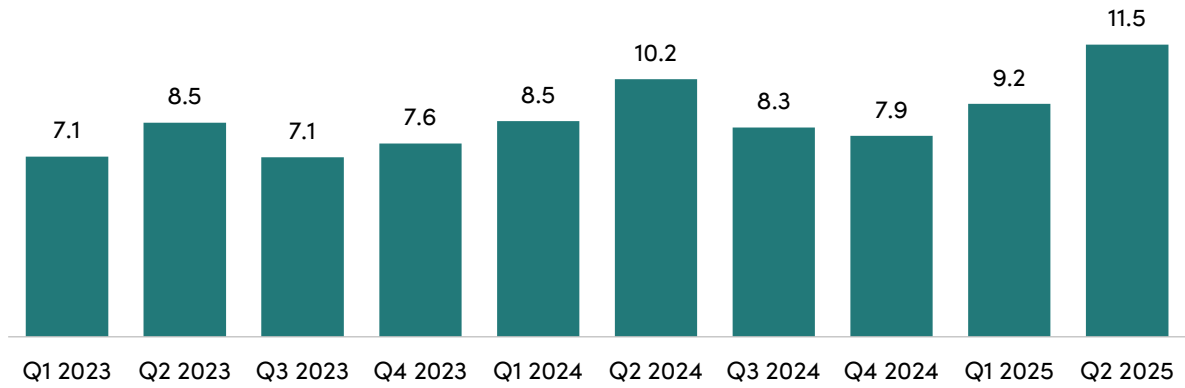
Group New customers in 000s



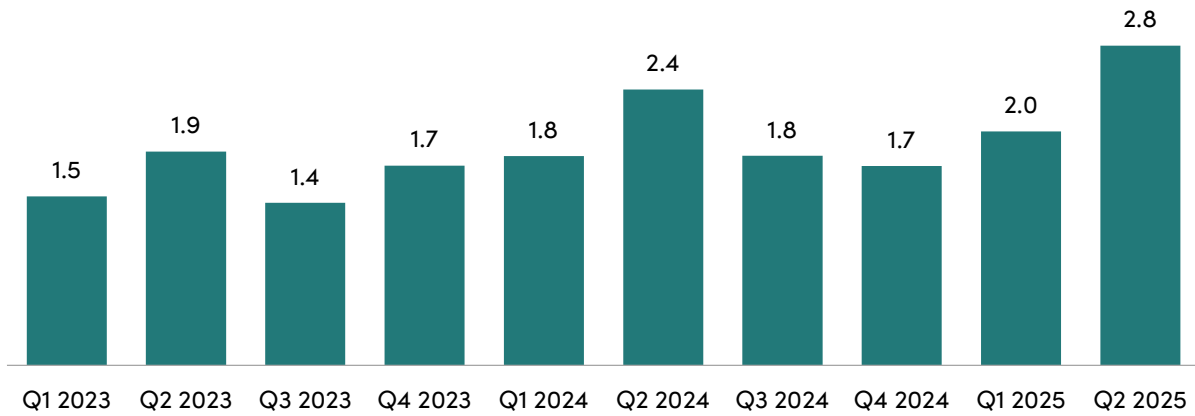
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Segment metrics

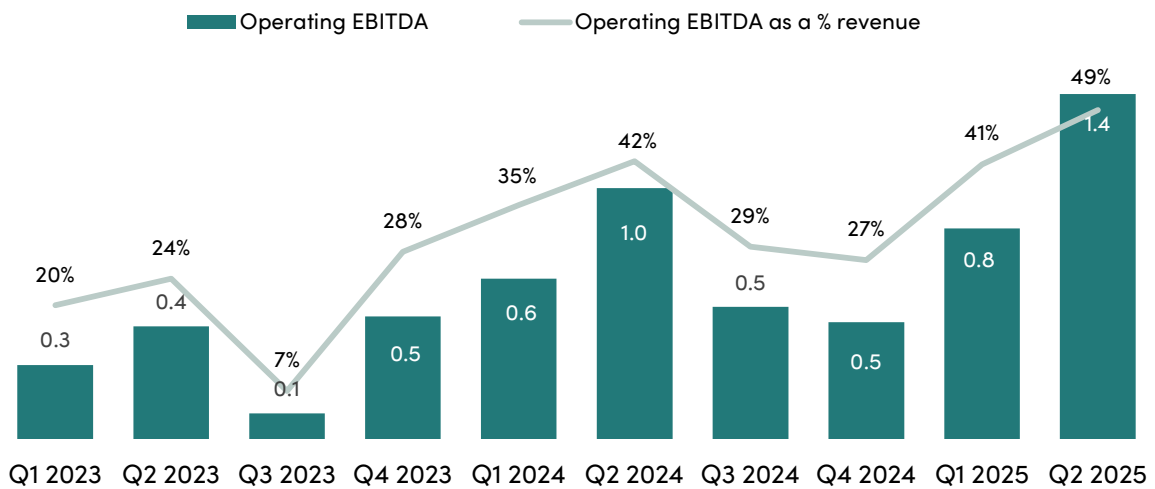
Marketplace GMV in \$ millions



Marketplace Revenue in \$ millions

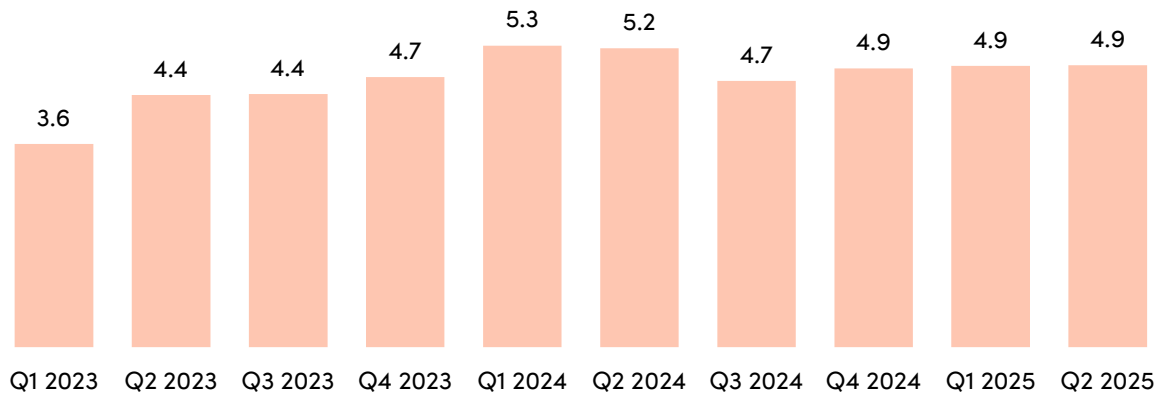


Marketplace Operating EBITDA in \$ millions

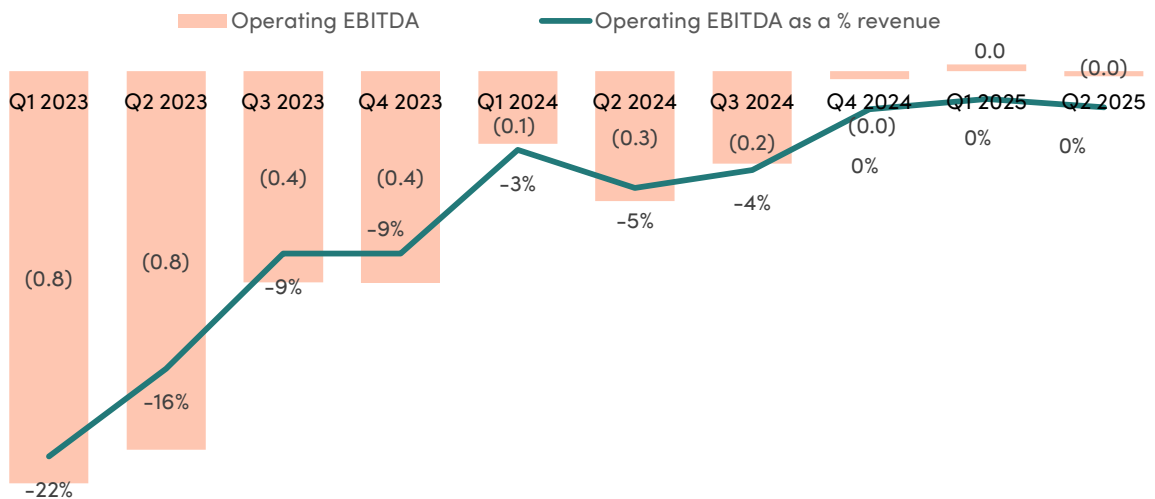


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Ecommerce revenue (Excluding closed Dinner bowl product lines) in \$ millions



Ecommerce Operating EBITDA in \$ millions



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

-ENDS-

CONTACTS

Mad Paws	
Justus Hammer , Chief Executive Officer	
Graham Mason , Chief Financial Officer	
Tel:	+61 2 8046 6536
E:	investors@madpaws.com.au

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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 Ecommerce 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, Dinner Bowl 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

Forward Looking Statements

This Announcement may contain forward-looking statements, including estimates, projections and other forward-looking information (**Estimates and Projections**). 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. The Estimates and Projections are based on information available to Mad Paws as at the date of the Announcement, are based upon management's current expectations, estimates, projections, assumptions and beliefs in regards to future events in respect to Mad Paws' business and the industry in which it operates which may in time prove to be false, inaccurate or incorrect. The Estimates and Projections are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subject to risk and uncertainties that might be out of control of Mad Paws and may cause actual results to differ from the Announcement. No representation, warranty, or guarantee, whether express or implied, is made or given by Mad Paws in relation to any Estimates and Projections, the accuracy, reliability or reasonableness of the assumptions on which the Estimates and Projections are based, or the process of formulating any Estimates and Projections, including that any Estimates and Projections contained in this Announcement will be achieved. Mad Paws takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

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
Cash EBITDA	Operational EBITDA excluding non-cash marketing contra used in the period	Cash EBITDA represents Operational EBITDA above with non-cash marketing contra added back
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
LTV	Lifetime Value	Lifetime Value = Customer Marketplace GMV after cancellations multiplied by take rate % excluding GST for the period from the point the customer was acquired. Lifetime value is taken for a period up to 7 years where the data is available for that cohort

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Appendix 4C

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

Name of entity

Mad Paws Holdings Limited

ABN

39 636 243 180

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	17,810	31,603
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(12,804)	(23,745)
(c) advertising and marketing	(1,146)	(2,394)
(d) leased assets	-	-
(e) staff costs	(1,570)	(3,383)
(f) administration and corporate costs	(472)	(991)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	(91)	(201)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,731	896

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(4)
(d) investments	-	-
(e) intellectual property	(132)	(293)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(133)	(297)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings / working capital	-	2,000
3.6	Repayment of borrowings	(153)	(636)
3.7	Transaction costs related to loans and borrowings	-	(102)
3.8	Dividends paid	-	-
3.9	Other Lease liabilities	(147)	(270)
3.10	Net cash from / (used in) financing activities	(300)	992

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,695	2,402
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,731	896
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(133)	(297)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(300)	992
4.5	Effect of movement in exchange rates on cash held	-	
4.6	Cash and cash equivalents at end of period	3,993	3,993

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	3,993	2,695
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)	3,993	2,695

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	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Payments in 6.1 relate to CEO, Executive Director remuneration and Director's fees in the quarter</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	2,000	2,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,000	2,000
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Loan facility details</p> <ul style="list-style-type: none"> The facility interest rate is pegged at BBSW plus 8.6975%, with a minimum rate of 12.00%. 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 PFG will be granted a first-ranking security interest over all assets of the Company and its subsidiaries. </div>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,731
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,993
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,993
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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>	
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	

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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

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.

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: 30 January 2025

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.

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