

Risk Factors Comparison 2024-03-20 to 2023-03-31 Form: 10-K

Legend: **New Text** ~~Removed Text~~ ~~Unchanged Text~~ **Moved Text Section**

Investing in Our business, prospects, operating results and financial condition could suffer materially, if any of the events or our developments described below were to occur **common stock involves a high degree of risk**. **The You should carefully consider the** risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10- K, including the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and our consolidated financial statements and related notes, before deciding to invest in our common stock. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe to be material. If any of the risks actually occur, our business, results of operations, financial condition and prospects could be harmed. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. Risk Factor Summary **Our business is subject to numerous risks and uncertainties, including those highlighted in this section titled “ Risk Factors ” and summarized below. We have various categories of risks, including risks relating to our business and industry, risks relating to information technology, intellectual property, cybersecurity and privacy, risks relating to legal, regulatory, accounting and tax matters, risks relating to our indebtedness and liquidity and risks relating to ownership of our common stock, which are discussed more fully below. This risk factor summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this section under the heading “ Risk Factors, ” as well as elsewhere in this Annual Report on Form 10- K. Additional risks, beyond those summarized below or discussed elsewhere in this Annual Report on Form 10- K, may apply to our business, activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. These risks include, but are not limited** the only ones we face. Additional risks and uncertainties not presently known to, **the following:** us or that we currently believe to be immaterial may also adversely affect our business. Summary of Principal Risk Factors • **The COVID-19 pandemic has materially adversely impacted and will continue to materially adversely impact our business- businesses -, and industries in which we operating operate results are highly competitive and financial condition we may be unable to compete successfully with our current or future competitors;** • ~~Our operating and financial results forecast relies in large part upon assumptions and analyses we developed. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our forecasted results;~~ • **We have incurred net losses in each year since inception . If we fail to manage certain risks and challenges as experienced significant fluctuations in our business evolves, we may not produce expected long- term benefits and this may adversely affect our business, operating results, which make it difficult and financial condition;** • **Online marketplaces for pet care services are still in relatively early stages of growth and if demand for them does not continue to forecast future- grow, grows slower than expected, or fails to grow as large as expected, our business, financial condition, and operating results -, such as could be materially adversely affected;** • **Our marketing efforts to help grow the business may not be effective;** • **We are substantially dependent on revenues from a small number of customers. The loss of our- or ability to achieve profitability decrease in revenue from any one of these customers would materially adversely affect our business, results of operations, and financial condition ;** • **If we fail to retain existing users Pet Caregivers and Pet Parents- or attract new Pet Caregivers and Pet Parents- users, or if users fail to receive high- quality offerings or fail to provide high- quality offerings , our business, operating results , and financial condition would be materially adversely affected ;** • **Any further and continued decline or disruption in the travel and pet care services industries or economic downturn would materially adversely affect our business, results of operations and financial condition ;** • **We face increasing competition in many aspects of our business-;** • **The business- Our fee structure is impacted by a number of factors and ultimately industry in which we participate are highly competitive and we may not be unable to compete successfully -- successful with our current or future competitors ;** **in attracting and retaining Pet Parents and Pet Caregivers;** • **Actions by Pet Caregivers or Pet Parents that are criminal, violent, inappropriate, or dangerous, or fraudulent activity, may undermine the safety or the perception of safety of our platform and materially adversely affect our reputation, business, operating results and financial conditions ;** • **If Pet Caregivers are reclassified as employees under applicable law or new laws are passed that reclassify causing the reclassification of Pet Caregivers as employees, our business would be materially adversely affected;** • **Our businesses-- business is subject to a variety of U. S. laws and regulations, many of which are unsettled subject to extensive domestic and foreign still developing and failure to comply with such laws and regulations could that may subject us to significant costs and compliance requirements- claims or otherwise adversely affect our business, financial condition, or operating results ;** • **We We have been subject to cybersecurity attacks in the past and may be the target of future attacks. Any actual subject to litigation risks and may face liabilities and damage to our- or professional perceived breach of security or cybersecurity incident or privacy or data protection breach or violation, including via cyberattacks, data breaches, hacks, ransomware attacks, data loss, unauthorized access to or use of data (including personal information) and other breaches of our information technology systems, could interrupt our operations, harm our brand, and adversely affect our reputation as a, business, financial condition, and operating result results ;** • **We primarily are subject to cybersecurity risks and changes to data protection regulation-;** • **We rely on third -parties to deliver services to users on our platform and any disruption of or interference with our use of such third party payment service services providers to process payments made by Pet Parents and payments made to Pet Caregivers on our- or software**

could adversely affect platform. If these third-party payment service providers become unavailable or we are subject to increased fees, our business, financial condition, and operating results ; • We depend on our highly skilled employees to grow and operate our business and if we are unable to hire, retain, manage, and motivate our employees, or if our new employees do not perform as anticipated, we may not be able to grow effectively and our business, financial condition, and operating results could be materially adversely affected ; • We depend on our highly skilled employees to grow and operate our business and if we are subject to risks related to hire, retain, manage, and motivate our employees, our dependency on our new employees do not perform key management members and other key personnel, as anticipated well as attracting, retaining we may not be able to grow effectively and developing qualified personnel in a highly competitive talent market our business, financial condition, and operating results could be materially adversely affected ; • We may not realize the anticipated benefits of The failure to successfully execute and integrate acquisitions could materially adversely affect our business acquisitions, and any acquisition, strategic relationship, joint venture or investment could disrupt our business and harm our operating results, and financial condition ; • If we are unable to manage our growth and expand our operations successfully, our reputation, brands, business and results of operations may be harmed ; • Failure to achieve and maintain effective disclosure controls and internal control over financial reporting could result in our failure to accurately or timely report our financial condition or results of operations which could have a material adverse effect on our business and stock price ; • The compliance obligations under the Sarbanes-Oxley Act require substantial financial and management resources ; • We may be subject to risks related to our status as an emerging growth company within the meaning of the Securities Act ; • Insiders currently have and may continue to possess substantial influence over us, which could limit our ability to affect the outcome of key transactions, including a change of control ; • The grant of registration rights to certain of our investors and the future exercise of such rights may adversely affect the market price of our common stock ; • Our management team has limited experience in operating a public company ; and • Because There can be no assurance that we will be able to have become a publicly traded company comply with by means other than a traditional underwritten initial public offering, our stockholders may face additional risks and uncertainties ; and • If we cannot continue continued to satisfy listing requirements and of other the rules of Nasdaq Global Market and failure to do so may result in our securities being may be delisted, which could negatively impact the price of our securities and your ability to sell them.

Risks Related to Our Business The COVID-19 pandemic have . Competitors may be able to provide users with a better or more complete experience, or respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or user requirements or preferences. Some of our competitors could adopt aspects of our business model, which could affect our ability to differentiate our offerings from competitors. Our industries may also experience significant consolidation or the entrance of new players. If our competitors are successful, we may face reduced demand for our platform and slower growth, which could materially adversely affect impacted and will continue to materially adversely impact our business, operating results, and financial condition. We believe The COVID-19 pandemic has materially adversely affected our ability to compete effectively depends upon operating results, business operations, results of operations, financial position, liquidity, and cash flows and may many factors both within continue to materially adversely impact our financial condition and prospects. The extent beyond our control, including the popularity, utility, ease of use, performance, and reliability of our offerings compared to the those impact of our competitors ; the pandemic prices of offerings and the fees we charge pet care providers and Pet Parents on our business platform ; our ability to attract and financial results will depend largely retain high quality Pet Caregivers ; the perceived safety of offerings on future developments our platform ; our ability, including and the emergence ability of our competitors, to develop new offerings ; variants both globally and within the United States, vaccination rates in various regions, the impact on capital, foreign currencies exchange and financial markets, governmental or our ability regulatory orders that impact our business, and whether the impacts may result in permanent changes to attract our end users' behavior, retain all of which are highly uncertain and cannot be predicted. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic that are not currently foreseeable, will materially adversely impact our business, operating results, financial condition and prospects motivate talented employees . We In response to the economic challenges and uncertainty resulting from the COVID-19 pandemic and its impact on our business, we have moved to a hybrid workplace setup in which employees have the voluntary option to go to the office. However there is no requirement for employees to go to the office at this time nor any plans for such a requirement in the immediate future. We are positioned to leverage technology for employees and teams to work from home and accomplish their work without going into the office. Our business could be adversely affected by natural disasters, public health crises, political crises, economic downturns or other unexpected events. A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt our operations, mobile networks, the Internet or the operations of our third-party technology providers. In particular, our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity. In addition, any public health crises, such as the COVID-19 pandemic, other epidemics, political crises, such as terrorist attacks, war and other political or social instability and other geopolitical developments, or other catastrophic events, whether in the United States or abroad, could adversely affect our operations or the economy as a whole. The impact of any natural disaster, act of terrorism or other

disruption to us or our third-party providers' abilities could result in decreased demand for our offerings, those of our third-party providers', or a delay in the provision of such offerings, which could adversely affect our business, financial condition and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. Our business and results of operations are also subject to global economic conditions, including any resulting effect on spending by us or our customers. If general economic conditions deteriorate in the United States, discretionary spending may decline and demand for premium pet offerings may be reduced. An economic downturn resulting in a prolonged recessionary period may have a further adverse effect on our revenue. Wag! has incurred net losses in each year since inception. **If we fail to manage certain risks** and experienced significant fluctuations in its **challenges as our business evolves, we may not produce expected long term benefits and this may adversely affect our business,** operating results, **and financial condition** which make it difficult to forecast future results, such as its ability to achieve profitability. We incurred net losses of \$ 18.13 million, **\$ 38.6 million, and \$ 6.3 million for the years ended** , and \$ 39 million in 2020, 2021 and 2022, respectively. As of December 31, **2023, 2022** , and 2021 , **respectively. As of December 31, 2023 and 2022** , we had an accumulated deficit of \$ **161.7 million and \$** 148.4 million and \$ 109.9 million, respectively. As a result of the COVID-19 pandemic, our monthly revenues declined rapidly after March 2020. Historically, we have invested significantly in efforts to grow our Pet Parent and Pet Caregiver network, introduced new or enhanced offerings and features, increased marketing spend, expanded operations, hired additional employees, and enhanced the platform. This focus may not be consistent with our short-term expectations and may not produce the long-term benefits expected. Our operating results have varied significantly and may continue to vary significantly and are not necessarily an indication of future performance. We experience seasonality in bookings based on numerous factors including holidays where we have experienced lower walking services requests on the platform, offset by higher sitting and boarding requests during these periods. In addition, our operating results may fluctuate as a result of a variety of other factors, some of which are beyond our control. As a result, we may not accurately forecast operating results. Moreover, we base our expense levels and investment plans on estimates for revenues that may turn out to be inaccurate and we may not be able to adjust our spending quickly enough if our revenue is less than expected, resulting in losses that exceed our expectations. If our assumptions regarding the risks and uncertainties that we use to plan our business are incorrect or change, or if we do not address these risks successfully, our operating results could differ materially from our expectations and our business, operating results, and financial condition could be materially adversely affected. Online marketplaces for pet care **services** are still in relatively early stages of growth and if demand for them does not continue to grow, grows slower than expected, or fails to grow as large as expected, our business, financial condition, and operating results could be materially adversely affected. Demand for booking pet care **services** through online marketplaces has grown rapidly since the 2015 launch of our platform, but such platforms are still relatively new and it is uncertain to what extent market acceptance will continue to grow, if at all. Our success will depend on the willingness of people to obtain pet care through platforms like our platform. If the public does not perceive these services as beneficial, or chooses not to adopt them, or instead adopts alternative solutions based on changes in our reputation for trust and safety, offering prices, availability of services, or other factors outside of our control, then the market for our platform may not further develop, may develop slower than we expect, or may not achieve the growth potential we expect, any of which could adversely affect our business, financial condition, and operating results ~~complemented by paid and organic search, social media, and other online advertising and infrequent television advertising.~~ Many of our marketing efforts to date have focused on amplifying and accelerating this word-of-mouth momentum and such efforts may not continue to be effective. Although we continue to rely significantly on word-of-mouth, organic search, and other unpaid channels, we believe that a significant amount of the growth in the number of Pet Parents and Pet Caregivers that use the platform also is attributable to our paid marketing initiatives. Marketing efforts include or have previously included referrals, affiliate programs, free or discount trials, partnerships, display advertising, billboards, radio, video, television, direct mail, social media, email, podcasts, hiring and classified advertisement websites, mobile "push" communications, search engine optimization, and paid keyword search campaigns. Even if we successfully increase revenues as a result of paid marketing efforts, we may not offset the additional marketing expenses incurred. If marketing efforts to help grow the business are not effective, we expect that our business, financial condition, and operating results may **be materially adversely affected. If we fail to retain existing Pet Caregivers or attract new Pet Caregivers, or if Pet Caregivers** . We are substantially dependent on revenues from a small number of customers ~~utilizing Wag! Wellness services and products~~. The loss of or decrease in revenue from any one of these customers ~~could~~ **would materially** adversely affect our business, results of operations, and financial condition. A small number of customers ~~account for~~ **make up** a significant **large** portion of our **total revenue revenues** , and dependence on revenue from a ~~relatively small number of customers makes relationships with each customer critically important to our business~~. For example, for the fiscal year ended December 31, ~~2022~~ **2023** , two customers ~~from Wag! Wellness~~ accounted for an aggregate of ~~27~~ **36** % of total ~~consolidated~~ revenues. Revenue from any major customer may decline or fluctuate significantly in the future. We may not be able to offset any decline in revenue from existing major customers, with revenue from new customers or other existing customers. Because of our reliance on a limited number of customers, any decrease in revenue from, or loss of, one or more of these customers could harm our business, operating results, financial condition, and cash flows. ~~Our marketing efforts~~ **If we fail to retain existing users** help grow the business may not be effective. Promoting awareness of our ~~or~~ platform is important to our ability to grow the business and to attract new Pet Parents and Pet Caregivers. Since inception, our user ~~users~~ , **or if users fail to receive high** base has grown in large part as a result of word- **quality offerings** of-mouth, complemented by paid and organic search, social media, and other online advertising and infrequent television advertising. ~~Many of our~~ **or marketing efforts to date have focused on.....** Pet Caregivers, or if Pet Caregivers fail to provide high-quality offerings, our business, operating results, and financial condition would be materially adversely affected. **The success of Wag! services depends on retaining existing Pet Parents and attracting new Pet Parents to use our platform, increasing the number of repeat bookings that Pet Parents make, and attracting them to different types of service offerings on our platform.** Our business

also depends on Pet Caregivers maintaining their use of our platform and engaging in practices that encourage Pet Parents to book their services. If **there is insufficient** Pet Caregivers do not establish or maintain enough availability **or demand**, the number of bookings declines for **services** a particular period, or Pet Caregiver pricing is unattractive or insufficient, revenues will decline and our business, operating results, and financial condition would be materially adversely affected. Pet Caregivers have a range of options for offering their services. They may advertise their offerings in multiple ways that may or may not include our platform. Some of our Pet Caregivers have chosen to cross-list their offerings, which **reduces** **may cause Pet Parents to book through the other** availability of such offerings on our platform **platforms or with other competitors**. When offerings are cross-listed, the price paid by Pet Parents on our platform may be or may appear to be less competitive for many reasons, including differences in fee structure and policies, which may cause Pet Parents to book through other platforms or with other competitors, which could materially adversely affect our business, operating results and financial condition. **Additionally Pet Parents have a range of options for meeting their pet care needs, including neighbors, family and friends, local independent operators, large, commercial providers such as kennels and day cares, other online aggregators and directories, and other digital marketplaces.** **Certain** Pet Parents reach out to our Pet Caregivers (and vice versa) and incentivize them to list or book directly with them and bypass our platform, which reduces the use of our platform **and could materially adversely affect**. Some Pet Caregivers may choose to stop offering services all together for a variety of reasons, including work obligations or **our health concerns** **business, operating results, and financial condition**. While we plan to continue to invest in our Pet Caregiver community and in tools to assist Pet Caregivers, including our technology and algorithms, these investments may not be successful in retaining existing Pet Caregivers or growing the number of Pet Caregivers and listings on our platform. **In addition, Pet Caregivers may not establish or wish to maintain listings if we cannot attract prospective Pet Parents to our platform and generate bookings from a large number of Pet Parents. If we are unable to retain existing Pet Caregivers or add new Pet Caregivers, or if Pet Caregivers elect to market their offerings directly, exclusively with a competitor, or cross-list with a competitor, our platform may be unable to offer a sufficient supply of on-demand services to attract Pet Parents to use our platform.** If we are unable to attract and retain individual Pet Caregivers **and Pet Parents** in a cost-effective manner, or at all, our business, operating results, and financial condition would be materially adversely affected. In addition, the number of bookings on our platform may decline as a result of a number of **other** factors affecting pet care providers, **some of which are outside our control**, including: the COVID-19 pandemic; Pet Caregivers booking on other third-party platforms as an alternative to offering on our platform; economic, social and political factors; Pet Caregivers not receiving timely and adequate support from us; perceptions of trust and safety on and off our platform; negative experiences with pets and Pet Parents, including pets who damage pet care provider property; our efforts or failure or perceived failure to comply with regulatory requirements; and our decision to remove Pet Caregivers from our platform for not adhering to our Community Guidelines or other factors we deem detrimental to our community. **If we fail to retain existing Pet Parents or add new Pet Parents, or if Pet Parents fail to receive high-quality offerings, our business, operating results, and financial condition would be materially adversely affected.** Our success depends significantly on retaining existing Pet Parents and attracting new Pet Parents to use our platform, increasing the number of repeat bookings that Pet Parents make, and attracting them to different types of service offerings on our platform. Pet Parents have a range of options for meeting their pet care needs, including neighbors, family and friends, local independent operators, large, commercial providers such as kennels and day cares, other online aggregators and directories, and other digital marketplaces. Our ability to attract and retain Pet Parents could be materially adversely affected by a number of factors, such as: Pet Caregivers failing to provide differentiated, high-quality and adequately available pet services at competitive prices; the fees we charge to Pet Parents for booking services; taxes; our failure to facilitate new or enhanced offerings or features that Pet Parents value; the performance of our platform; Pet Parents not receiving timely and adequate support from us; negative perceptions of the trust and safety of our platform; negative associations with, or reduced awareness of, our brand; declines and inefficiencies in our marketing efforts; our efforts or failure or perceived failure to comply with regulatory requirements; and our decision to remove Pet Parents from our platform for not adhering to our Community Guidelines or other factors we deem detrimental to our community. For incidents that occur during services booked through our platform, liable Pet Parents may be protected with up to \$1 million property damage protection, subject to applicable policy limitations and exclusions. While we intend to continue this property damage protection, if it discontinues this policy, whether because payouts under these policies or insurance premiums become cost prohibitive or for any other reason, then the number of Pet Parents who list with us may decline. Events beyond our control also may materially adversely impact our ability to attract and retain Pet Parents, including: the COVID-19 pandemic or other pandemics or health concerns; increased or continuing restrictions on travel and immigration; the impact of climate change on travel and seasonal destinations (such as fires, floods and other natural disasters); and macroeconomic and other conditions outside of our control affecting travel or business activities generally. In addition, if our platform is not easy to navigate, Pet Parents have an unsatisfactory sign-up, search, booking, or payment experience on our platform, the content provided on our platform is not displayed effectively, we are not effective in engaging Pet Parents, or fail to provide a user experience in a manner that meets rapidly changing demand, we could fail to attract and retain new Pet Parents and engage with existing Pet Parents, which could materially adversely affect our business, results of operations, and financial condition. Our fee structure is impacted by a number of factors and ultimately may not be successful in attracting and retaining Pet Parents and Pet Caregivers. Demand for our platform is highly sensitive to a range of factors, including the availability of services at times and prices appealing to Pet Parents, prices that Pet Caregivers set for their services, the level of potential earnings required to attract and retain Pet Caregivers, incentives paid to Pet Caregivers and the fees, and commissions we charge Pet Caregivers and Pet Parents. Many factors, including operating costs, legal and regulatory requirements, constraints or changes, and our current and future competitors' pricing and marketing strategies, could significantly affect our pricing strategies. Existing or future competitors offer, or may in the future offer, lower-priced or a broader range of offerings. Similarly, certain competitors may use marketing strategies that enable them to attract or retain Pet

Parents or Pet Caregivers at a lower cost than us. There can be no assurance that we will not be forced, through competition, regulation, or otherwise, to increase the incentives paid to Pet Parents that use the platform, reduce the fees and commissions charged Pet Caregivers and Pet Parents, or to increase marketing and other expenses to attract and retain Pet Parents and Pet Caregivers in response to competitive pressures. We have launched and may in the future launch, new fee or pricing strategies and initiatives or modify existing fee strategies, any of which may not ultimately be successful in attracting and retaining Pet Parents and Pet Caregivers. Further, Pet Parents' price sensitivity may vary by geographic location, and as we expand, our fee structure may not enable us to compete effectively in these locations. Any further and continued decline or disruption in the travel and pet care services industries or economic downturn would materially adversely affect our business, results of operations, and financial condition. Our financial performance is partially dependent on the strength of the travel and pet services industries. The COVID-19 pandemic caused many governments to implement quarantines and significant restrictions on travel or to advise that people remain at home where possible and avoid crowds, which has had a particularly negative impact on bookings for pet services. Global or regional health considerations, including the outbreak of another pandemic or contagious disease, such as COVID-19, have impacted and could continue to materially adversely impact our bookings and business. The extent and duration of such impact remains uncertain and is dependent on future developments that are difficult to predict accurately, such as the severity, transmission, and resurgence rate of COVID-19, vaccination rates and its effectiveness, the extent and effectiveness of containment actions taken, including mobility restrictions and the impact of these and other factors on travel or work behavior in general and on our business in particular. Other events beyond our control can result in declines in travel or continued hybrid work arrangements. Because these events or concerns and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel and work behavior by consumers and therefore demand for our platform and pet services, which would materially adversely affect our business, operating results, and financial condition. Our financial performance is also subject to global economic conditions and their impact on levels of discretionary consumer spending. Downturns in worldwide or regional economic conditions, such as the downturn resulting from the COVID-19 pandemic or volatility due to geopolitical instability, have led or could lead to a general decrease in travel and spending on pet care services and such downturns in the future may materially adversely impact demand for our platform. Such a shift in Pet Parent behavior would materially adversely affect our business, operating results, and financial condition. The business and industry in which we participate are highly competitive and we may be unable to compete successfully with our current or future competitors. We operate in a highly competitive environment and face significant competition in attracting Pet Caregivers and Pet Parents. Pet Parents have a range of options to find and book pet care offerings, both online and offline. We believe that our competitors include: • friends, family, and neighbors that Pet Parents go to for pet care within their personal networks; • local independent operators; • large, commercial providers such as kennels and daycares; • online aggregators and directories, such as Craigslist, Nextdoor, and Yelp; and • other digital marketplaces, such as Rover and the pet care offerings on Care.com. We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including: • the popularity and adoption of online marketplaces to obtain services from individual pet care providers; • the popularity, utility, ease of use, performance, and reliability of our offerings compared to those of our competitors; • our reputation and brand strength relative to our competitors; • the prices of offerings and the fees we charge pet care providers and Pet Parents on our platform; • our ability to attract and retain high quality Pet Caregivers; • the perceived safety of offerings on our platform • cancellation policies, and other health-related disruptions; • our ability, and the ability of our competitors, to develop new offerings; • our ability to establish and maintain relationships with partners; • changes mandated by, or that we elect to make, to address, legislation, regulatory authorities or litigation, including settlements, judgments, injunctions, and consent decrees; • our ability to attract, retain, and motivate talented employees; • our ability to raise additional capital; and • acquisitions or consolidation within our industry. Currently, our primary competition is from the friends, family, and neighbors to whom Pet Parents often turn for pet services within their personal networks. Current and potential competitors (including any new entrants into the market) may enjoy substantial competitive advantages over us, such as greater name recognition, longer operating histories, greater category share in certain markets, market-specific knowledge, established relationships with local Pet Parents and pet care providers and larger existing user bases in certain markets, more successful marketing capabilities, and substantially greater financial, technical, and other resources than we have. Competitors may be able to provide Pet Parents with a better or more complete experience and respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or Pet Caregiver and Pet Parent requirements or preferences. The pet care industry also may experience significant consolidation or the entrance of new players. Some of our competitors could adopt aspects of our business model, which could affect our ability to differentiate our offerings from competitors. Increased competition could result in reduced demand for our platform from Pet Caregivers and Pet Parents, slow our growth and materially adversely affect our business, operating results, and financial condition. Consolidation among our competitors could give them increased scale and may enhance their capacity, abilities, and resources and lower their cost structures. In addition, emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new offerings or technologies before we do. If we fail to retain existing Pet Caregivers or attract new Pet Caregivers, our business, operating results, and financial condition would be materially adversely affected. New offerings and initiatives can be costly and if we unsuccessfully pursue such offerings and initiatives, we may fail to grow and our business, operating results, financial condition, and prospects would be materially adversely affected. We **have and** plan **to continue** to invest in new offerings and initiatives to further differentiate the company from our competitors. Developing and delivering new offerings and initiatives increases our expenses and organizational complexity. We have and may continue to experience difficulties in developing and implementing these new offerings and initiatives. Our new offerings and initiatives have a high degree of risk, as they may involve unproven businesses with which we have limited or no prior development or operating experience. There can be no assurance that consumer demand for such offerings and initiatives will exist or be sustained at the levels that we anticipate, that we will be able

to successfully manage the development and delivery of such offerings and initiatives, or that any of these offerings or initiatives will gain sufficient market acceptance to generate sufficient revenues to offset associated expenses or liabilities. It is also possible that offerings developed by others will render our offerings and initiatives noncompetitive or obsolete. Even if we are successful in developing new offerings and initiatives, regulatory authorities may subject us or our **users** ~~pet care providers and Pet Parents~~ to new rules, taxes, or restrictions or more aggressively enforce existing rules, taxes, or restrictions, that could increase our expenses or prevent us from successfully commercializing these initiatives. If we do not realize the expected benefits of our investments, we may fail to grow and our business, operating results, and financial condition would be materially adversely affected. We rely on internet search engines to drive traffic to our platform to grow revenues and if we are unable to drive traffic cost-effectively, it would materially adversely affect our business, operating results, and financial condition. Our success depends in part on our ability to **generate revenue** ~~attract Pet Caregivers and Pet Parents~~ through unpaid internet search results on search engines, such as Google, Yahoo!, and Bing. The number of **users** ~~Pet Caregivers and Pet Parents~~ that we attract to our platform from search engines is due in large part to ~~how and where our website~~ **ranks** ~~rankings~~ in unpaid search results. These rankings can be affected by many factors, many of which are not under our direct control and may change frequently. As a result, links to our ~~website~~ **websites** or mobile applications may not be prominent enough to drive traffic ~~to our website~~ and we may not know how or otherwise be able to influence the results. In some instances, search engine companies may change these rankings in a way that promotes their own competing products or services or the products or services of one or more of our competitors. Search engines may also adopt a more aggressive auction-pricing system for paid search keywords that would cause us to incur higher advertising costs or reduce our market visibility ~~to prospective Pet Caregivers and Pet Parents~~. Any reduction in the number of **users** ~~Pet Caregivers and Pet Parents~~ directed to our platform could adversely affect our business, financial condition, and operating results. Further, we have used paid marketing products offered by search engines and social media platforms to distribute paid advertisements that drive traffic to our platform. A critical factor in attracting **users** ~~Pet Caregivers and Pet Parents~~ to our platform has been how prominently offerings are displayed in response to search queries for key search terms. **We may face** ~~The success of pet services logistics and our brand has at times led to~~ increased costs for relevant keywords as our competitors ~~competitively~~ bid on our keywords, including our brand name. However, we may not be successful at our efforts to drive traffic growth cost-effectively. If we are not able to effectively increase our traffic growth without increases in spend on paid marketing, we may need to increase our paid marketing spend in the future, including in response to increased spend on marketing from our competitors and our business, operating results, and financial condition could be materially adversely affected. Maintaining and enhancing our brand **and** reputation is critical to our growth and negative publicity could damage our brand ~~, thereby harming our ability to compete effectively~~ and could materially adversely affect our business, operating results, and financial condition. Trust in our brand is essential to the strength of our business. Maintaining and enhancing our brand **and** reputation is critical to our ability to attract **users** ~~Pet Caregivers, Pet Parents, and employees~~, **and** to compete effectively, ~~to preserve and deepen the engagement of our existing Pet Caregivers, Pet Parents, and employees, to maintain and improve our standing in the communities where our pet care providers operate, including our standing with community leaders and regulatory bodies, and to mitigate legislative or regulatory scrutiny, litigation, and government investigations~~. We are heavily dependent on the perceptions of **those** ~~Pet Caregivers and Pet Parents~~ who use our platform to help make word-of-mouth recommendations that contribute to our growth. Negative perception of our platform or company ~~may harm our reputation, brand, and~~ **and** local network effects, including as a result of: **• complaints or negative publicity about us, or negative experiences on our platform may harm our brand and reputation and could adversely affect our business, operating results, and financial condition. Any incident, whether actual or rumored to have occurred, involving the safety or security of pets, Pet Caregivers**, Pet Parents, Pet Caregivers, or our policies and guidelines; **• illegal, negligent, reckless, or otherwise inappropriate behavior by Pet Caregivers, Pet Parents, or third parties; • injuries or other members safety-related issues involving pets; • a pandemic or an outbreak of disease, such as the public COVID-19 pandemic, in which constituents of our network become infected; • a failure to facilitate a sufficient level of bookings or to enable a competitive level of earnings for pet care providers; • a failure to provide Pet Parents access to competitive pricing and quality; • a failure to provide access to a range of offerings options sought by Pet Parents; • fraudulent activity and transactions on** ~~;~~ **• actual or perceived disruptions or defects in our platform, such as site outages, payment disruptions, privacy or data security breaches, other security incidents, or other actual or perceived incidents that may impact the reliability of our services; • litigation over, or investigations by regulators into, our platform; • users' lack of awareness of, or compliance with, our policies; • changes to our policies that users or others perceive as overly restrictive, unclear, inconsistent with our values or mission, or not clearly articulated; • a failure to comply with legal, tax, and regulatory requirements; • a failure to enforce our policies in a manner that users perceive as effective, fair, and transparent; • a failure to operate our business in a way that is consistent with our values and mission; • inadequate or unsatisfactory user support experiences; • illegal or otherwise inappropriate behavior by our management team or other employees or contractors; • negative responses by Pet Parents or Pet Caregivers to new services on our platform; • a failure to register our trademarks and prevent or defend against misappropriation or third-party challenges to our existing or new trademarks; • negative perception of our treatment of employees, Pet Parents, Pet Caregivers, or of our response to employee, Pet Parents, and Pet Caregiver sentiment related to political or social causes or actions of management; or • any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry. Any incident, whether actual or rumored to have occurred, involving the safety or security of pets, Pet Caregivers, Pet Parents, or other members of the public, fraudulent transactions, or incidents that are mistakenly attributed to us and any media coverage **or social media posts** resulting therefrom, could create a negative public perception of our platform, which would adversely impact our ability to attract ~~Pet Caregivers and Pet Parents~~ **retain users**. The impact of these issues may be more pronounced if we are seen to have failed to provide prompt and appropriate support or our platform policies are perceived to be too permissive, too restrictive, or providing ~~Pet Caregivers~~**

or Pet Parents with unsatisfactory resolutions. We have been the subject of media reports, social media posts, blogs, and other forums that contain allegations about our business or activity on our platform that create negative publicity. As a result of these complaints and negative publicity, some Pet Caregivers have refrained from and may in the future refrain from, offering services through our platform and some Pet Parents have refrained from and may in the future refrain from using our platform, which could materially adversely affect our business, operating results, and financial condition. Our brand and reputation could also be harmed if we fail to comply with regulatory requirements as interpreted by certain governments or agencies or otherwise fails, or are perceived to fail, to act responsibly in a number of other areas, such as: animal welfare; safety and security; data security cybersecurity; privacy practices and data protection; provision of information about users and activities on our platform including as requested by certain governments or agencies; sustainability; advertising and social media endorsement regulation and guidance; human rights; diversity; non-discrimination; concerns relating to the "gig" economy; business practices; including those relating to our platform and offerings; strategic plans; business partners; employees; competition; litigation and response to regulatory activity; the environment; and local communities. Media, legislative or government scrutiny around our company relating to any of the above areas or others could cause backlash and could adversely affect our brand reputation with our Pet Caregivers, Pet Parents, and communities. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Any resulting damage to our brand reputation could materially adversely affect our business, operating results, and financial condition. In addition, we rely on users Pet Caregivers and Pet Parents to provide trustworthy reviews and ratings that others our Pet Caregivers or Pet Parents may rely upon to help decide whether or not to book utilize a particular offering or accept a particular booking and that we use to enforce quality standards. We rely on these reviews to further strengthen trust among members of our community. Our users Pet Caregivers and Pet Parents may be less likely to rely on reviews and ratings if they believe that our review system does not generate trustworthy reviews and ratings. We have procedures in place to combat fraud or abuse of our review system, but cannot guarantee that these procedures are or will be effective. In addition, if our Pet Parents do not leave reliable reviews and ratings, other potential Pet Caregivers or Pet Parents may disregard those reviews and ratings, and our systems that use reviews and ratings to make quality standards transparent would be less effective, which could reduce trust within our community and damage our brand and reputation and could materially adversely affect our business, operating results, and financial condition. Actions by Pet Caregivers or Pet Parents that are criminal, violent, inappropriate, or dangerous, or fraudulent activity, may undermine the safety or the perception of safety of our platform and our ability to attract and retain Pet Caregivers and Pet Parents and materially adversely affect our reputation, business, operating results, and financial condition. We have no control over or ability to predict the specific actions of our users and other third parties during the time that pets or Pet Parents or are with Pet Caregivers are receiving or providing services through or our otherwise platform and therefore, we cannot guarantee the safety of pets, Pet Caregivers, Pet Parents, and third parties. The actions of pets, Pet Caregivers, Pet Parents, and other third parties may have result resulted in pet fatalities and pet and human fatalities, injuries. While we have implemented measures to prevent, other harm, fraud, invasion of privacy, property damage, discrimination, and brand and reputational damage address these risks, which it is unlikely these measures will prevent these risks from occurring in the future. Such risks have created and could continue to create potential legal or other substantial liabilities for us, and may materially adversely affect our reputation, business, operating results, and financial condition. All new Pet Caregivers on our platform undergo a criminal background check conducted by a third-party background checks service provider before they can offer their services on our platform. U.S. The criminal background checks for Pet Caregivers are subject to a social security number and address trace and are other screening processes rely on, among other things, the third-party service providers to conduct such background checked checks against national-pursuant to applicable laws and our internal standards county criminal offense databases, sex offender registries, and certain global and domestic regulatory, terrorist and sanctions watch lists to disclose the relevant information to us that may affect Pet Caregiver eligibility. The failure to do so exposes us to liability. We do not verify the identity of or require background checks for Pet Parents, nor do we verify or require background checks for third parties who may be present during a service made through our platform. In addition, we do not currently and may not in the future require Pet Caregivers to re-verify their identity or undergo subsequent background checks following their successful completion of their initial screening process. Our In addition, we have not in the past and may not in the future undertake to independently verify the safety, suitability, location, quality, qualifications, credentials, and compliance with our policies or standards and legal compliance, of all our Pet Caregivers' offerings. We have not in the past and may not in the future undertake to independently verify the location, safety, or suitability of offerings for individual pets and Pet Parents. Where we have undertaken the verification or screening of certain aspects of Pet Caregiver qualifications and offerings, the scope of such processes may be limited and rely on, among other things, information provided by Pet Caregivers and our the ability to validate that information and the effectiveness of our internal teams or third-party service providers that support our verification processes may be limited. Certain verification processes, including legacy verification processes on which we previously relied, may be less reliable than others. These processes are beneficial but not exhaustive and have limitations. There can be no assurances that these measures will significantly reduce criminal or fraudulent activity on our platform. The criminal background checks for Pet Caregivers and other screening processes rely on, among other things, information provided by Pet Caregivers and Pet Parents, our ability to validate that information, the accuracy, completeness, and availability of the underlying information relating to criminal records, the digitization of certain records, the evolving regulatory landscape in this area, such as relating to data privacy, data protection, and criminal background screening, and on the effectiveness of third-party service providers that may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility. In addition, we have not in the past and may not in the future undertake to independently verify the safety, suitability, location, quality, and compliance with our policies or standards and legal compliance, of all our Pet Caregivers' offerings. We have not in the past and

may not in the future undertake to independently verify the location, safety, or suitability of offerings for individual pets and Pet Parents or the suitability, qualifications, or credentials of pet care providers. Where we have undertaken the verification or screening of certain aspects of Pet Caregiver qualifications and offerings, the scope of such processes may be limited and rely on, among other things, information provided by Pet Caregivers and the ability of our internal teams or third-party vendors to adequately conduct such verification or screening practices. ~~In addition, we have not in the past taken and may not in the future take steps to re-verify or re-screen Pet Caregiver qualifications or offerings following initial review.~~ We have in the past relied and may in the future rely on Pet Caregivers and Pet Parents to disclose information relating to their offerings and such information may be inaccurate or incomplete. We have created policies and standards to respond to **reported** issues ~~reported~~ with offerings, but certain offerings may pose heightened safety risks to individual users because those issues have not been reported to us or because our customer support team has not taken the requisite action based on our policies. We rely, at least in part, on reports of issues from Pet Caregivers and Pet Parents to investigate and enforce many of our policies and standards. In addition, our policies may not contemplate certain safety risks posed by offerings or by individual Pet Caregivers or Pet Parents or may not sufficiently address those risks. We also have faced ~~or and~~ may **in the future** face civil litigation, regulatory investigations, and inquiries involving allegations of, among other things, unsafe or unsuitable offerings, discriminatory policies, data processing, practices or behavior on and off our platform or by Pet Caregivers, Pet Parents, and third parties, general misrepresentations regarding the safety or accuracy of offerings on our platform, and other Pet Caregiver, Pet Parent, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent. While we recognize that we need to continue to build trust and invest in innovations that will support trust when it comes to our policies, tools, and procedures to protect Pet Caregivers, Pet Parents, and the communities in which our Pet Caregivers operate, we may not be successful in doing so. Similarly, offerings that are inaccurate, of a lower than expected quality, or that do not comply with our policies **have in the past and** may **in the future** harm Pet Parents and public perception of the quality and safety of offerings on our platform and materially adversely affect our reputation, business, operating results, and financial condition. If Pet Caregivers, Pet Parents, or third parties engage in criminal activity, misconduct, fraudulent, negligent, or inappropriate conduct, or use our platform as a conduit for criminal activity, Pet Parents may not consider our platform and the offerings on our platform safe and we may receive negative **media and social** media coverage, or be subject to involvement in a government investigation concerning such activity, which could adversely impact our brand reputation and lower the usage rate of our platform. We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful. We launched operations in 2015 and since then have frequently: (1) increased the number of local markets in which we offer services; (2) expanded our platform features and services; and (3) changed our fee structure. Because the market for accessing pet care is rapidly evolving and has not yet reached widespread adoption, it is difficult for us to predict our future operating results. We also have a limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. This limited operating history and our evolving business make it difficult to evaluate our prospects and the risks and challenges we may encounter. These risks and challenges include our ability to: • accurately forecast our revenues and plan our operating expenses; • increase the number of and retain existing Pet Parents and Pet Caregivers that use our platform; • successfully compete with current and future competitors; • provide our users with superior experiences; • successfully expand our business in existing markets and enter new markets and geographies; • anticipate and respond to macroeconomic changes and changes in the markets in which we operate; • maintain and enhance the value of our reputation and brand; • adapt to rapidly evolving trends in the ways service providers and consumers interact with technology; • avoid interruptions or disruptions in our service; • develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment of new features and services; • hire, integrate, and retain talented technology, marketing, customer service, and other personnel; • effectively manage rapid growth in our personnel and operations; and • effectively manage our costs. If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this “ Risk Factors ” section, our business, financial condition, and operating results could be materially adversely affected. If use of our platform in large metropolitan areas is negatively affected, our financial results and future prospects could be adversely impacted. We derive a significant portion of our **bookings revenue** and historically have generated a significant portion of our growth in more densely populated urban areas. Our business and financial results may be susceptible to economic, social and regulatory conditions, or other circumstances that tend to impact such areas. An economic downturn, increased competition, or regulatory obstacles in these areas could adversely affect our business, financial condition, and operating results to a much greater degree than would the occurrence of such events in other areas. Further, we expect that we will continue to face challenges in penetrating lower-density suburban and rural areas, where our network is smaller and finding local Pet Caregivers is more difficult, the cost of pet ownership is lower, and alternative Pet Caregivers may be more convenient. If we are not successful in penetrating suburban and rural areas, or if we are unable to operate in certain key metropolitan areas in the future, our ability to serve what we consider to be our **total addressable market (“ TAM ”)** would be limited and our business, financial condition, and operating results would suffer. ~~If we cannot successfully manage the unique challenges presented by international markets, we may not be successful in expanding our operations outside the United States.~~ Our strategy may include the expansion of our operations to international markets. Although some of our executive officers have experience in international business from prior positions, we have little experience with operations outside the United States. Our ability to successfully execute this strategy is affected by many of the same operational risks we face in expanding our U. S. operations. In addition, our international expansion may be adversely affected by our ability to attract local Pet Parents and Pet Caregivers to our platform, obtain and protect relevant trademarks, domain names, and other intellectual property, as well as by local laws and customs, legal and regulatory constraints, political and economic conditions, and currency regulations of the countries or regions in which we may intend to operate in the future. Risks inherent in expanding operations

internationally also include, among others, the costs and difficulties of managing international operations, adverse tax consequences, domestic and international tariffs, and trade policies and greater difficulty in securing and enforcing intellectual property rights. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected. In addition, international expansion may increase our risks in complying with various laws and standards, including with respect to anti-corruption, anti-bribery, export controls, privacy, and trade and economic sanctions. Any international operations involve additional risks, and our exposure to these risks may increase if as Wag! expands internationally. We may expand Any expansion of our operations internationally involves risk. Our platform is currently only available in English, including and we may many of the same operational risks we face have difficulty modifying its technology and content for use in expanding non-English-speaking markets or our U. S. operations fostering new communities in non-English-speaking markets. Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources, and is subject to unique the particular challenges of supporting, including growing a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems, foreign and commercial infrastructures. Furthermore, in most international markets, we would not be the first entrant, and competitors may be better positioned than we are to succeed. Expanding internationally may subject us to risks that we have either not faced before or increase our exposure to risks that we currently face, including risks associated with: • recruiting and retaining qualified, multi-lingual employees; • increased competition from local websites and guides and potential preferences by local populations for local providers; • providing solutions in different languages for different cultures, which may require that we modify our solutions and features to ensure that they are culturally relevant in different countries; • credit risk and higher levels of payment fraud; • currency rules exchange rate fluctuations; • foreign exchange controls that might prevent us from repatriating cash earned outside the United States; • political and regulations, economic instability in some countries; • double taxation of our international earnings and potentially adverse tax consequences due to, and commercial infrastructures, and changes challenges obtaining and protecting intellectual property rights. In addition, international expansion may increase our risks in the tax-complying with various laws and standards, including with respect to anti-corruption, anti-bribery, export controls, privacy, and trade and economic sanctions. Our business could be adversely affected by natural disasters, public health crises, political crises, economic downturns or other unexpected events. A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt our operations, mobile networks, the Internet or the operations of our third-party technology providers. In particular, our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity. In addition, any public health crises, such as the COVID- 19 pandemic, other epidemics, political crises, such as terrorist attacks, war and other political or social instability and other geopolitical developments, or other catastrophic events, whether in the United States or abroad, could adversely affect our operations or the economy as a whole. The impact of any natural disaster, act of terrorism or the other foreign jurisdictions disruption to us or our third-party providers' abilities could result in decreased demand for our offerings, those of our third-party providers, or a delay in the provision of such offerings, which could adversely affect our we operate; and • higher costs of doing-business internationally, financial condition and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. Other events beyond our control can result in declines in travel or continued hybrid work arrangements. Because these events or concerns and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel and work behavior by consumers and therefore demand for our platform and pet services, which would materially adversely affect our business, operating results, and financial condition. In response to the economic challenges and uncertainty resulting from the COVID- 19 pandemic and its impact on our business, we moved to a hybrid workplace setup in which employees have the voluntary option to go to the office. However there is no requirement for employees to go to the office every day at this time nor any plans for such a requirement in the immediate future. We are positioned to leverage technology for employees and teams to work from home and accomplish their work without going into the office. In addition, our business and results of operations are also subject to global economic conditions, including any resulting effect on spending by us or our customers. If general economic conditions deteriorate in the United States, discretionary spending may decline and demand for premium pet offerings may be reduced. Also, an economic downturn caused by factors outside of our control, including the COVID- 19 pandemic, has led or could lead to a general decrease in travel and spending on pet care services and such downturns in the future may materially adversely impact demand for our platform and our revenue. Such a shift in Pet Parent behavior would materially adversely affect our business, operating results, and financial condition. Risks Related to Regulation and Taxation If Pet Caregivers are reclassified as employees under applicable law or new laws are passed that reclassify Pet Caregivers as employees, our business would be materially adversely affected. We are subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings at the U. S. federal, state, and municipal levels challenging the classification of Pet Caregivers that use our platform as independent contractors. The tests regulations governing whether a service provider is an independent contractor or an employee vary by governing law and are typically highly fact sensitive. Laws and regulations that govern the status and classification of independent contractors are subject to changes and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us. As referenced above, we maintain that Pet Caregivers that use our platform are independent contractors. However, courts or regulatory authorities may nevertheless reclassify Pet Caregivers may be reclassified as employees, especially in light of the evolving rules and restrictions on service provider classification and their potential impact on participants in the "gig economy." A reclassification of service providers Pet Caregivers as employees would adversely affect our business, financial condition, and operating results, including as a result of: • monetary exposure arising from, or relating to failure to, withhold and remit

taxes (including with respect to the Pet Caregiver Issuance), unpaid wages and wage and hour laws and requirements (such as those pertaining to failure to pay minimum wage and overtime, or to provide required breaks and wage statements), expense reimbursement, statutory and punitive damages, penalties, and government fines; • injunctions prohibiting continuance of existing business practices; • claims for employee benefits (including equity incentives), social security, workers' compensation, and unemployment; • claims of discrimination, harassment, and retaliation under civil rights laws; • claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; • other claims, charges, or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability or agency liability; and • harm to our reputation and brand. In the United States, national, state, and local governmental authorities have enacted or pursued, and may in the future enact and pursue, measures designed to regulate the gig economy. For example, in 2019 the California Assembly passed AB- 5, which codified a narrow worker classification test that has had the effect of treating many "gig economy" workers as employees. AB- 5 now includes a referral agency exemption that specifically applies to animal services, dog walking, and grooming. While we believe that Pet Caregivers who use our platform fall within such exemption, the interpretation or enforcement of the exemption could change. In addition, other jurisdictions (including in international geographies where we may in the future offer our platform) could pursue similar laws that do not include such carve outs and which, if applied to our platform, could adversely impact our platform's availability and our business. In the past, we have been subject to claims by representatives of Pet Caregivers alleging various misclassification claims and wage and hour violations. These claims have been settled, but we may be subject to similar claims and legal proceedings in the future. In addition to the harms listed above, a reclassification of Pet Caregivers as employees would require us to significantly alter our existing business model and operations and impact our ability to add and retain Pet Caregivers to our platform and grow our business, which we would expect to have an adverse effect on our business, financial condition, and operating results. We are licensed to operate in regulated industries and if these licenses are revoked or suspended, our business may be materially adversely affected. We operate in regulated industries, including insurance, which require licenses to operate in the jurisdictions in which we operate. One of our subsidiaries is currently licensed as an insurance agency in 50 states and the District of Columbia. We cannot guarantee that it will be able to refer its **customers-users** to options for pet insurance nationwide in the near term or at all. Our ability to retain state licenses depends on our ability to meet licensing requirements enacted or promulgated in each state. If we are unable to satisfy the applicable licensing requirements of any particular state, we could lose our license to do business in such state, or have certain referral compensation agreements suspended or terminated, and may result in the suspension of our authority to receive commission compensation for the referral of such insurance business. If these licenses are revoked or suspended, our regulated business could be materially adversely affected and we may be forced to temporarily suspend operations in affected jurisdictions. This may require **our-us** to expend substantial resources or to discontinue certain services or platform features, which might further adversely affect our business. Any costs incurred to prevent or mitigate this potential liability could adversely affect our business, financial condition, and operating results. Similarly, one of our subsidiaries is licensed as a pharmacy in California. We cannot guarantee that it will be able to fulfill prescriptions for its customers in the near term or at all. Our ability to retain state licenses depends on our ability to meet licensing requirements enacted or promulgated in each state. If we are unable to satisfy the applicable licensing requirements of any particular state, we could lose our license to do business in such state. If such licenses are revoked or suspended, our regulated business could be materially adversely affected and we may be forced to temporarily suspend operations in affected jurisdictions. This may require us to expend substantial resources or to discontinue certain services or platform features, which could further adversely affect our business. Any costs incurred to prevent or mitigate this potential liability could adversely affect our business, financial condition, and operating results. Our business is subject to a variety of U. S. laws and regulations, many of which are unsettled and still developing and failure to comply with such laws and regulations could subject us to claims or otherwise adversely affect our business, financial condition, or operating results. Online marketplaces **offering pet care services** are a rapidly developing business model and are quickly evolving. We are or may become subject to a variety of laws in the United States and other jurisdictions. **Existing and future laws and regulations, or changes thereto, may impede the growth of the Internet, mobile devices, e-commerce, or other online services and increase the cost of providing online services, require us to change our business practices, or raise compliance costs or other costs of doing business.** Laws, regulations, and standards governing issues such as worker classification, labor and employment, anti-discrimination, animal safety, home-based pet care licensing and regulation, insurance producer licensing and market conduct, online payments, gratuities, pricing and commissions, subscription services, intellectual property, background checks, and tax are often complex and subject to varying interpretations, in many cases due to their lack of specificity. The scope and interpretation of these laws and whether they are applicable to us, are often uncertain and may be conflicting, including varying standards and interpretations among countries, between state or province and federal law, between individual states or provinces and even at the city and municipality level. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies. We have been proactively working with state and local governments and regulatory bodies to ensure that our platform is available broadly in the United States. Additionally, laws relating to the potential liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright, and trademark infringement and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, regulatory authorities in the United States at the federal and state level are considering a number of legislative and regulatory proposals concerning privacy, **artificial intelligence**, and other matters that may be applicable to our business. For more information regarding such privacy and **security-cybersecurity** laws and regulations, and the impact of such laws and regulations on our business, see "Risk Factors — Risks Related to Privacy and Technology — Changes in laws, regulations, or industry standards relating to privacy, data protection, or the

protection or transfer or processing of data relating to individuals, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations, including contractual obligations, relating to privacy, data protection, or the protection or transfer or processing of data relating to individuals, could adversely affect our business, results of operations and financial condition. ” It is also likely that if our business grows and evolves and our services are used in a greater number of geographies, we would become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws would be applied to our business and the new laws to which we may become subject. In the United States, money transmission is subject to various state and federal laws and the rules and regulations are enforced by multiple authorities and governing bodies, including numerous federal, state, and local agencies who may define money transmission differently. Outside of the United States, we would be subject to additional laws, rules, and regulations related to the provision of payments and financial services if we expand internationally. Expanding If we expand into new jurisdictions, will cause us to be subject to the foreign regulations and regulators governing those jurisdictions our business that we are subject to will expand as well. Noncompliance with such regulations may subject us to fines or other penalties in one or more jurisdictions levied by federal or state or local regulators, including state Attorneys General, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Recent financial, political, and other events may increase the level of regulatory scrutiny on larger companies, technology companies in general and companies engaged in dealings with independent service providers or otherwise viewed as part of the “ gig economy. ” Regulatory and administrative bodies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business, including by changing employment- related laws or by regulating or capping the commissions businesses like ours agree to with service providers or the fees that we may charge Pet Parents. Given our short operating history to- date and our licensed insurance subsidiary, and the rapid speed of growth of both, we are particularly vulnerable to regulators reviewing our practices and customer communications. As a result of any noncompliance with such requirements, regulators could impose fines, rebates or other penalties, including revocation or suspension of its licenses, and cease- and- desist orders for an individual state, or all states, until the identified noncompliance is rectified. In addition, regulatory scrutiny or action may create different or conflicting obligations on us from one jurisdiction to another, which creates additional challenges to managing our business. Our success, or perceived success, and increased visibility may also drive some businesses that perceive our business model as a threat to their services, or otherwise negatively, to raise their concerns to local policymakers and regulators. These businesses and their trade association groups or other organizations may take actions and employ significant resources to shape the legal and regulatory regimes in jurisdictions where Wag! may have, or seek to have, a market presence in an effort to change such legal and regulatory regimes in ways intended to adversely affect or impede our business and the ability of Pet Parents and service providers to use our platform. If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, including any future laws or regulations that we may not be able to anticipate at this time, we could may be materially adversely affected subject to claims and we may other legal and regulatory proceedings, fines, rebates, or other penalties, including suspension or revocation of licenses, criminal and civil proceedings, forfeiture of significant assets, cease- and- desist orders, and other enforcement actions or be forced to implement new measures to reduce our exposure to this liability. This, which may require us to expend substantial resources or to discontinue certain services or platform features, which would adversely affect our business. Any failure to comply with applicable laws and regulations could also subject us to claims and other legal and regulatory proceedings, fines, or other penalties, criminal and civil proceedings, forfeiture of significant assets, and other enforcement actions. In addition, the increased attention to liability issues as a result of lawsuits and legislative proposals could adversely affect our reputation or otherwise impact the growth of our business. Any costs incurred to prevent or mitigate this potential liability are also expected to adversely affect our business, financial condition, and operating results. Government regulation of the Internet, mobile devices and e- commerce is evolving and unfavorable changes could substantially adversely affect our business, financial condition, and operating results. We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet, mobile devices, and e- commerce that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth of the Internet, mobile devices, e- commerce, or other online services and increase the cost of providing online services, require us to change our business practices, or raise compliance costs or other costs of doing business. These regulations and laws, which continue to evolve, may address taxation, tariffs, privacy, data retention and protection, data security, pricing and commissions, content, copyrights, distribution, social media marketing, advertising practices, sweepstakes, mobile, electronic contracts and other communications, consumer protection, text messaging, Internet and mobile application access to our offerings and the characteristics and quality of online offerings, the provision of online payment services, and the characteristics and quality of services. For more information regarding such privacy and security laws and regulations, and the impact of such laws and regulations on our business, see “ Risk Factors — Risks Related to Privacy and Technology — Changes in laws, regulations, or industry standards relating to privacy, data protection, or the protection or transfer of data relating to individuals, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations, including contractual obligations, relating to privacy, data protection, or the protection or transfer of data relating to individuals, could adversely affect our business. ” It is not clear how existing laws governing issues such as property ownership, sales, use and other taxes, libel, and personal privacy apply to the Internet and e- commerce. In addition, if we expand internationally, it is possible that foreign government entities may seek to censor content available on our mobile applications or website or may even attempt to block access to our mobile applications and website. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and brand, a loss in business and proceedings, or actions against us by governmental entities or others, which

~~could adversely affect our business, financial condition, and operating results.~~ We are subject to regulatory inquiries, claims, lawsuits, government investigations, and various proceedings and other disputes, and may face potential liability and expenses for legal claims, which could materially adversely affect our **reputation**, business, operating results, and financial condition. We are or may become subject to claims, lawsuits, arbitration proceedings, government investigations, and other legal, regulatory, and administrative proceedings, including those involving pet injury, **pet and human fatalities**, personal injury, property damage, worker classification, pay model, **service fees and gratuities, cancellations and refunds**, labor and employment, unemployment insurance benefits, workers' compensation, anti-discrimination, commercial disputes, competition, Pet Caregiver and Pet Parent complaints, intellectual property disputes, compliance with regulatory requirements, **data security cybersecurity**, advertising practices, tax issues, **the nature and frequency of our communications, including marketing, via email, text, or telephone**, and other matters. We may become subject to additional types of claims, lawsuits, government investigations, and legal or regulatory proceedings as our business grows and as it deploys new services. Results of investigations, inquiries, and related governmental action are inherently unpredictable and, as such, there is always the risk of an investigation, or inquiry having a material impact on our business, financial condition, and operating results, particularly if an investigation, or inquiry results in a lawsuit or unfavorable regulatory enforcement or other action. Any claims against us, whether meritorious or not, could be time-consuming and can have an adverse impact on us in light of the costs associated with cooperating with, or defending against, such matters and the diversion of management resources and other factors. Determining reserves for our pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines, and penalties that could adversely affect our business, financial condition, and operating results. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions, or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition, and operating results. Further, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers increase in our litigation costs and exposure. Additionally, we permit certain users of our platform to opt out of such provisions, which could also cause an increase in our litigation costs and exposure. Further, with the potential for conflicting rules regarding the scope and enforceability of arbitration and class action waivers on a state-by-state basis, as well as between state and federal law, there is a risk that some or all of our arbitration provisions may in the future need to be revised to exempt certain categories of protection. If these provisions were found to be unenforceable, in whole or in part, or specific claims are required to be exempted, we could experience an increase in our costs to litigate disputes and the . We are subject to claims, lawsuits, and other legal proceedings seeking to hold us vicariously liable for the actions of pets, Pet Parents, and Pet Caregivers. We are subject to claims, lawsuits, and other legal proceedings seeking to hold us vicariously liable for the actions of pets, Pet Parents, and Pet Caregivers. In the ordinary course of business, our customer service team receives claims pursuant to the Customer Claims Policy. Claims and threats of legal action that arise from pet sitting services booked through our website or applications may be sent directly to our legal department or may be received by our customer service team. Various parties have from time to time claimed and may claim in the future, that we are liable for damages related to accidents or other incidents involving pets, Pet Parents, Pet Caregivers, and third parties. For example, third parties have asserted legal claims against us in connection with personal injuries related to pet or human safety issues or accidents caused by Pet Caregivers or animals. We have incurred expenses to settle personal injury claims, which ~~it we~~ sometimes ~~chooses~~ **choose** to settle for reasons including customer goodwill, expediency, protection of our reputation, and to prevent the uncertainty of litigating, and it expects that such expenses will continue to increase as our business grows and we face increasing public scrutiny. We currently are named as a defendant in a number of matters related to accidents or other incidents involving users of our platform, pets, or third parties. Pending or threatened legal proceedings could have a material impact on our business, financial condition, or operating results. Regardless of the outcome of any legal proceeding, any injuries to, or deaths of, any Pet Parents, Pet Caregivers, animals, or third parties could result in negative publicity and harm to our brand, reputation, business, financial condition, and operating results. Reports, whether true or not, of animal-borne illnesses and injuries caused by pet care or unsanitary handling, cleaning, or grooming or other pet services incidents have led to potential legal claims against and severely injured the reputations of, participants in the pet services business and could do so in the future as well. In addition, reports of animal-borne illnesses or other safety issues occurring solely at competitors that are not on our platform, could, as a result of negative publicity about the pet services industry generally, adversely affect our business, financial condition, and operating results. We ~~also face potential~~ **may have exposure to greater-than-anticipated tax liability liabilities, which may materially and expense adversely affect our business, financial condition, and operating results.** We are subject to income taxes and non-income taxes in various U. S. jurisdictions, and such tax laws and rates vary by jurisdiction. We are subject to review and audit by U. S. federal, state and local tax authorities. Such tax authorities may disagree with tax positions we take, and if any such tax authority were to successfully challenge any such position, our financial results and operations could be materially and adversely affected. In particular, such tax authorities may raise questions about, ~~for or claims authorities may raise questions about, or~~ challenge or disagree with, our calculation, reporting, or collection of taxes and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest and could impose associated penalties and fees. Further, even **in jurisdictions** where we are collecting taxes and remitting ~~them~~ **such taxes** to the appropriate authorities, we **have failed and in the future** may fail to accurately calculate, collect, report, and remit such taxes. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including **class taxes on past sales**, collective and other representative actions, ~~by or relating to Pet Caregivers regarding,~~ among other things, the classification of Pet Caregivers that use our platform as well as **penalties and interest** our caregiver pay

model, could including claims regarding disclosures--- discourage it makes with respect to sales tax, service fees, and gratuities, the process of signing up to become a Pet Parents Caregiver, including the background check process and the nature and frequency of our communications to Pet Caregivers from utilizing via email, text, or our telephone offerings, or could otherwise harm our business, financial condition, and operating results. We are currently subject to audits by taxing authorities and other forms of investigation, audit, or inquiry conducted by federal, state, or local governmental agencies. We are also subject to routine IRS audits face potential liability and expense for claims-, including those class actions, relating to, among other things, its caregiver pay model, including claims regarding disclosures we make with respect to sales- the Consolidated Financial Statements included in Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K. New tax laws-, service fees and gratuities, the services we facilitate, discrepancies between the information on our- or regulations website and mobile applications, the experience of Pet Parents and Pet Caregivers, and the nature and frequency of our marketing communications via email, text, or telephone. For additional information, please see “Information About Wag! — Legal Proceedings.” In addition, we face potential claims and litigation relating to possible pet and human fatalities, injuries, other violent acts, illness (including COVID-19), cancellations and refunds, property damage, motor vehicle accidents, and privacy or data protection violations that occurred during a service booked on our platform. We could face additional litigation and government inquiries and fines relating to our business practices, cancellations, and other consequences due to natural disasters or other unforeseen events beyond our control such as wars, regional hostilities, health concerns, including epidemics and pandemics such as COVID-19, or law enforcement demands and other regulatory actions. We may be enacted at impacted by costly or burdensome arbitration and....., either of which could cause an any increase in our litigation costs and exposure..... our costs to litigate disputes and the time involved in resolving such disputes and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business -, operations and financial performance condition, and operating results. Further, existing tax We are subject to various U. S. anti-corruption laws and other anti-bribery and anti-kickback laws and regulations could be interpreted -. We are subject to anti-corruption, modified or applied adversely to anti-bribery, and anti-money laundering laws in the jurisdictions in which we do business. These laws generally prohibit us and our employees from improperly influencing government officials or commercial parties in order to obtain or retain business, direct business to any person, or gain any improper advantage. Applicable anti-bribery and anti-corruption laws also may hold us liable for acts of corruption and bribery committed by our third-party business partners, representatives, and agents who are acting on our behalf. We and our third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries and its employees, representatives, contractors, and agents, even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure that our employees and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible and our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions. Any violation of applicable anti-bribery, anti-corruption, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U. S. government contracts, substantial diversion of management’s attention, a drop in our stock price, or overall adverse consequences to our business, all of which may have an adverse effect on our reputation, business, financial condition, and operating results. Taxing authorities may successfully assert that we have not properly collected, or in the future should collect, sales and use, gross receipts, value added, or similar taxes and may successfully impose additional obligations on us and any such assessments, obligations, or inaccuracies could adversely affect our business, financial condition, and operating results. The application of non-income, or indirect, taxes, such as sales and use tax, value-added tax, goods and services tax, business tax, and gross receipt tax, to businesses like ours is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. In addition, governments are increasingly looking..... Wag! — Legal Proceedings”. As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may adversely affect our operating results in future periods in which we change our estimate of tax obligations or in which the ultimate tax outcome is determined. We may have exposure to greater than anticipated tax liabilities. We are subject to income taxes in the United States. Our effective tax rate could be materially adversely affected by changes in the mix of earnings and losses in jurisdictions with differing statutory tax rates, changes in tax laws, tax treaties, and regulations or the interpretation of them, certain non-deductible expenses, and the valuation of deferred tax assets. Increases in our effective tax rate would reduce profitability or increase losses. Many of the underlying laws, rules and regulations imposing taxes and other obligations were established before the growth of the Internet and e-commerce. Taxing authorities in various jurisdictions are currently reviewing the appropriate treatment of companies engaged in Internet commerce and may make changes to existing tax or other laws that could result in additional taxes relating to our activities, and /or impose obligations on us to collect such taxes. New tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified or applied adversely to us. We have been subject to examination and

may be subject to examination in the future, by federal, state, and local tax authorities on income, employment, sales, and other tax matters. While we regularly assesses the likelihood of adverse outcomes from such examinations and the adequacy of our provision for taxes, there can be no assurance that such provision is sufficient and that a determination by a tax authority would not have an adverse effect on our business, financial condition, and operating results. Certain risks relating to employment taxes and sales taxes are described in more detail under “If Pet Caregivers are reclassified as employees under applicable law, our business would be materially adversely affected.” If Pet Caregivers are reclassified as employees under federal or state law, our business would be materially adversely affected. Taxing authorities may successfully assert that we have not properly collected, or in the future should collect, sales and use, gross receipts, value added, or similar taxes and may successfully impose additional obligations on us and any such assessments, obligations, or inaccuracies could adversely affect our business, financial condition, and operating results. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. As of December 31, 2022-2023, the Company had U. S. federal and state net operating loss carryforwards of approximately \$ 209-222. 9 million and \$ 178-186. 3 million, respectively. The federal net operating loss carryforwards generated as of December 31, 2017 of \$ 24. 4 million will expire in 2037, while \$ 184-198. 6-4 million federal net operating loss carryforwards generated in post December 31, 2017 or later do not expire due to the provisions in the Tax Cuts and Jobs Act (“ JOBS Act ”), but may only offset 80 % of taxable income in periods of future utilization. The state net operating loss carryovers will begin to expire in 2038 and will continue to expire through 2042. It is possible that we will not generate taxable income in time to use NOLs before their expiration, or at all. **We have incurred net losses since inception.** Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ ownership change,” **generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three- year period,** the corporation’s ability to use its pre- change **net operating loss, or NOLs- NOL, carryforwards** and certain other tax attributes to offset its post- change taxable income may be limited. In general, an “ ownership change ” will occur if there is a **cumulative change in our ownership by “ 5 percent stockholders ”** that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. We have, ~~in the past,~~ **experienced ownership changes in the past**, and if we **may** experience **additional one or more ownership changes in the future** as a result of future transactions **subsequent changes** in our stock **ownership. Accordingly, we** our ability to use NOLs to reduce future taxable income and liabilities may **not** be subject **able** to **utilize** annual limitations as a result **material portion** of prior ownership changes and ownership changes that may occur **our** in the future, including as a result of this offering. **NOLs- NOL carryforwards and certain other** arising in taxable years ending after December 31, 2017 can be carried forward indefinitely, but NOLs generated in tax **attributes** years ending before January 1, 2018 will continue to have a two- year carryback and 20- year carryforward period. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. As we maintain a full valuation allowance against our U. S. NOLs, these changes will not impact our balance sheet as of December 31, 2022 or results of operations. Under the legislation commonly referred to as the Tax Cuts and Jobs Act of 2017, or the Tax Act, as amended by the Coronavirus Aid, Relief and Economic Security Act (the “ CARES Act ”), net operating losses incurred in taxable years that began after December 31, 2017 may offset 100 % of current year taxable income in 2018, 2019, and 2020 taxable years and limited to 80 % for tax years after December 31, 2020. There is also a risk that our existing net operating losses or tax credits could expire or otherwise be unavailable to offset future income tax liabilities, either as the result of regulatory changes issued, possibly with retroactive effect, by various jurisdictions seeking to raise revenue to help counter the fiscal impact of the COVID- 19 pandemic, or for other unforeseen reasons. A temporary suspension of the use of certain net operating losses and tax credits has been **even if we achieve profitability** enacted in California and other states may enact suspensions as well. Risks Related to Our Indebtedness A definitive financing agreement with Blue Torch is secured by substantially all of our assets and the assets of our subsidiaries, and in the occurrence of a default, Blue Torch may be able to foreclose on all or some of these assets which would materially harm our business, financial condition and results of operations. We entered into a definitive financing agreement with Blue Torch Finance, LLC (“ Blue Torch ”) for a senior secured **loan credit facility** in the amount of \$ 32. 472 million **(the “ Financing Agreement ”)** in connection with the closing of the **merger by and among Wag Labs, Inc. (“ Legacy Wag! ”), CHW Acquisition Corp., and CHW Merger Sub Inc., on August 9, 2022 (“ Business Combination (the “ Credit Facility ”).** See Note 1, Organization and Description of Business, to the Consolidated Financial Statements below for a further description of the Business Combination. **(the “ Financing Agreement ”).** The **Credit Facility Financing Agreement** is secured by substantially all of our assets and the assets of our subsidiaries (collectively, the “ Credit Parties ”), including the Credit Parties’ intellectual property and equity interests in the Credit Parties’ subsidiaries, subject to customary exceptions. Additionally, the definitive documentation for the **Credit Facility Financing Agreement** states that if the Credit Parties default on their payment or performance obligations in respect of the **Credit Facility loan or fail to maintain certain levels of minimum revenue and minimum liquidity**. Blue Torch will be able to foreclose on all or some of the Credit Parties’ assets that are collateral for the **Credit Facility Financing Agreement**, which would materially harm the Credit Parties’ business, financial condition and results of operations and our securities could be rendered worthless. The pledge of **In addition, these -- the assets and other restrictions contained in the definitive financing Financing** documentation **Agreement includes cross- default for-- or cross- acceleration provisions that could result** the Credit Facility may also limit the Credit Parties’ flexibility in raising capital **the loan being accelerated and / for-- or other purposes terminated if an event of default or acceleration of maturity occurs under our PPP loan**. Because substantially all of the Credit Parties’ assets **will be have been** pledged to secure the **Credit Facility Financing Agreement**, the Credit Parties’ ability to incur additional secured or unsecured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on the Credit Parties’ financial flexibility. See **For more information about the these** section entitled “ **and other financing arrangements, see Part II, Item 7, Management’s Discussion and Analysis of**

Financial Condition and Results of Operations — Liquidity and Capital Resources , of — Debt” located elsewhere in this Annual Report on Form 10-K. Our debt obligations could materially and adversely affect our business, financial condition, results of operations, and prospects **and our ability to meet our payment obligations under our Financing Agreement depends on our ability to generate significant cash flows. We cannot assure you that we will be able to generate sufficient cash flow or obtain external financing on terms acceptable to us or at all**. We have incurred in the past, and may incur in the future, debt to finance our operations, capital investments, and business acquisitions, and to restructure our capital structure. **We may be** Our debt obligations could materially and adversely impact us. For example, these obligations could: • require **required us** to use a large portion of our cash flow to pay principal and interest on debt, which will reduce the amount of cash flow available to fund working capital, capital expenditures, acquisitions, research and development, or R & D, expenditures and other business activities; • result, and may in certain of **turn adversely impact** our ability to implement other business strategies. Our debt obligations may instruments being accelerated to be immediately due and payable or being deemed to be in default if certain terms of default are triggered, such as applicable cross-default and / or cross-acceleration provisions; • limit our future ability to raise funds for capital expenditures, strategic acquisitions or business opportunities, R & D and other general corporate requirements; • restrict our ability to incur specified indebtedness, create or incur certain liens and enter into sale-leaseback financing transactions; • increase our vulnerability to adverse economic and industry conditions; and • increase our exposure to interest rate risk from variable rate indebtedness. Our Credit Facility with Blue Torch contains covenants, including requirements to maintain certain levels of minimum revenue and minimum liquidity, restrictions on restricted payments and other customary debt covenants. A breach of the covenants can result in an event of default under the Credit Facility and as such allow Blue Torch to pursue certain remedies. In addition, the Credit Facility includes cross-default or cross-acceleration provisions that could result in the Credit Facility being accelerated and / or terminated if an event of default or acceleration of maturity occurs under any of our other indebtedness. For more information about these and other financing arrangements, see “Wag!’s Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.” Our ability to comply with these provisions may be affected by events beyond our control, and if we are unable to meet or maintain the necessary covenant requirements or satisfy, or obtain waivers for, the continuing covenants and other performance obligations contained in the Credit Facility, we may lose the ability to borrow under all of our debt facilities, which could materially and adversely affect our business. Our ability to meet our payment obligations under our debt facilities depends on our ability, including a principal amount of \$ 32 million of obligations to Blue Torch generate significant cash flows or obtain external financing in the future. We cannot assure you that **matures in August 2025**, we will be able to generate sufficient cash flow or obtain external financing on terms acceptable to us or at all. Our ability to meet our payment obligations under our debt facilities depends on our ability to generate significant cash flows or obtain external financing in the future. This ability, to some extent, is subject to market, economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. There can be no assurance that our business will generate cash flow from operations, or that additional capital will be available to us, in amounts sufficient to enable us to meet our debt payment obligations and to fund other liquidity needs. If we are unable to generate sufficient cash flows to service our debt payment obligations, we may need to refinance or restructure our debt, sell assets, **issue stock**, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may be unable to meet our debt payment obligations, which could materially and adversely affect our business, financial condition, results of operations, and prospects. Our ability to refinance existing debt and borrow additional funds is affected by a variety of factors, including: • limitations imposed on us under existing and future debt facilities that contain restrictive covenants and borrowing conditions that may limit our ability to raise additional debt; • a decline in liquidity in the credit markets, including due to the COVID-19 pandemic; • volatility in our business; • prevailing interest rates; • the financial strength of the lenders from whom we borrow; • the decision of lenders from whom we borrow to reduce their exposure to our industry due to global economic conditions, or a change in such lenders’ strategic plan, future lines of business, the COVID-19 pandemic, or otherwise; • the amount of eligible collateral pledged on debt facilities, which may be less than the borrowing capacity of these facilities; • more stringent financial covenants in such refinanced facilities, which we may not be able to achieve; and • accounting changes that impact calculations of covenants in our debt facilities. If the refinancing or borrowing guidelines become more stringent and such changes result in increased costs to comply or **decreased loan production volume if we are unable to implement one or more of these alternatives**, such changes we may be unable to meet our debt payment obligations, which could materially and adversely affect our business, financial condition, results of operations, and prospects. We have been subject to attempted cybersecurity attacks in the past and may be the target of future attacks. Any actual or perceived breach of security or security-cybersecurity incident or privacy or data protection breach or violation, including via cyberattacks, data breaches, hacks, ransomware attacks, data loss, unauthorized access to or use of data (including personal information) and other breaches of **its our** information technology systems, could interrupt our operations, harm our brand, and adversely affect our reputation, business, financial condition, and operating results. Our business involves the collection, storage, processing, and transmission of personal information and other sensitive and proprietary data of Pet Parents and Pet Caregivers. Additionally, we maintain sensitive and proprietary information relating to our business, such as our own proprietary information, other confidential information, and personal information relating to individuals such as our employees. **Given** An increasing number of organizations have disclosed breaches of their -- **the nature of the** information security systems we use and store, we may experience cyberattacks, hacks, ransomware attacks, data loss, unauthorized access to or use of data (including personal information) or other information data security incidents, some of which have involved sophisticated and highly targeted attacks. Given the nature of the information we use and store, third parties may seek to gain unauthorized access to such information, and thus the secure maintenance of this information is critical to our business and reputation. **The breach, disruption or failure of our security measures has in the past and may in the future result in**

unauthorized persons obtaining access to our user data. For example, we have been subject to phishing, credential stuffing and distributed denial-of-service attacks, and therefore we cannot guarantee that no such attacks or other attacks will occur in the future or that they will not be successful. Our systems and processes may not be effective in protecting the data of those who use our platform or may be unable to anticipate or prevent these attacks, react in a timely manner, or implement adequate preventive measures and may face delays in detection or remediation of, or other responses to, security breaches and other privacy- data protection and security- related incidents. In addition, these incidents can originate on our vendors' websites information systems, which can then be leveraged to access our website information systems, further preventing our ability to successfully identify and mitigate the attack. Because techniques used to obtain information systems, further preventing our ability to successfully identify and mitigate the attack. Accordingly, we may experience data security breaches, cyberattacks, hacks, ransomware attacks, data loss, unauthorized access to or to sabotage use of data (including personal information) or other data security incidents. Further, the IT and infrastructure used in our business, including open source software and third- party software and systems change frequently and may not be known until launched against us. is even if we take all reasonable precautions, including to the extent required by law, we may be unable- vulnerable to anticipate cyberattacks or prevent these attacks, react in a timely manner, or implement adequate preventive measures and may face delays in detection or remediation of, or other responses to, security breaches and to damages from computer viruses, worms, and other privacy- malicious software programs or other attacks, covert introduction of malware to computers and networks, human error and application malfunction, unauthorized access, including impersonation of unauthorized users, efforts to discover and exploit any security vulnerabilities or securities weaknesses, and other similar disruptions, which may permit third parties to access data protection, including personal information and other sensitive data of Pet Parents and Pet Caregivers, our employees' personal information, or other sensitive, confidential or proprietary data that it maintains or that otherwise is accessible through those systems. In 2018, we experienced and- an security- related incidents- incident in which some of our data was inadvertently exposed. The incident was quickly contained and there was no material impact on our operations or financial results. Additionally, because we also share information with third- party service providers to conduct our business ; and if any of our business partners or service providers with whom we share information fail to implement adequate data- security practices or fail to comply with our terms and policies or otherwise suffer a network or other security breach, our users' information may be improperly accessed, used or disclosed and our business could. Such breaches experienced by other companies may also be adversely affected leveraged against us. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. We have previously experienced incidents of fraud on our platform that we believe involved credential stuffing attacks and which we were unable to preemptively detect or prevent. In addition, hardware, software, or applications we develop or procure- procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security, or users on our platform could have vulnerabilities on their own devices that are unrelated to our systems and platform but could mistakenly be attributed to us. See "Risk Factors — Risks Related to Privacy and Technology — Any error, bug, vulnerability or systems defect or failure and resulting interruptions in the availability of our website, mobile applications, or platform could adversely affect our business, financial condition, and operating results." Although we have developed reasonable systems and processes that are designed to protect data of Pet Parents and Pet Caregivers that use our platform, protect our systems and the proprietary, sensitive and confidential information it maintains, prevent data loss, and prevent security breaches and security incidents, our security measures have not fully protected against such matters in the past. For example, we have been subject to phishing, credential stuffing or distributed denial-of-service attacks, and therefore we cannot guarantee that no such or other attacks will occur in the future or that they will not be successful. Accordingly, we may experience data security breaches, cyberattacks, hacks, ransomware attacks, data loss, unauthorized access to or use of data (including personal information) or other data security incidents. Further, the IT and infrastructure used in our business may be vulnerable to cyberattacks or security breaches or to damages from computer viruses, worms, and other malicious software programs or other attacks, covert introduction of malware to computers and networks, unauthorized access, including impersonation of unauthorized users, efforts to discover and exploit any security vulnerabilities or securities weaknesses, and other similar disruptions, which may permit third parties to access data, including personal information and other sensitive data of Pet Parents and Pet Caregivers, our employees' personal information, or other sensitive, confidential or proprietary data that it maintains or that otherwise is accessible through those systems. For more information see "Risk Factors — Any error, bug, vulnerability or systems defect or failure and resulting interruptions in the availability of our website, mobile applications, or platform could adversely affect our business, financial condition, and operating results." Employee error, malfeasance, or other errors in the storage, use, or transmission of any of these types of data also could result in an actual or perceived privacy, data protection, or security breach or other security incident. In addition, outside parties may attempt to fraudulently induce employees, service providers, users or customers to disclose sensitive information in order to gain access to our data or the data or accounts of our users or other parties. Although we have policies restricting access to the information it we stores- store, there is a risk that these policies may not be effective in all cases. Any actual or perceived breach of privacy or data protection, or any actual or perceived security breach or other incident that impacts our platform or systems, other IT and infrastructure used in our business, or data maintained or processed in our business, could interrupt our operations, result in our platform being unavailable, result in loss or improper access to, or acquisition or disclosure of, data, result in fraudulent transfer of funds, harm our reputation, brand and competitive position, damage our relationships with third-party partners, or result in claims, litigation, regulatory investigations and proceedings, increased credit card processing fees and other costs, and significant legal, regulatory and financial exposure, including, but not limited to, ongoing monitoring by regulators and any such incidents or any perception that our security measures are inadequate could lead to loss of Pet Parents' and Pet Caregivers' confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial

condition, and operating results. Any actual or perceived breach of privacy, data protection or security, or other security incident, impacting any entities with which we share or disclose data (including, for example, our third-party technology providers) could have similar effects. Further, any cyberattacks or actual or perceived security, privacy or data protection breaches, and other incidents directed at, or suffered by, our competitors could reduce confidence in our industry and, as a result, reduce confidence in us. We also expect to incur significant costs in an effort to detect and prevent privacy, data protection and security breaches, and other privacy-, data protection- and security- related incidents and we may face increased costs and requirements to expend substantial resources in the event of an actual or perceived privacy, data protection, or security breach or other incident occurs. While we maintain cyber insurance that may help provide coverage for these types of incidents, **it we** cannot assure you that our insurance will be adequate to cover all of **its our** costs and liabilities related to any incidents, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, reputation, results of operations, and financial condition. We **receive collect, store**, transmit, and **store process** a large volume of **regulated, personally -- personal** identifiable information relating to users on our platform, as well as personally identifiable information relating to **users on our platform, such as email addresses, phone numbers, and home address, as well as personal information relating to** other individuals such as our employees **and job applicants**. **In addition to contractual obligations, Numerous numerous** local, municipal, state, federal, and international laws, **rules** and regulations address privacy and the collection, storing, **sharing transmitting**, use, disclosure, disposal, **and protection**, **and other processing** of certain types of data, including, **but not limited to the** California Online Privacy Protection Act, the Personal **personal** Information **information** Protection and Electronic Documents Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Telephone Consumer Protection Act (restricting telemarketing and the use of automated SMS text messaging), Section 5 of the Federal Trade Commission Act, and the California Consumer Privacy Act and its accompanying regulations (collectively the "CCPA") as amended by the California Privacy Rights Act of 2020 discussed below. These laws, rules, and regulations regulating the personal information **received collected**, transmitted, **and stored**, **and processed** by us evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement and may be inconsistent from one jurisdiction to another. **In addition there has been a noticeable increase in class actions in the United States where plaintiffs have utilized a variety of laws, including state wiretapping laws, in relation to the use of chatbots, cookies, and other tracking technologies. Complying with these laws requires significant costs and expenses, and any actual or perceived failure by us or our third party service providers to comply could result in significant liability and negative publicity. Such consequences could materially adversely affect our business, operating results, and financial condition. For example, certain U. S. states have adopted new or modified laws and regulations relating to privacy, the processing of information and electronic marketing, that apply to our business. The CCPA went** California Privacy Rights Act of 2020, which came into effect **in 2020 and imposes a range of obligations** on January 1, 2023 and amends the CCPA (together with the CCPA, collectively, the "CPRA"), among other things, **requires covered businesses that process** companies to provide new disclosures to California consumers about such companies' collection, use and sharing of their personal information **about**, **gives California residents**, **expanded rights to access, correct and delete their--** **Other states personal** information, **including Virginia, Colorado, Connecticut, and affords such consumers abilities to opt out Utah, among others, have enacted similar data privacy laws and comparable data privacy legislation may be passed at a state, federal, or international level. Numerous class- action suits have been filed in recent years against companies who conduct telemarketing and / or SMS texting programs in violation of federal and state laws, including the TCPA, with many resulting in multi- million- dollar settlements to the plaintiffs. We may also be subject to specific data security frameworks and / or laws that require us to maintain a certain level processing, such as the transfer of security personal information for the purpose of cross-contextual behavioral advertising and the processing of sensitive personal information for certain purposes, as well as "sales" of personal information. For** The law also prohibits covered businesses from discriminating against consumers (for example, charging more for services) for exercising their-- **the Federal Trade Commission expects a company** CPRA rights (unless the difference in treatment is reasonably related to the value provided to the business by the consumer's data) **security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities**. **This creates** The CPRA imposes severe statutory damages as well as a **patchwork** private right of **overlapping but different laws relating** action for certain data breaches that result in the unauthorized access to, or exfiltration, theft-- **the processing**, or disclosure of personal information, **which**. This private right of action is expected to increase **increases** the likelihood **complexity** of **compliance** and risks associated with data breach litigation. The CPRA has **required** not been subject to significant litigation and judicial interpretation and it remains unclear how various provisions will be interpreted and enforced. The CPRA's further expansion of the obligations of covered companies may impact our business, particularly given the establishment of a new regulatory agency dedicated to enforcing those requirements in addition to the California Attorney General, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses, and potentially changing business practices, in an **and may in** effort to comply. The CPRA and the CCPA have led to other-- **the future** states passing similar comprehensive privacy laws, including the Virginia Consumer Data Protection Act, which went into effect January 1, 2023, the Colorado Privacy Act and the Connecticut Data Privacy Act, each of which will go into effect July 1, 2023, and the Utah Consumer Privacy Act, which will go into effect December 31, 2023. Each of these statutes were modeled after and are very similar to the CCPA and CPRA, and may lead other states or even the U. S. Congress to pass comparable legislation. The effects of the CPRA and other similar state or federal laws,

are significant and may require us to modify our data processing practices and policies and to incur substantial compliance-related costs and expenses that are likely to increase over time. **Our efforts** Additionally, many laws and regulations relating to privacy and **comply with** the **various** collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts and may require us to divert resources from other initiatives and projects to address these evolving compliance and operational requirements. The aforementioned state privacy laws and other laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, **and frameworks** or changes to the interpretation or enforcement of such laws or regulations, **alongside contractual** that require enhanced protection of certain types of data or new obligations **relating** with regard to data retention **the processing of personal information**, transfer, or disclosure, **may not be effective and** could greatly increase the cost of **providing operating** our platform, require significant changes to our operations, **result in significant regulatory fines for alleged violations of the aforementioned laws**, or even prevent us from providing our platform in jurisdictions in which we currently operate and in which we may operate in the future, all of which may have a material and adverse impact on our business, financial condition and results of operations. Additionally **Moreover**, we have incurred and may continue to incur, significant expenses in an **any failure** effort to comply with privacy, data protection **or perceived failure**, and information security standards and protocols imposed by law, regulation, industry standards, or contractual obligations. Publication of our privacy statement and other policies regarding privacy, data protection, and data security may subject us to investigation or enforcement actions by regulators if those statements or policies are found to be deficient, lacking transparency, deceptive, unfair, or misrepresentative of our practices. In general, negative publicity regarding actual or perceived violations of its end users' privacy-related rights, including fines and enforcement actions against it or other similarly placed businesses, also may impair users' trust in our privacy practices and make them reluctant to give their consent to share their data with us. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time, which may legally or contractually apply to us, or we may elect to comply with such standards. These various privacy, data protection, and data security legal obligations that apply to us may evolve in a manner that relates to our practices or the features of our mobile applications or website and we may need to take additional measures to comply with the new and evolving legal obligations, including but not limited to training efforts for our employees, contractors, and third-party partners. Such efforts may not be successful or may have other negative consequences. In particular, with laws and regulations such as the CCPA and industry standards imposing new and relatively burdensome obligations and with substantial uncertainty over the interpretation and application of these and other laws and regulations, We may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and expenses in an effort to do so. We also are bound by contractual obligations related to privacy, data protection, and data security and our efforts to comply with such obligations may not be successful or may have other negative consequences. With regard to our commercial arrangements, we and our counterparties, including business partners and external service providers, might be subject to contractual obligations regarding the processing of personal data. While we believe our and our counterparties' conduct under these agreements is in material compliance with all applicable laws, regulations, standards, certifications and orders relating to data privacy or security, us or our counterparties may fail, or be alleged to have failed, to be in full compliance. In the event that our acts or omissions result in alleged or actual failure to comply with applicable laws, regulations, standards, certifications and orders relating to data privacy or security, we may incur liability. While we endeavor to include indemnification provisions or other protections in such agreements to mitigate liability and losses stemming from its counterparties' acts or omissions, we may not always be able to negotiate for such protections and, even where it can, there is no guarantee that its counterparties will honor such provisions or that such protections will cover the full scope of our liabilities and losses. Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law, practices, or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations, or obligations. Our failure, or the failure by our third-party providers, Pet Parents, or Pet Caregivers on our platform, or consequences associated with our efforts to comply with applicable **data privacy laws, rules, or regulations, industry standards, and other requirements could result in proceedings or actions against us by individuals, consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and** any other obligations relating **subsequent adverse outcomes may subject us to significant negative publicity and** privacy, data protection, or information security, or any compromise **erosion of trust which** security that results in unauthorized access to, or use or release of data relating to Pet Caregivers, Pet Parents, or other individuals, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing Pet Caregivers and Pet Parents from using our platform, or result in fines, investigations, or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition, and operating results. Even if not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand which could materially adversely affect our business, financial condition, and operating results. The success of our platform relies on algorithms and other proprietary technology and any failure to operate and improve our algorithms or to develop other innovative proprietary technology effectively could materially adversely affect our business, financial condition, and operating results. We use proprietary algorithms in an effort to maximize user satisfaction and retention, as well as to optimize return on marketing expenses. Any failure to successfully operate or improve our algorithms or to develop other innovative proprietary technology could materially adversely affect our ability to maintain and expand our business. Operation failures could lead to fewer bookings, which could in turn lead to less or lower quality data, which could affect our ability to improve **its our** algorithms and maintain, market and scale our platform effectively. Additionally, there is increased governmental interest in regulating technology companies. Any failure, or perceived failure, or negative consequences

associated with our efforts to comply with any present or future laws or regulations in this area could subject us to claims, actions, and other legal and regulatory proceedings, fines or other penalties, and other enforcement actions and result in damage to our reputation and adversely affect our business, financial condition, and operating results. Any error, bug, vulnerability, or systems defect or failure and resulting interruptions in the availability of our website, mobile applications, or platform could adversely affect our business, financial condition, and operating results. Our success depends on Pet Parents and Pet Caregivers being able to access our platform at any time. Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation or other performance problems because of hardware and software defects, **vulnerabilities**, malfunctions or inappropriate maintenance, distributed denial-of-service and other cyberattacks **or cyber incidents**, infrastructure changes, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware, or other events. ~~Our systems also may be subject to break-ins, sabotage, theft, and intentional acts of vandalism, including by our own employees. In such an event, we may need to expend additional resources to bring the incident to an end, mitigate the liability associated with the fallout of such incident, make notifications to regulators and individuals affected, replace damaged systems or assets, defend itself in legal proceedings and compensate customers or end users.~~ Further, some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events. **Our platform incorporates highly technical and complex technologies. Such technologies and In addition, to the extent that our systems depend upon the successful operation of the open source software we use, any** ~~now or in the future contain undetected errors, bugs, or defects vulnerabilities, some of which may only be discovered after the code has been released. Any error, bug or vulnerability in this open source software could prevent the deployment our or impair the functionality of our systems or applications, delay the introduction of new solutions, result in a failure of our systems,~~ products or services, ~~systems or control failure, cybersecurity incidents, data security breach or attack on or compromise of our security or the security of our business partners could result in the loss, theft or inaccessibility of, unauthorized access to, or improper use or disclosure of, users' or our employees' data and could result in governmental or regulatory action, including resulting in fines or penalties, litigation, and financial and legal exposure, which could seriously harm our Wag!'s reputation , brand and business, and impair its ability to attract and retain users, customers and advertisers. See "Risk Factors — Risks Related to Privacy and Technology — We have been subject to cybersecurity attacks in the past and anticipate being the target of future attacks. Any actual or perceived breach of security or security incident or privacy or data protection breach or violation, including via cyberattacks, data breaches, hacks, ransomware attacks, data loss, unauthorized access to or use of data (including personal information) and other breaches of its information technology systems, could interrupt our operations, harm its brand, and adversely affect its reputation, business, financial condition, and operating results."~~ We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our platform. Minor interruptions can result in new user acquisition losses that are never recovered. Affected users could seek monetary recourse from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly to address. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A prolonged interruption in the availability or reduction in the availability, speed, or other functionality of our platform could adversely affect our business, brand, and reputation and could result in fewer Pet Parents and Pet Caregivers using our platform. We primarily rely on **third parties** ~~Amazon Web Services~~ to deliver its ~~services to users on our platform and any disruption of or interference with our use of Amazon Web~~ **such third party Services services or software** could adversely affect our business, financial condition, and operating results. We rely in part upon the stable performance of our servers, networks, IT infrastructure and data processing systems for provision of our products and services **and we rely upon certain third parties to host our platform, to support our operations, and to provide software or features for our platform**. For example, we currently ~~rely use~~ on Amazon Web Services ("AWS") to host our platform and support our operations **and we** ~~with the distribution of our platform or with our use of such software, our business would be materially adversely affected. We rely~~ **on Google Maps and Apple Maps upon certain third parties to provide software or features for maps and location data for functionality on** our platform. If the third parties we rely upon cease to provide access to the third-party **services or** software that ~~us we~~ Pet Parents, and Pet Caregivers use, cease providing access to such **services or** software on terms that we believe to be attractive or reasonable, or stop providing the most current version of such **services or** software, ~~We or make such software or services incompatible with our platform, we~~ may be required to seek comparable **services or** software from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business. ~~For~~. We do not have control over the operations of the facilities ~~of AWS that it our third parties uses use~~. The facilities of **AWS third parties** are vulnerable to damage or interruption from internal and external factors, including natural disasters, cybersecurity attacks **or incidents**, terrorist attacks, power outages, and similar events or acts of misconduct. ~~Our platform's continuing and uninterrupted performance is critical to its success. We have experienced, and expects expect~~ that in the future ~~it we~~ will experience ~~interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. In addition, any changes in AWS' service levels may adversely affect our ability to meet the requirements of users on our platform. Since our platform's continuing and uninterrupted performance is critical to its success, sustained Sustained~~ or repeated system failures **of our third parties** would reduce the attractiveness of our platform. It may become increasingly difficult or expensive to maintain and improve our performance, especially during peak usage times, **when as it expands the there usage of are more users on** our platform. Any negative publicity arising from these disruptions could harm our reputation and brand and may adversely affect the usage of our platform. Any of the above circumstances or events may harm our reputation and brand, reduce the availability

or usage of our platform, lead to a significant short- term loss of revenue, increase ~~its~~ **our** costs, and impair ~~its~~ **our** ability to attract new users, any of which could adversely affect our business, financial condition, and operating results. We rely on third-party payment service providers to process payments made by Pet Parents and payments made to Pet Caregivers on our platform. If these third- party payment service providers become unavailable or we are subject to increased fees, our business, operating results, and financial condition could be materially adversely affected. We rely on a number of third- party payment service providers, including payment card networks, banks, payment processors, and payment gateways, to link us to payment card and bank clearing networks to process payments made by our Pet Parents and payments made to Pet Caregivers through our platform. We also rely on these third- party providers to address our compliance with various laws, including money transmission regulations. ~~We have agreements with these providers, some of whom are the sole providers of their particular service.~~ If these companies become unwilling or unable to provide these services to us on acceptable terms, we are unable to integrate with a provider in a timely manner, or regulators take action against us, our business may be disrupted. In such case, we would need to find an alternate payment service provider and we may not be able to secure similar terms or replace such payment service provider in an acceptable time frame, **and the transition**. ~~If we need to migrate to alternative or integrate additional~~ **addition would require significant time and management resources. Any of the foregoing risks related to third- party payment service providers for, including compliance with money transmission rules in any reason jurisdiction in which we operate, the transition or addition would could cause us to incur significant losses and, in certain cases, require us to make payments to significant time and management resources and may not be as effective, efficient, or well- received by our Pet Caregivers out of and Pet Parents or our adequately address regulatory requirements funds, which could materially adversely affect our business, operating results, and financial condition.** ~~Any of~~ **In addition,** the foregoing risks related to **software infrastructure and services provided by our** ~~third- party payment service providers, including compliance with money transmission rules in any jurisdiction in which we operate, could cause us to incur significant losses and, in certain cases, require us to make payments to Pet Caregivers out of our funds, which could materially adversely affect our business, operating results, and financial condition. In addition, the software and services provided by our third- party payment service providers may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or facilitate timely payments to Pet Caregivers on our platform, which could make our platform less convenient and desirable to its-our users and adversely affect our ability to attract and retain Pet Caregivers and Pet Parents . For more information, see “Risk Factors — Risks Related to Privacy and Technology — Any error, bug, vulnerability or systems defect or failure and resulting interruptions in the availability of our website, mobile applications, or platform could adversely affect our business, financial condition, and operating results.” If we fail to invest adequate resources into the payment processing infrastructure on our platform, or if our investment efforts are unsuccessful or unreliable, our payments activities may not function properly or keep pace with competitive offerings, which could adversely impact their usage. Further, our ability to expand out payments activities into additional countries is dependent upon the third- party providers we use to support these activities. As we expand the availability of our platform to additional geographies or offer new payment methods to our Pet Caregivers and Pet Parents in the future, we may become subject to additional regulations and compliance requirements and exposed to heightened fraud risk, which could lead to an increase in our operating expenses . For certain payment methods, including credit and debit cards, we pay interchange and other fees and such fees result in significant costs. Payment card network costs have increased and may continue to increase in the future, the interchange fees and assessments that they charge for each transaction that accesses their networks **may increase,** and **payment card networks** may impose special fees or assessments on any such transaction. Our payment card processors have the right to pass any increases in interchange fees and assessments on to us. Credit card transactions result in higher fees than transactions made through debit cards. **If We also face a risk of increased transaction fees and other fines and penalties, if we or our service providers fail to comply with payment card industry security standards, we also face a risk of increased transaction fees and other fines and penalties, including restrictions or expulsion from card acceptance programs, which could materially and adversely affect our business.** Any material increase in interchange fees in the United States or other geographies, including as a result of changes in interchange fee limitations imposed by law in some geographies, or other network fees or assessments, or a shift from payment with debit cards to credit cards could increase our operating costs and materially adversely affect our business, operating results, and financial condition. **We rely on third parties to..... financial condition could be materially adversely affected.** We rely on mobile operating systems and application marketplaces to make our applications available to Pet Parents and Pet Caregivers and if we do not effectively operate with or receive favorable placements within such application marketplaces and maintain high user reviews, our usage or brand recognition could decline and our business, financial results, and operating results could be materially adversely affected. We largely depend on mobile operating systems, such as Android and iOS and their respective application marketplaces to make our applications available to Pet Parents and Pet Caregivers that use our platform on mobile devices. Any changes in such systems or application marketplaces that degrade the functionality of our applications or give preferential treatment to our competitors’ applications could adversely affect our platform’s usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit us from making our applications available to Pet Parents and Pet Caregivers, make changes that degrade the functionality of our applications, increase the cost to users or to us of using such mobile operating systems or application marketplaces or our applications, impose terms of use unsatisfactory to us, or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors’ placement in such mobile operating systems’ application marketplace is more prominent than the placement of our applications, user growth could slow, pause, or decline. Our applications have experienced fluctuations in the past and ~~it anticipates~~ **we could experience** similar fluctuations in the future. Any of the foregoing risks could adversely affect our business, financial condition, and operating results. As new mobile devices and mobile platforms, as well as entirely new technology platforms are developed and released, there is no guarantee that certain~~

devices will support our platform or effectively roll out updates to our applications. Additionally, in order to deliver high- quality applications, we need to ensure that our platform is designed to work effectively with a range of mobile technologies, systems, networks, and standards, which can require cooperation from participants in the mobile device industry. We may not be successful in developing or maintaining relationships with key participants in the mobile device industry that enhance users' experience. If Pet Parents or Pet Caregivers that use our platform encounter any difficulty accessing or using applications on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, we expect that our user growth and user engagement would be materially adversely affected. Our platform ~~may contain~~ **contains** third- party open source software components, the use of which could expose us to information security vulnerabilities, ~~result in failures, errors and defects,~~ or subject us ~~to possible litigation or~~ to certain unfavorable conditions, including requirements that we offer our products that incorporate the open source software for no cost or that we make publicly available our confidential, proprietary source code; any such failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our platform. **We use** ~~Though we generally avoid~~ "open source" software, ~~our~~, **Our** platform contains software modules licensed to it by third- party authors under " open source " licenses. Use and distribution of open source software may entail greater risks than use of third- party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. Accordingly, we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. ~~In addition, the public availability of~~ **nor can we ensure that malicious code is not embedded in** such software ~~may make it easier for others to compromise our platform.~~ Many of the risks ~~associated with the use of~~ open source software ~~cannot be eliminated, and could,~~..... ~~ability to provide or distribute our platform~~. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. If we are held to have breached or failed to fully comply with ~~all~~ the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our platform on terms that are not economically feasible, to re- engineer our platform, to discontinue or delay the provision of our platform if re- engineering could not be accomplished on a timely basis, or to make generally available, in source code form, its proprietary code, any of which could adversely affect our business, financial condition, and operating results. ~~our systems, products and services, or our business, results of operations, and financial condition.~~ Some open source licenses contain unfavorable requirements that may, depending on how the licensed software is used or modified, require that we make available source code for modifications or derivative works we create based upon the licensed open source software, authorize further modification and redistribution of that source code, make our software available at little or no cost, or grants other licenses to our intellectual property. This could enable our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the release of the affected portions of our source code, we could be required to purchase additional licenses, expend substantial time and resources to re- engineer some or all of our software or cease use or distribution of some or all of our software until it can adequately address the concerns. We ~~also release certain of our proprietary software modules to the public under open source licenses.~~ Although we have **processes** certain policies and procedures in place to ~~monitor the~~ **help alleviate risks associated with our** use of open source software ~~that are designed,~~ **but any of these risks could be difficult to eliminate** avoid subjecting our ~~or platform to conditions it does~~ **manage, and, if not intend addressed,** **could adversely affect our ownership of proprietary intellectual property,** ~~these~~ **the security of our systems, products and services, or our business, results of operations, and financial condition.** Risks Related to Our Intellectual Property Failure **We may fail** to adequately protect our intellectual property **and we may be subject to intellectual property infringement claims by third parties, each of which** could adversely affect our business, financial condition, and operating results. Our business depends on ~~its~~ **our** intellectual property and proprietary technology, the protection of which is crucial to the success of our business. We rely on a combination of trademark, copyright, and trade secret laws, license agreements, intellectual property assignment agreements, and confidentiality **agreements and** procedures **and technology measures** to protect ~~its~~ **our** intellectual property. ~~Additionally, we rely on proprietary information (such as trade secrets, know- how and confidential information) to protect intellectual property that may not be patentable, or that we believes is best protected by means that do not require public disclosure.~~ We generally attempt to protect our intellectual property, technology, and confidential information by requiring our employees and consultants who develop intellectual property on our behalf to enter into confidentiality and invention assignment agreements and third parties we share information with to enter into nondisclosure agreements. These agreements may not **, however,** effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or technology, or infringement of our intellectual property. ~~For example, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be willfully breached or may otherwise fail to prevent disclosure, third- party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information.~~ In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know- how and inventions. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our intellectual property rights and other proprietary rights, and failure to obtain or maintain protection for ~~its~~ **our** proprietary information could adversely affect our competitive business position. ~~Despite our efforts to protect our proprietary rights, other~~ **Other** parties may unintentionally or willfully disclose, obtain or use our technologies or systems, which may allow unauthorized parties to copy aspects of our

platform or other software, technology, and functionality or obtain and use information that we ~~considers~~ **consider** proprietary. ~~In addition, unauthorized~~ **Unauthorized** parties may also attempt, ~~to~~ or successfully endeavor, to obtain our intellectual property, confidential information and trade secrets through various methods, including through scraping of public data or other content from our website or mobile applications, cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. Monitoring unauthorized use and disclosures of our intellectual property, proprietary technology, or confidential information can be difficult and expensive and **despite our efforts to protect our intellectual property rights**, we cannot be sure that the steps ~~it has~~ taken will prevent misappropriation or infringement of our intellectual property or ~~proprietary rights~~ . As of December 2022, we held 7 registered U. S. trademarks. In addition, we have registered domain names for websites that we use in our business, such as www. wagwalking. com and other variations. The inclusion of the website address in herein does not include or incorporate by reference the information on our website into this annual report on Form 10-K. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. See “ Risk Factors — Risks Related to our Intellectual Property — Intellectual property infringement assertions by third parties could result in significant costs and adversely affect our business, financial condition, operating results, and reputation. ” Further, litigation or proceedings before the U. S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. Any litigation initiated by us concerning the violation by third parties of its intellectual property rights is likely to be expensive and time-consuming and could lead to the invalidation of, or render unenforceable, our intellectual property, or could otherwise have negative consequences for us. Even when we sue other parties for such infringement, that suit may have adverse consequences for our business. In addition, we may not timely or successfully apply for a patent or register its trademarks or otherwise secure its intellectual property, which could result in negative effects to our market share, financial condition and results of operations. Our efforts to protect, maintain, or enforce our proprietary rights may not be respected in the future or may be invalidated, circumvented, or challenged, and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition, and operating results. We are subject to claims and lawsuits relating to intellectual property and other related matters, which could materially adversely affect our reputation, business, and financial condition. We face potential liability and expense for claims relating to the information that we publish on our website and mobile applications, including claims for trademark and copyright infringement, defamation, libel and negligence, among others. Our platform also relies upon content **and information that we publish on our website and mobile applications and** that is created and posted by Pet Caregivers, Pet Parents, or other third parties. **We face potential liability and expense for** ~~Claims~~ **claims of for trademark and copyright infringement**, defamation, disparagement, ~~libel and~~ negligence, ~~among~~ warranty, personal harm, intellectual property infringement, or other ~~others~~ **alleged damages, that** could be asserted against us, in addition to our Pet Caregivers and Pet Parents. While we rely on a variety of statutory and common-law frameworks and defenses, including those provided by the Digital Millennium Copyright Act (“ DMCA ”), the Communications Decency Act (“ CDA ”), and the fair-use doctrine in the United States, differences between statutes, limitations on immunity, requirements to maintain immunity, and moderation efforts in the many jurisdictions in which we operate may affect our ability to rely on these frameworks and defenses, or create uncertainty regarding liability for information or content uploaded by Pet Caregivers and Pet Parents or otherwise contributed by third parties to our platform. Moreover, regulators in the United States and in other countries may introduce new regulatory regimes, such as a potential repeal of CDA Section 230, that increase potential liability for information or content available on our platform. Failure to identify and prevent illegal or inappropriate content from being uploaded to our platform, ~~or an inability to rely on legal defenses available under applicable law to operators of platforms such as ours,~~ may subject us to negative publicity, private enforcement or liability, such as payment of damages, limiting the dissemination of content, and suspension or removal of our platform from app distribution channels. **Any** In addition, we have been and may become subject to claims and litigation alleging infringement of third-party intellectual property which **claims** , if resolved adversely to **lawsuits, arbitration proceedings, or other legal or regulatory proceedings against us cannot be predicted with any degree of certainty. Any claims, whether meritorious or not** , could subject us to ~~be time-consuming, result in costly litigation, be harmful to our reputation and brand, require~~ significant liability management attention, and divert significant resources. **It is possible that a resolution of one for or more such proceedings** damages, impose temporary or permanent injunctions against our business operations, or invalidate or render unenforceable our intellectual property. See “ Risk Factors — Risks Related to our Intellectual Property — Failure to adequately protect our intellectual property could adversely affect our business, financial condition, and operating results; Intellectual property infringement assertions by third parties could result in significant substantial damages, settlement costs , fines, and adversely affect penalties. **These proceedings could also result in sanctions, consent decrees, injunctions, or other orders requiring a change in** our business practices , financial condition, operating results, and reputation ”. In connection with any such claims or **could** litigation, we may decide to settle such lawsuits and disputes on terms that are unfavorable to us or if any litigation to which we are a party is resolved adversely to us, we may be subject to an unfavorable judgment that may not be reversed upon appeal. The terms of such a settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. In addition, we may have to seek a license to continue practices found to be in violation of a third party’s rights, which license may not be available on reasonable terms, or at all , and may significantly increase our operating costs and expenses. The results of any such claims, lawsuits, arbitration proceedings, or other legal or regulatory proceedings cannot be predicted with any degree of certainty. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention, and divert significant resources. Determining reserves for our pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or

more such proceedings could result in substantial damages, settlement costs, fines, and penalties that could adversely affect our business, financial condition, and operating results. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions, or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition, and operating results. Further, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers. We operate in an industry with frequent intellectual property litigation. Other parties have asserted and in the future may assert, that we have infringed their intellectual property rights. For example, we are presently involved in a lawsuit in the Northern District of California in which a third-party trademark owner is alleging, amongst other claims, that our “WAG!” trademark infringes the third party’s trademarks and that its use breaches the terms of a 2016 settlement agreement entered into between us and the third party. The third-party trademark owner is seeking cancellation of certain of our registered trademarks as well as damages (including punitive and / or treble damages), attorneys’ fees and a preliminary injunction prohibiting use of our logos and other branding materials which, if successful, may result in material liability and may force us to take costly remediation actions, such as redesigning aspects of our brand or even carrying out complete and costly rebranding. In any event, any such litigation may be time-consuming and expensive to resolve and may divert management’s time and attention from our business. Furthermore, we could be required to pay substantial damages. We cannot predict whether other assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect our business, financial condition, and operating results. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. Further, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys’ fees if we are found to have willfully infringed a party’s patent, trademark, or copyright rights, cease making, licensing, or using products that are alleged to incorporate the intellectual property of others, expend additional development resources to redesign our offerings, and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms acceptable to us, or at all. In any event, we may need to license intellectual property which would require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect our business, reputation, financial condition, and operating results. We may be unable to continue to use the domain names that we use in our business or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand, trademarks, or service marks. We have registered domain names that we use in, or are related to, our business, most importantly www.wagwalking.com. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market its offerings under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. We may not be able to obtain preferred domain names outside the United States due to a variety of reasons, including because they are already held by others. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to our domain names. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting, maintaining, and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of resources, which could in turn adversely affect our business, financial condition, and operating results.

Risk Related to our Operations We depend on our highly skilled employees to grow and operate our business and if we are unable to hire, retain, manage, and motivate our employees, or if our new employees do not perform as anticipated, we may not be able to grow effectively and our business, financial condition, and operating results could be materially adversely affected. Our future success will depend in part on the continued service of our senior management team, key technical employees, and other highly skilled employees. We may not be able to retain the services of any of **its our** employees or other members of senior management in the future. Also, our employees, including our senior management team, work for us on an at-will basis and there is no assurance that any such employee will remain with Wag!. **If we are unable to attract** Our competitors may be successful in recruiting and **retain** hiring members of our management team or other key employees and **senior management** it may be difficult for us to find suitable replacements on a timely basis, on competitive terms, or at all. If we are unable to attract and retain the necessary employees, particularly in critical areas of our business, we may not achieve our strategic goals. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management team fails to work together effectively and to execute our plans and strategies, our business, financial condition, and operating results could be materially adversely affected. **We face intense competition for highly skilled employees.** For example, competition for engineering talent is particularly intense and engineering support is particularly important for our business. To attract and retain top talent, we have offered, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to attract and retain highly qualified employees. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts and employee morale, productivity, and engagement could suffer, which could adversely affect business, financial conditions, and operating results. Our company culture has contributed to our success and if we cannot maintain and evolve our culture as we grow, our business could be materially adversely affected. We believe that our company culture has been critical to our success. We face many challenges that may affect our ability to sustain our corporate culture, including: • failure to identify, attract, reward, and

retain people in leadership positions in our organization who share and further our culture, values, and mission; • the potential growth in size and geographic diversity of our workforce; • competitive pressures to move in directions that may divert us from our mission, vision, and values (including, for example, pressure exerted by large technology companies adopting permanent remote work frameworks); • the impact on employee morale created by geopolitical events, public stock market volatility, and general public company criticism; • the continued challenges of a rapidly evolving industry; • the increasing need to develop expertise in new areas of business that affect Wag!; • negative perception of our treatment of employees, Pet Parents, Pet Caregivers, or our response to employee sentiment related to political or social causes or actions of management; and • the integration of new personnel and businesses from acquisitions. If we are not able to maintain and evolve our culture, our business, financial condition, and operating results could be materially adversely affected. Our support function **contributes** is **critical** to the success of our platform and any failure to provide high- quality service could affect our ability to retain our existing Pet Caregivers and Pet Parents and attract new ones. Our ability to provide high- quality support to our community of Pet Caregivers and Pet Parents is important for the growth of our business and any failure to maintain such standards of support, or any perception that we do not provide high- quality service, could affect our ability to retain and attract Pet Caregivers and Pet Parents. Meeting the support expectations of our Pet Caregivers and Pet Parents requires significant time and resources from our support team and significant investment in staffing, technology (including automation and machine learning to improve efficiency), infrastructure, policies, and support tools. The failure to develop the appropriate technology, infrastructure, policies and support tools, or to manage or properly train our support team, could compromise our ability to resolve questions and complaints quickly and effectively. Any changes in our workforce composition or number of employees, ~~including as a result of the COVID-19 pandemic~~, has in the past led to, and may in the future lead to, backlog incidents that lead to substantial delays or other issues in responding to requests for customer support, which may reduce our ability to effectively retain Pet Caregivers and Pet Parents. The majority of our user contact volume typically is serviced by a limited number of third- party service providers. ~~we~~ **We** rely on our internal team and these third parties to provide timely and appropriate responses to the inquiries of Pet Caregivers and Pet Parents that come to us via telephone, email, social media, and chat. Reliance on these third parties requires that we provide proper guidance and training for our employees, ~~maintains~~ **maintain** proper controls and procedures for interacting with our community, and ~~ensures~~ **ensure** acceptable levels of quality and user satisfaction are achieved. Failure to appropriately allocate functions to these third- party service providers or to maintain suitable training, controls, and procedures could materially adversely impact our business. We provide support to Pet Caregivers and Pet Parents and help to mediate disputes between Pet Caregivers and Pet Parents. We rely on information provided by Pet Caregivers and Pet Parents and are at times limited in our ability to provide adequate support or help Pet Caregivers and Pet Parents resolve disputes due to our lack of information or control. To the extent that Pet Caregivers and Pet Parents are not satisfied with the quality or timeliness of our support or third- party support, we may not be able to retain Pet Caregivers or Pet Parents and our reputation as well our business, operating results, and financial condition could be materially adversely affected. When a Pet Caregiver or Pet Parent has a poor experience on our platform, we may issue refunds or coupons for future bookings, or other customer service gestures of monetary value. These refunds and coupons are generally treated as a reduction to revenues. A robust support effort is costly and we expect such costs to continue to rise in the future as we grow our business and implement new product offerings. We have historically seen a significant number of support inquiries from Pet Caregivers and Pet Parents. Our efforts to reduce the number of support requests may not be effective and we could incur increased costs without corresponding revenues, which would materially adversely affect our business, operating results, and financial condition. We rely on a third- party background check provider and a third- party identification provider to screen potential Pet Caregivers and if such providers fail to provide accurate information or we do not maintain business relationships with them, our business, financial condition, and operating results could be materially adversely affected. We rely on a single third- party background check **and identity verification** provider to provide or confirm the criminal and other records of potential Pet Caregivers to help identify those that are not eligible to use our platform pursuant to our internal standards and applicable law. Our business may be materially adversely affected to the extent such providers do not meet their contractual obligations, our expectations, or the requirements of applicable laws or regulations. If our third- party background check provider terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may need to find an alternate provider and may not be able to secure similar terms or replace such partners in an acceptable timeframe. If we cannot find an alternate provider on terms acceptable to us, we may not be able to timely onboard potential Pet Caregivers and as a result, our platform may be less attractive to potential Pet Caregivers and we may have difficulty finding enough Pet Caregivers to meet Pet Parent demand. Further, if the background checks or identity verification checks conducted by our third- party provider or the third- party databases they check are, or are perceived to be, inaccurate, insufficiently inclusive of relevant records, or otherwise inadequate or below expectations, Pet Caregivers who otherwise would be barred from using our platform may be approved to offer services via our platform and some Pet Caregivers may be inadvertently excluded from our platform. As a result of inaccurate or incomplete background or verification checks, we may be unable to adequately provide a safe environment for pets and Pet Parents and our reputation and brand could be materially adversely affected and we could be subject to increased regulatory or litigation exposure. In addition, we do not generally run additional background checks on Pet Caregivers after they have been approved to use our platform. If a Pet Caregiver engages in criminal activity after the third- party background check has been conducted, we may not be informed of such criminal activity and this Pet Caregiver may be permitted to continue offering services through our platform. If we choose to engage in more frequent background checks in the future, we may experience a decrease in Pet Caregiver retention, which may adversely impact our platform. We are also subject to a number of laws and regulations applicable to background and identity verification checks for potential and existing Pet Caregivers that use our platform. If we or our third- party background check provider or identity verification provider fail to comply with applicable laws and regulations in the handling of background or identity verification checks or the use of background check or identity

verification information, our reputation, business, financial condition, and operating results could be materially adversely affected and we could face legal action, including class, collective, or other representative actions. Any negative publicity related to any of our third-party background check providers or third-party identity verification provider, including publicity related to safety incidents or actual or perceived privacy or data security/cybersecurity breaches or other security incidents, could adversely affect our reputation and brand and could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect our business, financial condition, and operating results. We rely primarily on third-party insurance policies coverage to insure our operations-related risks, including risks related to pet services. If our insurance coverage is insufficient for the needs of our business or our insurance providers change are unable to meet their obligations, we may terms or cost of insurance that is not favorable be able to us mitigate the risks facing our business, which such changes could adversely affect our business, financial condition, and operating results. We procure third-party insurance policies to cover various operations-related risks, including general liability, auto-liability, excess liability, employment practices liability, workers' compensation, property, cybersecurity and technology errors and omissions, fiduciary liability, and directors' and officers' liability. For certain types of operations-related risks or future risks related to our new and evolving services, we may not be able to, or may choose not to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving services and we may have to pay high premiums, self-insured retentions, or deductibles for the coverage we do obtain. Additionally, if any of our insurance providers become insolvent, such a provider would be unable to pay any operations-related claims that we make. Further, some of our agreements with merchants require that we procure certain types of insurance and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these merchant agreements. If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we would bear the excess, in addition to amounts already incurred in connection with deductibles, self-insured retentions, or otherwise paid by our insurance subsidiary. Insurance providers have raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance and claims expense could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition, and operating results could be materially adversely affected if: (1-i) the cost per claim, premiums, or the number of claims significantly exceeds our historical experience or coverage limits; (2-ii) we experience a claim in excess of our coverage limits; (3-iii) our insurance providers fail to pay on our insurance claims; (4-iv) we experience a claim for which coverage is not provided; or (5-v) the number of claims under our deductibles or self-insured retentions differs from historical averages. We may have insufficient or no coverage for certain events, including reclassification of Pet Caregivers under applicable law and certain business interruption losses, such as those resulting from the COVID-19 pandemic. Additionally, certain policies may not be available to us and the policies we have and obtain in the future may be insufficient to cover all of our business exposure. We rely on our general liability insurance policy to provide coverage to us for claims and losses. Increased claim frequency and severity and increased fraudulent claims could result in greater payouts, premium increases, or difficulty securing coverage. We may face difficulties as we expand our operations into new local markets and international markets in which we have limited or no prior operating experience. Our capacity for continued growth depends in part on our ability to expand our operations into, and compete effectively in, new local and international markets. It may be difficult for us to accurately predict Pet Parent preferences and purchasing habits in these new markets. In addition, each market has unique regulatory dynamics. These include laws and regulations that can directly or indirectly affect our ability to operate, the pool of Pet Caregivers that are available and our costs associated with insurance, support, fraud and onboarding new Pet Caregivers. In addition, each market is subject to distinct competitive and operational dynamics. These include our ability to offer more attractive services than alternative options, to provide effective user support and to efficiently attract and retain Pet Parents and Pet Caregivers, all of which affect our sales, operating results, and key business metrics. As a result, we may experience fluctuations in our operating results due to changing dynamics in the local and international markets where we operate. If we invest substantial time and resources to expand our operations and are unable to manage these risks effectively, our business, financial condition, and operating results could be materially adversely affected. The failure to successfully execute and integrate acquisitions could materially adversely affect our business, operating results, and financial condition. As part of our business strategy, we will continue to have in the past and may in the future consider a wide array of potential strategic transactions, including acquisitions of businesses, new technologies, services, and other assets and strategic investments that complement our business. For example, in January 2023, we acquired the Dog Food Advisor assets from Clicks and Traffic LLC ("Dog Food Advisor") for cash consideration of \$ 9 million. Acquisitions involve numerous risks, For example any of which could harm our business and negatively affect we acquire may not perform as well as we expect our- or we may encounter financial condition and operating results, including: • intense competition for suitable acquisition targets, which could increase prices and adversely affect our ability to consummate deals on favorable or acceptable terms; • failure to close or material delay in closing a transaction; • transaction-related lawsuits or claims; • difficulties in integrating the technologies/technology, operations, or existing contracts, and personnel of an any acquired company; • difficulties in retaining key employees or business partners of an acquired company; • difficulties in retaining merchants, consumers, and service providers, as applicable, of an acquired company; • challenges with integrating the brand identity of an acquired company with our own; • diversion of financial and management resources from existing operations or alternative acquisition opportunities; • failure to realize the anticipated benefits or synergies of a transaction; • failure to identify the problems, liabilities, or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, regulatory compliance practices, litigation, revenue recognition or other accounting practices, or employee or user issues; • risks that regulatory bodies may enact new laws or promulgate new regulations that are adverse to an acquired company or business; • risks that regulatory bodies do not approve our acquisitions or business combinations or delay such approvals; • theft of our trade secrets or confidential information that it shares with potential acquisition candidates; • risk that an

acquired company or investment in new services cannibalizes a portion of our existing business; and • adverse market reaction to an acquisition. If we fail to address the foregoing risks or other problems encountered in connection with past or future acquisitions of businesses, new technologies, services, and other assets and strategic investments, or if we fail to successfully integrate such acquisitions or investments, our business, financial condition, and operating results could be materially adversely affected. We may require additional capital to support business growth and this capital might not be available on acceptable terms, or at all. To support our growing business and to effectively compete, we must have sufficient capital to continue to make significant investments in our platform. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new platform features and services or enhance our existing platform, improve our operating infrastructure, or acquire complementary businesses and technologies. Although we currently anticipate that our existing cash, cash equivalents, and marketable securities and cash flow from operations will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, we may require additional financing. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity, equity-linked securities, or convertible debt securities, our existing stockholders could suffer significant dilution and any new securities we issue could have rights, preferences, and privileges superior to those of current equity investors. If we raise additional funds through the incurrence of indebtedness, then we may be subject to increased fixed payment obligations and could be subject to restrictive covenants, such as limitations on ~~its~~ **our** ability to incur additional debt and other operating restrictions that could adversely impact our ability to conduct our business. Any additional future indebtedness we may incur may result in terms that could be unfavorable to our equity investors. We evaluate financing opportunities from time to time and our ability to obtain financing will depend, among other things, on our development efforts, business plans, and operating performance and the condition of the capital markets at the time we seek financing. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired and our business, financial condition, and operating results may be materially adversely affected. ~~Our application for the Paycheck Protection Program Loan could in the future be determined to have been impermissible or could result in damage to our reputation. In August 2020, we received loan proceeds of approximately \$ 5.1 million from a financial institution pursuant to the Paycheck Protection Program, or the PPP Loan. The PPP Loan is subject to the terms and conditions of the Paycheck Protection Program, which was established under the CARES Act and is administered by the U. S. Small Business Administration, or the SBA. The application for these funds required us to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Wag!.~~ This certification further required us to take into account our then current business activity and our ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. Following this analysis, we believed that we satisfied all eligibility criteria for the PPP Loans and that our receipt of the PPP Loans was consistent with the broad objectives of the CARES Act. The certification described above did not contain any objective criteria and is subject to interpretation. In accordance with the requirements of the PPP, we used the PPP Loan to cover certain qualified expenses. The PPP Loan contains customary events of default, including, among others, those relating to breaches of obligations under the PPP Loan (including a failure to make payments), any bankruptcy or similar proceedings, and certain material effects on our ability to repay the PPP Loan. The term of the PPP Loan is five years with a maturity date of August 2025 and contains a fixed annual interest rate of 1.00%. No payments of principal or interest were due until the conclusion of the deferral period, which ended in November 2021. Under the terms of the PPP loans, all or a portion of the principal could be forgiven if the loan proceeds were used for qualifying expenses, adjusted for any headcount reduction, as described in the CARES Act. In August 2021, we applied for forgiveness of \$ 3.5 million of the PPP Loan. Subsequently, in September 2021, the SBA approved our loan forgiveness application in the amount of \$ 3.5 million. The remaining loan balance of \$ 1.7 million is being paid starting in November 2021 in monthly principal installments of \$ 38,000 through the loan's maturity date of August 2025. If, despite our good-faith belief that given its circumstances we satisfied all eligible requirements for the PPP Loan, we are later determined to have violated any applicable laws or regulations that may apply to us in connection with the PPP Loans or it is otherwise determined that we were ineligible to receive the PPP Loan, we may be required to repay the PPP Loan in its entirety or be subject to additional penalties, which could also result in adverse publicity and damage to our reputation. Additionally, the proposed Business Combination may subject us to additional scrutiny for our decision to receive the PPP Loan. Should we be audited or reviewed by federal or state regulatory authorities, such audit or review could result in the diversion of management's time and attention and legal and reputational costs. Any of these events could have a material adverse effect on our business, results of operations, and financial condition. Risks Related to our Financial Reporting and Disclosure We track certain operational metrics with internal systems and tools and do not independently verify such metrics. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation. We track certain operational and business metrics with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we reports may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations. For example, the accuracy of our operating metrics could be impacted by fraudulent users of our platform and further, we believe that there are consumers who have multiple accounts, even though this

is prohibited in our Terms of Service and we implement measures to detect and prevent this behavior. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long- term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition, and operating results would be materially adversely affected. **Failure** ~~Certain estimates and information contained in this herein are based on information from third-party sources and we do not independently verify the accuracy or completeness of the data contained in such sources or the methodologies for collecting such data and any real or perceived inaccuracies in such estimates and information may harm our reputation and adversely affect our business. Certain estimates and information contained in this herein, including general expectations concerning our industry and the market in which we operate, category share, market opportunity, and market size, are based to~~ **achieve** ~~some extent on information provided by third-party providers. This information depends on a number of assumptions and limitations~~ **maintain effective disclosure controls** ~~and although we believe the information from such third-party sources is reliable, we have not independently verified the accuracy or completeness of the data contained in such third-party sources or the methodologies for collecting such data. If there are any limitations or errors with respect to such data or methodologies, or if investors do not perceive such data or methodologies to be accurate, or if we discover material inaccuracies with respect to such data or methodologies, our reputation, financial condition, and operating results could be materially adversely affected. We identified material weaknesses in our internal control over financial reporting , and we may experience additional~~ **could result in our failure to accurately or timely report our financial condition or results of operations which could have a** ~~material~~ **adverse effect on** ~~weaknesses in the future, which may result in material misstatements of our consolidated financial statements or~~ **our business and stock price** ~~cause us to fail to meet our periodic reporting obligations. In connection with the preparation of our consolidated financial statements as of and for the fiscal year ended December 31, 2022, we identified material weaknesses in our internal control over financial reporting , which still existed as of December 31, 2023 . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We identified a material weakness in our internal control over financial reporting related to insufficient resources needed to fully implement our internal control risk assessment process, evaluate the technical accounting aspects of certain material transactions and effectively design and implement certain process level controls. We also identified a material weakness regarding the risk assessment process related to information technology general controls and activities of service organizations, the design and implementation of logical access, segregation of duties and program change controls and certain process level controls related to information used in the execution of those controls that impact our financial reporting processes. We have begun implementing remedial measures, and while there can be no assurance that our efforts will be successful, we plan to remediate the material weaknesses~~ **as soon as practical in a future period** ~~. These plans include implementing technology, hiring personnel, and other related activities, including engaging external resources. If we are unable to remediate the material weaknesses or are otherwise unable to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process, and report financial information accurately, and to prepare financial statements within the required time periods, could be adversely affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, negatively affect investor confidence in our financial statements and adversely impact our stock price. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will prevent or avoid control deficiencies that could lead to material weaknesses in our internal control over financial reporting in the future. Our current controls, and any new controls that we develop, may become inadequate because of changes in conditions in our business. Further, deficiencies in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or,~~ **cause us to fail to meet our reporting obligations , or cause investors to lose confidence in the accuracy and completeness of our financial statements and reports, which would likely adversely affect our business and the market price of our common stock** ~~and may result in a restatement of our financial statements for prior periods . In addition, we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC, and other regulatory authorities . Once we are no longer an “ emerging growth company ” , and our independent registered public accounting firm is will be required to attest to the effectiveness of our internal control over financial reporting for our Annual Report on Form 10- K . Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, the applicable stock exchange or other regulatory authorities, which would require additional financial and management resources. We have begun compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 in the future, but may not be able to complete our evaluation, testing and any required remediation in a timely fashion. If we fail to continue to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and, as a result, the market price of our common stock. As a public company, we are required to comply with the requirements of the Sarbanes-Oxley Act, or the Sarbanes-Oxley Act, including, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In connection with the preparation of our consolidated financial statements as of and for the fiscal year ended December 31, 2022, we identified a material weakness in our internal control over financial reporting related to insufficient resources needed to fully implement our internal control risk assessment process, evaluate the technical accounting aspects of certain material transactions and effectively design and implement certain process level controls. We also identified a material weakness regarding the risk assessment process related to information technology general controls and activities of service organizations, the design and implementation of logical access,~~

segregation of duties and program change controls and certain process level controls related to information used in the execution of those controls that impact our financial reporting processes. We continue to develop and refine our disclosure controls and other procedures that are designed to ensure that the information we are required to disclose in the reports that we file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to our management, including our principal executive and financial officers. Once we cease to be an emerging growth company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Moreover, our testing, or the subsequent testing by our independent registered public accounting firm, may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Any failure to comply with implement and maintain effective disclosure controls and procedures and internal control over financial reporting, including the Sarbanes-Oxley Act identification of one or more material weaknesses, could potentially cause investors to lose confidence in the accuracy and completeness of our financial statements and reports, which would likely adversely affect the market price of our common stock. In addition, we could be subject to sanctions or investigations by the SEC, the applicable stock exchange on which our common stock is listed, the SEC, and other regulatory authorities, which would require additional financial and management resources.

Risks Related to Ownership of Our Common Stock and Warrants We are an emerging growth company and any decision to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth and smaller reporting companies could make our common stock less attractive to investors. We are an “emerging growth company,” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we have chosen and may continue to choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including, but not limited to, not being required to comply with the have independent registered public accounting firm audit auditor attestation requirements of our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and, annual Annual report Reports on Form 10-K, and proxy statements, and exemptions from the requirements of holding non-binding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the stockholders may not have access to certain information that they may deem important. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of this extended transition period and as a result, our financial statements may not be comparable with similarly situated public companies. Our status as an emerging growth company will end as soon as any of the following occurs takes place: the last day of the fiscal year in which Wag! has at least \$ 1.235 billion in annual revenues; the date we qualify as a “large accelerated filer,” with at least \$ 700.0 million of equity securities held by non-affiliates; the date on which we have issued, in any three-year period, more than \$ 1.0 billion in non-convertible debt securities; or the last day of the fiscal year ending after the fifth anniversary of CHW Acquisition Corporation's (“CHW”) initial public offering (“IPO”) consummated on September 21, 2021. Additionally, we qualify as a “smaller reporting company” as defined in Item 10 (f) (1) of Regulation S-K Under the JOBS Securities Act, emerging growth. Smaller reporting companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We may elect to take advantage of certain reduced disclosure obligations, including, among other things, extended transition period and as a result, its providing only two years of audited financial statements in their periodic reports. We will remain a smaller reporting company until the last day of the fiscal year in which we fail to meet the following criteria: (i) the market value of our common stock held by nonaffiliates does not exceed \$ 250 million as of the end of that fiscal year's second fiscal quarter; or (ii) our annual revenues do not exceed \$ 100 million during such completed fiscal year and the market value of our common stock held by non-affiliates does not exceed \$ 700 million as of the end of that fiscal year's second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other similarly situated public companies difficult or impossible. We cannot predict if investors will find our common stock less attractive if we choose to rely on any of the exemptions afforded emerging growth and smaller reporting companies. If some investors find our common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our common stock and the market price of our common stock may be more volatile and may decline. Our quarterly operating results have fluctuated significantly and may continue to fluctuate significantly and could decline regardless fall below the expectations of securities analysts and investors due to operating performance. You may not be able to resell seasonality and other factors, some of which are beyond our control, resulting in shares at or above the price you paid and you may lose part or all of your investment. The price of our stock has and may continue to substantially fluctuate. This is especially true with companies like ours with a small public float decline in our stock price. Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Our Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include: general economic and political conditions; actual or anticipated changes or fluctuations in our operating results, changes in the market's expectations about our operating results; or failure to meet the expectation of securities analysts or investors in a particular period; announcements

by us or our competitors of new technology, features, or services; • competitors' performance; • developments or disputes concerning our intellectual property or other proprietary rights; • actual or perceived data security breaches or other data security incidents; • announced or completed acquisitions of businesses by us or our competitors; • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to it; • any actual or anticipated changes in the financial projections we may provide to the public or our failure to meet those projections • any major change in the our Board or management; • changes in laws and regulations affecting our business actual or anticipated developments in our business, its competitors' businesses, or the competitive landscape generally and any related market speculation; • litigation involving us, our industry or both; • governmental or regulatory actions or audits; • regulatory or legal developments in the United States; • announcement or expectation of additional financing efforts; • changes in accounting standards, policies, guidelines, interpretations, or principles; • our ability to meet compliance requirements; • the public's reaction to our press releases, other public announcements, and filings with the SEC; • operating and share price performance of other companies that investors deem comparable to us; • price and volume fluctuations in the overall stock market from time to time; • changes in operating performance and stock market trading volumes and trading prices of other technology companies generally, or those in the pet care industry in particular; • changes in financial estimates and recommendations by securities analysts concerning us or the pet care industry in general; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of shares of our common stock available for public sale; • sales of shares of our common stock by us or our stockholders; • sales of substantial amounts of shares of our common stock by our directors, executive officers, or significant stockholders or the perception that such sales could occur; • failure of securities analysts to maintain coverage of us; • the impact of the ongoing COVID-19 pandemic on our business; and • the other risk factors under "Risk Factors".

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock markets in general, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to **us ours** could depress our share price regardless of our business, prospects, financial conditions, or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. Insiders have substantial influence over us which could limit your ability to affect the outcome of key transactions, including a change of control. Our executive officers, directors, and their affiliates beneficially own approximately **21-23, 2-8** % of our common stock outstanding representing **21-23, 2-8** % of the vote. As a result, these stockholders, if they act together, will be able to influence our management and affairs and all matters requiring stockholder approval, including the election of directors, amendments of our organizational documents, and approval of significant corporate transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control of us or changes in our management. Further, this control will make the approval of certain transactions difficult or impossible without the support of these stockholders and their votes and might affect the market price of our common stock. ~~If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business or our market, or if they adversely change their recommendations regarding our common stock, the trading price or trading volume of our common stock could decline. The trading market for our common stock will be influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. If one or more securities analysts initiate research with an unfavorable rating or downgrade our Common Stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, our Common Stock price would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us, or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which in turn could cause the price and trading volume of our common stock to decline. A significant portion of our total outstanding shares was restricted under lock-up from immediate resale and now may be sold into the market, which could cause the market price of our common stock to decline significantly, even if our business is doing well. Shares of our common stock that were restricted from immediate resale under Lockup and now may be sold into the market pursuant to the registration statement of which this annual report on Form 10-K forms a part so long as it is available for use. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of common stock. We are unable to predict the effect that sales may have on the prevailing market price of our Common Stock and Warrants. To the extent our Warrants are exercised, additional shares of common stock will be issued, which will result in dilution to the holders of common stock and increase the number of shares eligible for resale in the public market. Sales, or the potential sales, of substantial numbers of shares in the public market by the selling securityholders, subject to certain restrictions on transfer until the termination of applicable lock-up periods, could increase the volatility of the market price of common stock or adversely affect the market price of common stock. Certain securityholders obtained Wag! securities at a discount and public security holders may not experience a similar rate of return. Certain selling securityholders purchased the securities at different prices, some significantly below the current trading price of such securities: (i) CHW Acquisition Sponsor, LLC (the "Sponsor") purchased 2,385,000 Founder Shares at \$ 0.01 and 3,895,564 Private Placement Warrants at \$ 1.00 per warrant in connection with the IPO; (ii) the investor that signed the PIPE and Backstop Subscription Agreement ("PIPE and Backstop Investor") purchased 500,000 shares of our common stock at a purchase price of \$ 10.00 per share; (iii) 72,323 shares of common stock were issued to two lenders due to the net exercise of the Wag! Common Warrants with a converted weighted average exercise price of \$ 1.54; (iv) 50,000 shares were issued to Craig Hallum Capital Group LLC at a price of \$ 4.83 per share; and (v) 732,500 Registration Rights Shares were purchased at a price of \$ 0.01 per share. Certain selling securityholders~~

may therefore have an incentive to sell because they could earn substantial profits due to the lower price at which they purchased their shares compared to public investors. Based on a closing price of the common stock on March 24, 2023 of \$ 2.30, the Sponsor could potentially earn approximately \$ 5.5 million of profit upon resale. Additionally, the two lenders, Craig-Hallum Capital Group LLC and the Representative Shareholders could also potentially profit on sales due to the lower price at which they acquired their shares. Public securityholders may not experience a similar rate of return on the securities they have purchased or may purchase in the future due to differences in the purchase prices and the current trading price. Our Warrants may never be in-the-money and they may expire worthless. The exercise price for our Warrants-warrants is \$ 11.50 per share (subject to adjustment as described herein), which exceeds the market price of our common stock, which was \$ 2.30-10 per share based on the closing price on the Nasdaq on March 24-13, 2023-2024. If all of our Warrants were exercised in full for cash, we would receive an aggregate of approximately \$ 188-210.5-4 million. We believe it is unlikely that the warrant holders will exercise their Warrants and, therefore, we do not expect to receive cash proceeds from any such exercise, for so long as the Warrants remain out-of-the-money. There can be no assurance that the Warrants will ever be in the money prior to their expiration in 2027 and, as such, may expire worthless. Because there are no current plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your Wag! common stock at a price greater than what you paid for it. We intend to retain future earnings, if any, for future operations, expansion, and debt repayment and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on shares of our common stock will be at the sole discretion of our Board. **You Our Board may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, implications of the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as the Board may deem relevant. As a result, you may not receive any return on an investment in our common stock unless you sell your Wag! common stock for a price greater than that which you paid for it. Our stockholders may experience dilution in the future. The percentage of shares of our common stock owned by current stockholders may be diluted in the future because of equity issuances for acquisitions, capital market transactions, or otherwise, including, without limitation, equity awards that we may grant to its directors, officers, and employees, exercise of our warrants or meeting the conditions under the Earnout Shares and the Management Earnout Shares (See Note 3, Business Combination with CHW, to the Consolidated Financial Statements included in Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K).** In connection with the Business Combination, we granted to the lender of the **Credit Facility Financing Agreement** a certain amount-number of warrants to acquire common stock. Such issuances may have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. **The Charter Our Certificate of Incorporation** provides, subject to limited exceptions, that the Court of Chancery in the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a chosen judicial forum for disputes with us or our directors, officers, employees or stockholders. **The Charter Our Certificate of Incorporation** requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions, **any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), the Certificate of Incorporation or the bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the amended and restated bylaws, or any action asserting a claim governed by the internal affairs doctrine** may be brought in the Court of Chancery **in the State of Delaware** or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in the **Charter Certificate of Incorporation**. In addition, the **Charter Certificate of Incorporation** and **amended and restated bylaws** provide that the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act and the Exchange Act - **In March 2020, the Delaware Supreme Court issued a decision in *Salzburg et al. v. Seabacuechi*, which found that an exclusive forum provision providing for claims under the Securities Act to be brought in federal court is facially valid under Delaware law. It is unclear whether this decision will be appealed, or what the final outcome of this case will be. We intend to enforce this provision, but we do not know whether courts in other jurisdictions will agree with this decision or enforce it. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in the Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. Additionally, it is uncertain whether this choice of forum provision is enforceable. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. In light of this uncertainty, investors bringing a claim may face certain additional risks, including increased costs and uncertainty of litigation outcomes. Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us. The Organizational Documents provide that we indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the DGCL, the amended and restated bylaws and its indemnification agreements that we have entered into with our directors and officers provide that: • we indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person**

reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful; • we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law; • we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification; • we are not obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnities, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification; • the rights conferred in the amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and • we may not retroactively amend our bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

Risks Related to Being a Public Company

Our We incur significant costs operating as a public company. In addition, our management team has limited experience managing a public company . We face increased legal, accounting, administrative, and other costs and expenses as a may not successfully manage our transition to public company ,and operating results.We face increased legal,accounting,administrative,and other costs and expenses as a public company that we do not incur as a private company and these expenses may increase even more after we are no longer an “ emerging growth company.” The Sarbanes- Oxley Act,including the requirements of Section 404,as well as rules and regulations subsequently implemented by the SEC,the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder,the **Public Company Accounting Oversight Board (United States) (“ PCAOB ”)** and the securities exchanges and the listing standards of the Nasdaq,impose additional reporting and other obligations on public companies.Compliance with public company requirements **increase increases costs and ,make-makes certain activities more time- consuming ,and increases demands on our systems and resources . A number-Risks associated with our status as a public company may make it more difficult to attract and retain qualified independent persons to serve on our Board or as executive officers .** or as executive officers. In addition,as a public company,we may be subject to stockholder activism,which can lead to substantial costs,distract management,and impact the manner in which we operate our business in ways we do not currently anticipate.As a result of disclosure of information herein and in filings required of a public company,our business and financial condition **are will become** more visible,which may result in threatened or actual litigation,including by competitors and other third parties.If such claims are successful,our business and results of operations could be materially adversely affected and even if the claims do not result in litigation or are resolved in our favor,these claims and the time and resources necessary to resolve them,could divert the resources of our management and adversely affect our business and results of operations.The **additional reporting and other obligations imposed by these rules and regulations will increase increased legal and financial compliance costs and the costs of related legal compliance with public company reporting requirements and our potential failure to satisfy these requirements can have a material adverse effect on our operations , accounting business , and administrative activities financial condition or results of operations .** These increased **In addition, Most-most** members of our management team have limited experience managing a publicly- traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. **The obligations of Our management team may not successfully or efficiently manage the transition to being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will** require significant attention from our senior management and could divert their attention away from the day- to- day management of our business, which could harm our business, results of operations and financial condition. We **will incur significant increased expenses and administrative.....** from research and development efforts. We may be subject to securities litigation, which is expensive, could divert management attention, hinder execution of business and growth strategy and impact our stock price. The per share price of **the-our** common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation, including class action litigation. **Due to the inherent uncertainties of litigation, the ultimate outcome of any such proceedings cannot be accurately predicted.** Litigation of this type could result in substantial **legal fees, settlements, or judgment** costs and diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, and results of operations. **Our** Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our common stock or other reasons may in the future cause it to become the target of securities litigation or shareholder activism. Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert management's and the board of directors' attention and resources from our business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism. Any adverse determination in litigation could also subject us to significant liabilities. Because we became a publicly traded company by means other than a traditional underwritten initial public offering, our stockholders may face additional risks and uncertainties. Because we became a publicly traded company by means of consummating the Business Combination rather than by means of a traditional underwritten initial public offering, there is **listed on no independent third- party underwriter selling the shares of Nasdaq Global Market. We cannot assure you that** our common stock , and, accordingly, our stockholders will **continue to** not have the benefit of an independent review and investigation of the type normally performed by an unaffiliated, independent underwriter in a public securities offering. Due diligence reviews typically include an independent investigation of the

background of the company, any advisors and their respective affiliates, review of the offering documents and independent analysis of the plan of business and any underlying financial assumptions. Although CHW performed a due diligence review and investigation of Wag! in connection with the Business Combination, the lack of an independent due diligence review and investigation increases the risk of investment in us because CHW's due diligence review and investigation may not have uncovered facts that would be **listed** important to a potential investor. In addition, because we did not become a publicly traded company by means of an traditional underwritten initial public offering, security or industry analysts may not provide, or be less likely to provide, coverage of us. Investment banks may also be less likely to agree to underwrite secondary offerings on behalf of us than they **the** might otherwise be **Nasdaq Global Market. For example,** if we became a publicly traded company by means of a traditional underwritten initial public offering because they may be less familiar with us as a result of more limited coverage by analysts and the media. The failure to receive research coverage or support in the market for our common stock could have an adverse effect on our ability to develop a liquid market for our common stock. There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq. If we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements or the minimum share price requirement, Nasdaq may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of the securities and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the Nasdaq minimum share price requirement or prevent future non-compliance with Nasdaq's listing requirements. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained. **If we cannot continue to satisfy listing requirements and other rules of Nasdaq Global Market, our securities may be delisted, which could negatively impact the price of our securities and your ability to sell them. Our Common Stock is listed on the Nasdaq Global Market. We cannot assure you that our Ordinary Shares will continue to be listed on the Nasdaq Global Market. In order to maintain our listing on the Nasdaq Global Market, we are required to comply with certain rules of Nasdaq Global Market, including those regarding minimum shareholder's equity, minimum share price, and certain corporate governance requirements. We may not be able to continue to satisfy continuing listing requirements and other applicable rules of the Nasdaq Global Market. If we are unable to satisfy the Nasdaq Global Market criteria for maintaining our listing, our securities could be subject to delisting. If the Nasdaq Global Market subsequently delists our securities from trading, we could face significant consequences, including:**

- a limited availability for market quotations for our securities;
- reduced liquidity with respect to our securities;
- the number of institutional and general investors that will consider investing in our Common Stock;
- the number of investors in general that will consider investing in our Common Stock;
- the number of market makers in our Common Stock;
- limited amount of news and analyst coverage;
- and
- a decreased ability to issue additional securities or obtain additional financing in the future.

You may only be able to exercise your public warrants on a "cashless basis" under certain circumstances, and if you do so, you will receive fewer common stock from such exercise than if you were to exercise such warrants for cash. The warrant agreement provides that in the following circumstances holders of warrants who seek to exercise their warrants will not be permitted to do so for cash and will, instead, be required to do so on a cashless basis in accordance with Section 3 (a) (9) of the Securities Act: (i) if the common stock issuable upon exercise of the warrants are not registered under the Securities Act in accordance with the terms of the warrant agreement; (ii) if we have so elected and the common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of "covered securities" under Section 18 (b) (1) of the Securities Act; and (iii) if we have so elected and we call the public warrants for redemption. If you exercise your public warrants on a cashless basis, you would pay the warrant exercise price by surrendering all of the warrants for that number of common stock equal to the quotient obtained by dividing (x) the product of the number of common stock underlying the warrants, multiplied by the excess of the "fair market value" of our common stock (as defined in the next sentence) over the exercise price of the warrants by (y) the fair market value. The "fair market value" is the average reported last sale price of the common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of exercise is received by the warrant agent or on which the notice of redemption is sent to the holders of warrants, as applicable. As a result, you would receive fewer shares of common stock from such exercise than if you were to exercise such warrants for cash. We have no current plans to pay cash dividends on our common stock; as a result, stockholders may not receive any return on investment unless they sell their common stock for a price greater than the purchase price. We have no current plans to pay dividends on our common stock. Any future determination to pay dividends will be made at the discretion of our board of directors, subject to applicable laws. It will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, general business conditions, and other factors that the board of directors may deem relevant. In addition, the ability to pay cash dividends may be restricted by the terms of debt financing arrangements, as any future debt financing arrangement likely will contain terms restricting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, stockholders may not receive any return on an investment in our common stock unless they sell their shares for a price greater than that which they paid for them. Provisions in our organizational documents and certain rules imposed by regulatory authorities may delay or prevent an acquisition by a third party that could otherwise be in the interests of stockholders. Our certificate of incorporation and amended and restated bylaws contain several provisions that may make it more difficult or expensive for a third party to acquire control of us without the approval of the board of directors. These provisions, which may delay, prevent or deter a merger, acquisition, tender offer, proxy contest, or other transaction that stockholders may consider favorable, include the following:

- a classified

board; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; • certain limitations on convening special stockholder meetings; • limiting the persons who may call special meetings of stockholders; • limiting the ability of stockholders to act by written consent; • restrictions on business combinations with interested stockholder; • in certain cases, the approval of holders representing at least 66 2/3 % of the total voting power of the shares entitled to vote generally in the election of directors will be required for stockholders to adopt, amend or repeal the bylaws, or amend or repeal certain provisions of the certificate of incorporation; • no cumulative voting; • the required approval of holders representing at least 66 2/3 % of the total voting power of the shares entitled to vote at an election of the directors to remove directors; and • the ability of the board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions. These provisions of our certificate of incorporation and amended and restated bylaws could discourage potential takeover attempts and reduce the price that investors might be willing to pay for shares of our common stock in the future, which could reduce the market price of our common stock. The provision of our certificate of incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware and the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging lawsuits against directors and officers. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: • any derivative action or proceeding brought on behalf of us; • any action asserting a claim of breach of fiduciary duty owed by any director, officer, agent or other employee or stockholder to us or our stockholders; • any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; • any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the amended and restated bylaws; or • any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. It further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum clauses described above shall not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. Although these provisions are expected to benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation have been challenged in legal proceedings and there is uncertainty as to whether a court would enforce such provisions. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in the our certificate of incorporation to be inapplicable or unenforceable in such action. If so, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition or results of operations.