

Risk Factors Comparison 2025-03-24 to 2024-03-20 Form: 10-K

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

Investing in our common stock involves a high degree of risk. 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 to, the following:

- The businesses and industries in which we operate are highly competitive and we may be unable to compete successfully with our current or future competitors;
- ~~We have incurred net losses in each year since inception. If we fail to manage certain risks and 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;~~
- 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;
- 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 or 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 or attract new 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;
- 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;
- 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 ;
- **We need to obtain additional financing and / or refinance our existing indebtedness, which has caused management to determine that there is substantial doubt regarding our ability to continue as a going concern;**
- 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;
- 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;
- ~~We~~ We have been subject to cybersecurity attacks in the past and may be the target of future attacks. Any actual or 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, business, financial condition, and operating results;
- We primarily 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 services or software could adversely affect 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 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;
- The failure to successfully execute and integrate acquisitions could materially adversely affect our business, operating results, and financial condition;
- 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;
- Our management team has limited experience operating a public company ; and
- **We have failed** ~~There can be no assurance that we will be able to comply with the continued listing requirements of the Nasdaq , Global Market and failure to do so may result in our securities being~~ **common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted .**

Risks Related to Our Business The businesses and industries in which we operate 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 users. Current and potential competitors (including any new entrants into the market, friends, family, neighbors, other digital marketplaces for pet care services, large commercial kennels and daycares) may enjoy substantial competitive advantages over us, such as greater name recognition, longer operating histories, greater category share in certain markets, market- specific knowledge, previously established or stronger relationships with customers, 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 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 our business, operating results, and financial condition. We believe our ability to compete effectively depends upon many factors both within and beyond our control, including the popularity, utility, ease of use, performance, and reliability of our offerings compared to those of 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; our ability, and the ability of our competitors, to develop new offerings; and our ability to attract, retain, and motivate talented employees. We have incurred net losses in each year since inception. If we fail to manage certain risks and 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. We incurred net losses of \$ **17.6 million**, \$ 13.3 million, **and** \$ 38.6 million, **and** \$ ~~6.3 million~~ for the years ended December 31, **2024**, 2023, **and** 2022, **and** 2021, respectively. As of December 31, **2024 and** 2023 **and** ~~2022~~, we had an accumulated deficit of \$ **179.3 million and** \$ 161.7 million **and** \$ 148.4 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. Our marketing efforts to help grow the business may not be effective. Promoting awareness of our platform is important to our ability to grow the business and to attract new Pet Parents and Pet Caregivers. Since inception, our user base has grown in large part as a result of word- of- mouth, 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. We are substantially dependent on revenues from a small number of customers. The loss of or decrease in revenue from any one of these customers would materially adversely affect our business, results of operations, and financial condition. A small number of customers make up a large portion of our total revenues. For example, for the fiscal year ended December 31, ~~2023~~ **2024**, ~~two~~ **three** customers from Wag! Wellness accounted for an aggregate of ~~36~~ **38** % of total 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. If we fail to retain existing users or attract new 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. 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 availability or demand for services, 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 may cause Pet Parents to book through other 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. 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 our 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. 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 factors affecting pet care providers, some of which are outside our control, including: 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. 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. 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 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 through unpaid internet search results on search engines such as Google, Yahoo!, and Bing. The number of users that we attract to our platform from search engines is due in large part to website 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 websites or mobile applications may not be prominent enough to drive traffic 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. Any reduction in the number of users 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 to our platform has been how prominently offerings are displayed in response to search queries for key search terms. We may face increased costs for relevant keywords as our competitors 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 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 and employees and to compete effectively. We are heavily dependent on the perceptions of those who use our platform to help make word- of- mouth recommendations that contribute to our growth. Negative perception of our platform or company and negative publicity 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, or other members of the public, fraudulent activity and transactions on our platform, 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 and 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 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; cybersecurity; privacy practices and data protection; provision of information about users and activities on our platform. In addition, we rely on users to provide trustworthy reviews and ratings that others may rely upon to help decide whether or not to utilize a particular offering and that we use to enforce quality standards. We rely on these reviews to further strengthen trust among members of our community. Our users 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 Pet Parents or Pet Caregivers are receiving or providing services through our 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 have resulted in pet fatalities and pet and human injuries. While we have implemented measures to prevent and address these risks, 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 service provider before they can offer their services on our platform. The criminal background checks for Pet Caregivers and other screening processes rely on, among other things, the third- party service providers to conduct such background checks pursuant to applicable laws and our internal standards and 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. 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 the ability

of our internal teams or third- party service providers to adequately conduct such verification or screening practices. 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 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 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 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. Any international operations involve additional risks, and our exposure to these risks may increase as Wag! expands internationally. Any expansion of our operations internationally involves risk, including many of the same operational risks we face in expanding our U. S. operations. Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources, and is subject to unique challenges, including growing a business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems, foreign currency rules and regulations, adverse tax consequences, and commercial infrastructures, and challenges obtaining and protecting intellectual property rights. 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. 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. 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. **We may require approximately \$ 8.6 million and management is actively engaged in discussions to refinance the Financing Agreement. However, there can be no assurance that we will be able to complete the refinancing. In addition, 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 will 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. We evaluate financing opportunities. Although we currently anticipate that our existing cash, cash equivalents, and marketable securities and cash flow from operations time to time and our ability to obtain financing will be sufficient to meet depend, among other things, on our working development efforts, business plans, and operating performance and the condition of the capital markets and capital expenditure needs for at least the time next 12 months, we seek may require additional financing. Accordingly, we may need to engage in equity or debt financing financings. We cannot provide any assurance that we will be able to raise secure additional funds capital. If we are able to raise additional capital, we may not be able to obtain such financing on terms favorable to us. 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 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. In addition, our independent registered public accounting firm from time to time has included in its report an and explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The inclusion obtain financing will depend, among other things, on our development efforts, business plans, and operating performance and the condition of this going concern explanatory paragraph the capital markets at the time we seek financing. We may not be able make it more difficult for us to secure obtain additional financing on terms acceptable favorable to us, if at all, and likely may adversely affect the terms of any financing that we may obtain. If we are unable to obtain adequate capital resources 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.**

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 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 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 Pet Caregivers as employees would adversely affect our business, financial condition, and operating results. 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 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 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. 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 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 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 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 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 into new jurisdictions will cause us to be subject to the foreign regulations and regulators governing those jurisdictions. 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 laws or regulations, including any future laws or regulations that we may not be able to anticipate at this time, we may be subject to claims and 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, which may require us to expend substantial resources or to discontinue certain services or platform features. 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. 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, 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. We include arbitration and class action waiver provisions in our terms of service with the Pet Parents and Pet Caregivers that use our platform, as well as in the Pet Care Provider Platform Use Agreement that Pet Caregivers must sign to be approved to provide services on our platform. These provisions are intended to streamline the litigation process for all parties involved, as they can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration can be costly and burdensome and the use of arbitration and class action waiver provisions subjects us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. In order to minimize these risks to our reputation and brand, we may limit our use of arbitration and class action waiver provisions or be required to do so in a legal or regulatory proceeding, either of which could cause an 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 time involved in resolving such disputes and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business, financial condition, and operating results. 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 we sometimes 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 may have exposure to greater- than- anticipated tax liabilities, which may materially and 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, 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 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 taxes on past sales, as well as penalties and interest, could discourage Pet Parents and Pet Caregivers from utilizing our 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, including those regarding 1099 Statements. As of December 31, ~~2023~~ **2024**, management did not believe that the outcome of pending matters would have a material adverse effect on our financial position, results of operations, or cash flows. For more information, see Note 9, Commitments and Contingencies, to 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 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. 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. 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. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. As of December 31, ~~2023~~ **2024**, the Company had U. S. federal and state net operating loss carryforwards of approximately \$ ~~222.6 million and \$ 189.9 million and \$ 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 \$ ~~198.205.42~~ 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 Jumpstart Our Business Startups 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 NOL, carryforwards and certain other tax attributes to offset its post- change taxable income may be limited. Similar rules may apply under state tax laws. We have experienced ownership changes in the past, and we may experience additional ownership changes in the future as a result of subsequent changes in our stock ownership. Accordingly, we may not be able to utilize a material portion of our NOL carryforwards and certain other tax attributes, even if we achieve profitability. 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 an event of 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 for a senior secured loan in the amount of \$ 32. 2 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 ”). 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 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 Financing Agreement states that if the Credit Parties default on their payment or performance obligations in respect of the 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 Financing Agreement, which would materially harm the Credit Parties’ business, financial condition and results of operations and our securities could be rendered worthless. In addition, the Financing Agreement includes cross- default or cross- acceleration provisions that could result in the loan being accelerated and / or terminated if an event of default or acceleration of maturity occurs under our **Paycheck Protection Program loan (the “ PPP loan-Loan ”)**. Because substantially all of the Credit Parties’ assets have been pledged to secure the 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. For more information about these 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 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, business acquisitions, and to restructure our capital structure. We may be required 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, expenditures and other business activities, and may in turn adversely impact our ability to implement other business strategies. Our debt obligations may increase our exposure to interest rate risk from variable rate indebtedness. Our ability to meet our payment obligations under our debt facilities, including a principal amount of \$ 32-19.1 million of obligations to Blue Torch that matures in August 2025, 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 the refinancing or borrowing guidelines become more stringent and such changes result in increased costs to comply or 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. We have been subject to cybersecurity attacks in the past and may be the target of future attacks. Any actual or 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, 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 the nature of the information 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 data security incidents, 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' information systems, which can then be leveraged to access our 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 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, is vulnerable to cyberattacks or security breaches and to damages from computer viruses, worms, and other 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, 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 an 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, 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 be adversely affected. In addition, hardware, software, or applications we develop or 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. 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 we 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, we cannot assure you that our insurance will be adequate to cover all of 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 collect, store, transmit, and process a large volume of personal 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 local, municipal, state, federal, and international laws, rules and regulations address privacy and the collection, storing, transmitting, use, disclosure, disposal, protection, and other processing of certain types of data, including personal information. These laws, rules, and regulations regulating the personal information collected, transmitted, 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 into effect in 2020 and imposes a range of obligations on covered businesses that process personal information about California residents. Other states, including Virginia, Colorado, Connecticut, and 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 of security. For example, the Federal Trade Commission expects a company' 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 a patchwork of overlapping but different laws relating to the processing of personal information, which increases the complexity of compliance and has required, and may in the future 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 to comply with the various data privacy, data protection and information security laws, regulations, and frameworks, alongside contractual obligations relating to the processing of personal information, may not be effective and could greatly increase the cost of operating our platform, require significant changes to our operations, 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. Moreover, any failure, or perceived failure, by us, our third- party providers, Pet Parents, or Pet Caregivers, to comply with 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 subsequent adverse outcomes may subject us to significant negative publicity and any erosion of trust which could damage our reputation 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 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. 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. In addition, to the extent that our systems depend upon the successful operation of the open source software we use, any undetected errors, bugs, or defects in this open source software could prevent the deployment 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, and harm our reputation. 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 to deliver services to users on our platform and any disruption of or interference with our use such third party 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 use ~~on~~ Amazon Web Services (“ AWS ”) to host our platform and support our operations and we rely on Google Maps and Apple Maps 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 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, 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. We do not have control over the operations of the facilities that our third parties use. The facilities of 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. We have experienced, and expect that in the future 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. 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 there 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 our costs, and impair 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 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. 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 or addition would require significant time and management resources. Any of the foregoing risks related to 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 infrastructure 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 our users and adversely affect our ability to attract and retain Pet Caregivers and Pet Parents. 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 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 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 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 contains third-party open source software components, the use of which could expose us to information security vulnerabilities or subject us 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 open source software. 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, nor can we ensure that malicious code is not embedded in such open source software. 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 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. 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 have processes in place to help alleviate risks associated with our use of open source software, but any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our ownership of proprietary intellectual property, the security of our systems, products and services, or our business, results of operations, and financial condition.

Risks Related to Our Intellectual Property 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 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 our intellectual property. 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. 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 our proprietary information could adversely affect our competitive business position. 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 consider proprietary. Unauthorized parties may also attempt to or successfully 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 taken will prevent misappropriation or infringement of our intellectual property rights. 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 for trademark and copyright infringement, defamation, libel and negligence, among others, that could be asserted against us, in addition to our Pet Caregivers and Pet Parents. Failure to identify and prevent illegal or inappropriate content from being uploaded to our platform 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 intellectual property claims, 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 be time-consuming, result in costly litigation, be harmful to our reputation and brand, require significant management attention, and divert significant resources. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines, and penalties. These proceedings could also result in sanctions, consent decrees, injunctions, or other orders requiring a change in our business practices or could require us 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. Any of these consequences could 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 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 and retain key employees and senior management, 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. 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 support function contributes 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, 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 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, maintain proper controls and procedures for interacting with our community, and 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 our third- party background check or third- party identity verification provider, including publicity related to safety incidents or actual or perceived privacy or 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 insurance coverage to insure operations- related risks, including risks related to pet services. If our insurance providers change the terms or cost of insurance that is not favorable to us, 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, 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. 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: (i) the cost per claim, premiums, or the number of claims significantly exceeds our historical experience or coverage limits; (ii) we experience a claim in excess of our coverage limits; (iii) our insurance providers fail to pay on our insurance claims; (iv) we experience a claim for which coverage is not provided; or (v) the number of claims under our deductibles or self- insured retentions differs from historical averages. 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 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. Acquisitions involve numerous risks. For example any business we acquire may not perform as well as we expect or we may encounter difficulties integrating the technology, operations, or personnel of any acquired company. 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..... results may be materially adversely affected.** 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 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. 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~~ **2024**. 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, 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 required to attest to the effectiveness of our internal control over financial reporting for our Annual Report on Form 10- K, 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. 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. Risks Related to Ownership of Our Common Stock and Warrants We are an emerging growth and smaller reporting 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 auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports, Annual 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: 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 Securities Act. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, 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 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. The price of our common stock has fluctuated significantly and may continue to fluctuate significantly and could decline regardless of operating performance. You may not be able to resell your 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. Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. 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. 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 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 23. 8 % of our common stock outstanding representing 23. 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. Our Warrants may never be in- the- money and they may expire worthless. The exercise price for our warrants is \$ 11. 50 per share (subject to adjustment as described herein), which exceeds the market price of our common stock, which was \$ 2. 0. 10-25 per share based on the closing price on the Nasdaq on March 13, 2024-2025. If all of our Warrants were exercised in full for cash, we would receive an aggregate of approximately \$ 210. 4 million. We believe it is unlikely that the ~~warrant holders~~ **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 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 Financing Agreement a certain 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. 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. 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 Certificate of Incorporation. In addition, the Certificate of Incorporation and 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. 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. Risks Related to Being a Public Company 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 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 Nasdaq, impose additional reporting and other obligations on public companies. Compliance with public company requirements increases costs, makes certain activities more time- consuming, and increases demands on our systems and resources. 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. 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 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 increased costs of compliance with public company reporting requirements and our potential failure to satisfy these requirements can have a material adverse effect on our operations, business, financial condition or results of operations. In addition, 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 being a public company 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 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 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 On September 24, 2024, we received a written notice from the staff of the Listing Qualifications Department of Nasdaq (the "Staff") that for 30 consecutive business days from August 9, 2024 to September 23, 2024, the closing bid price of our common stock is listed on the Nasdaq Global Market was below \$ 1. We cannot assure you that our common stock will 00 and no longer meets the minimum bid price requirement for continue continued listing to be listed on the Nasdaq Global Market. For example under Nasdaq Listing Rules 5450 (a) (1), if we fail to satisfy which requires a minimum bid price of \$ 1. 00 per share (the " Minimum Bid Price Requirement "). The staff also notified us that for 30 consecutive business days from August 8, 2024 to September 23, 2024 our Market Value of Listed Securities (" MVLS ") was below the \$ 50, 000, 000 minimum required for continued listing requirements of on the Nasdaq Global Market under , such as the corporate governance requirements or the minimum share price requirement, Nasdaq may take steps to delist Listing Rule 5450 (b) (2) (A). The notice had no immediate effect on the listing our- or securities trading of our common stock. Such On January 14, 2025, we received a written notice the Staff that for 30 consecutive business days from November 13, 2024 to January 13, 2025, the Company's Market Value of Publicly Held Securities (" MVPHS ") was below the \$ 15, 000, 000 required for continued delisting-- listing would likely on the Global Market (the " MVPHS Requirement ") under Nasdaq Listing Rule 5450 (b) (2) (C). In accordance with Nasdaq Listing**

Rules 5810 (c) (3) (A) and 5810 (c) (3) (C), we have a negative effect on a period of 180 calendar days, or until March 24, 2025, to regain compliance with the Minimum Bid Price Requirement and the MVLS Requirement. In accordance with Nasdaq Listing Rules 5810 (c) (3) (D), we have a period of 180 calendar days, or until July 14, 2025, to regain compliance with the MVPHS Requirement. If we do not regain compliance with these requirements, we will receive written notification that our securities are subject and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we cannot provide any assurance that we will regain or maintain any action taken by us to restore compliance with the applicable continued listing standards set forth in the Nasdaq Listing Rules. Delisting from Nasdaq could make trading our common stock more difficult for investors, potentially leading to declines in our share price and liquidity. In the event we are delisted from Nasdaq, the only established trading market for our common stock would be eliminated, and we would be forced to list our shares on the OTC Markets or another quotation medium, depending on our ability to meet the specific listing requirements of those quotation systems. As a result, an investor would likely find it more difficult to trade our securities to become listed again, stabilize the market price quotations or for improve our shares. Delisting would likely also reduce the visibility, liquidity of our securities, and value of prevent our securities from dropping below the Nasdaq minimum share price requirement or our prevent common stock, reduce institutional investor interest in our company, and may increase the volatility of our common stock. Delisting could also cause a loss of confidence of potential industry partners, lenders, and employees, which could further harm our business and our future prospects 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.