

Wag!

Q4 2022

EARNINGS CALL

February 21, 2023



Wag.co

Financial Highlights

FY 2022 Revenue of \$54.9 million exceeded expectations – Raising FY 2023 guidance for Revenue and Adjusted EBITDA

110%

Q4 revenue growth

Increase from \$8.1 million in Q4 '21 to \$17.0 million in Q4 '22

\$(0.4) million

Q4 adjusted EBITDA

Reflects \$8.9 million in revenue growth across all platform offerings compared to Q4 '21

54%

Wag! Premium Penetration

Depicting strong platform resiliency and cross-sell rates

> 434,000

Platform Participants

Highest participation to date reached 2022; greater than 400,000 for entire second half of 2022

Evidence of our strategy and execution delivering value across the Pet Industry for

- Pet Parents
- Pet Caregivers
- Pet Care Vendors
- Shareholders

FY 2023 guidance

Revenue

\$75.0M – \$77.0M

Adjusted EBITDA

\$(2.0)M – \$0.0M



\$39.0 million

Cash and Cash Equivalents

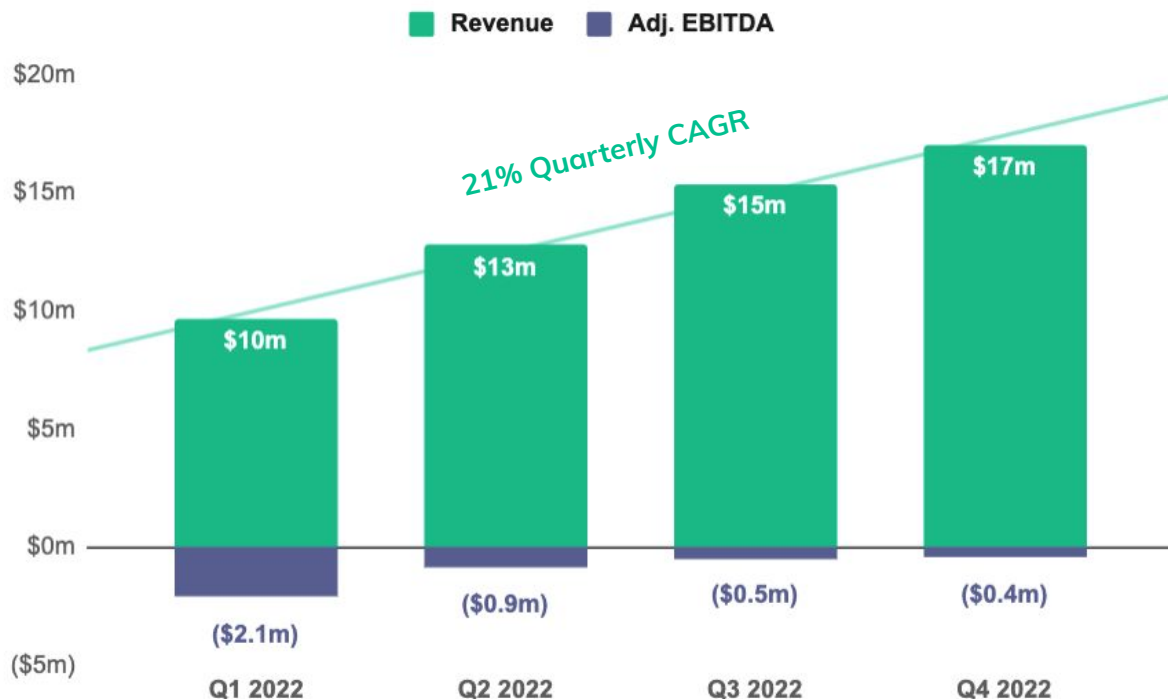
Demonstrating consistent capital generation to maximize value creation for stakeholders

2022 Results - Profitability Around the Corner

Key Factors

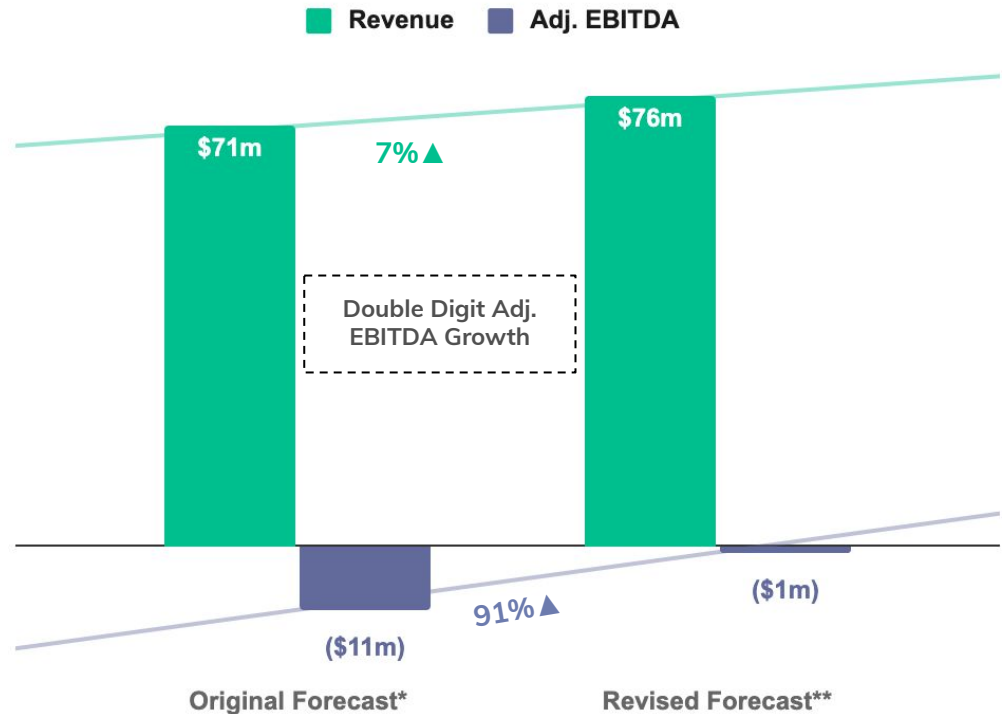
- Accelerated growth in existing markets
- Premium subscription pricing and offerings
- Platform expansion
- Opportunistic M&A and strategic partnerships
- Operating scale

Steady Quarterly Growth in 2022



Components of 2023 Growth

- A continued trend in return-to-office, as measured by the Kastle back-to-work barometer.
- Continued acceleration in Wellness including new ventures, expansion into additional markets, testing and bundling of Wag! Premium offers, and improved marketing efficiency.
- The White House plans to terminate both the public health and national emergencies declared in response to the coronavirus pandemic, as stated on January 30, 2023.
- The accretive impact from the acquisition of Dog Food Advisor of \$3 million in revenue and \$1.5 million of adjusted EBITDA benefit in 2023.



* "Original Forecast" provided in April 2022 Investor Deck on the Company's Investor Relations website

**Reflecting values at the midpoint of the range

2023 Platform Expansion

Wag!

Entered the \$50B Pet Food & Treat Category with acquisition of **DogFoodAdvisor.com** in January 2023

Pet Food & Treats

TAM₁



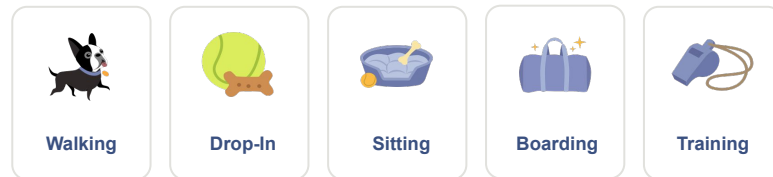
\$50B

Wellness



\$34B₂

Services



\$10B



Wag! Premium

- 10% Off All Services
- Exclusive Benefits Center
- 24/7 VIP Support

Forward-Looking Statements

This document contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking words. Statements that are not historical in nature, including the words “anticipate,” “expect,” “suggests,” “plan,” “believe,” “intend,” “estimates,” “targets,” “projects,” “should,” “could,” “would,” “may,” “will,” “forecast” and other similar expressions are intended to identify forward-looking statements. These statements include those related to the Company’s ability to further develop and advance its pet service offerings and achieve scale; ability to attract personnel; market opportunity, anticipated growth, and future financial performance, including management’s financial outlook for 2022. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: management’s financial outlook for the future; market adoption of the Company’s pet service offerings and solutions; the ability of the Company to protect its intellectual property; changes in the competitive industries in which the Company operates; changes in laws and regulations affecting the Company’s business; the Company’s ability to implement its business plans, forecasts and other expectations, and identify and realize additional partnerships and opportunities; and the risk of downturns in the market and the technology industry. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of the Company’s Quarterly Report on Form 10-Q filed on November 10, 2023 and other documents filed. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. The Company does not give any assurance that it will achieve its expectations.

Disclaimer

Use of Non-GAAP Financial Measures

This Earnings Presentation includes certain financial measures not presented in accordance with GAAP, including, but not limited to, EBITDA and certain ratios and other metrics derived therefrom. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. Reconciliations to the most directly comparable GAAP financial measures are available in our Earnings Release issued on February 21, 2023. The Earnings Release is available on the Investor Relations page of our website and is included as an Exhibit in the Form 8-K furnished to the SEC.

Adjusted EBITDA is a non-GAAP financial measure defined as net income (loss) adjusted for interest expense, depreciation and amortization, share-based compensation, income taxes, as well as other items to be consistent with definitions typically used by lenders, including transaction costs. Additionally, we exclude the impact of certain non-recurring items which are not indicative of our operating performance as well as other transaction specific costs that do not represent an ongoing operating expense of the business, including but not limited to, business combination transaction and integration costs and PPP loan forgiveness. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue. Adjusted EBITDA and Adjusted EBITDA margin provide a basis for comparison of our business operations between current, past, and future periods by excluding items from net income (loss) that we do not believe are indicative of our core operating performance.

Platform Participant is defined as a Pet Parent or Pet Caregiver who transacted on the Wag! platform for a service in the quarter. Services include dog walking, sitting, boarding, drop-ins, training, premium telehealth services, wellness plans, and pet insurance plan comparison.

Certain monetary amounts, percentages and other figures included in this Earnings Presentation have been subject to rounding adjustments. Certain other amounts that appear in this Earnings Presentation may not sum due to rounding.

Thank You!

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