

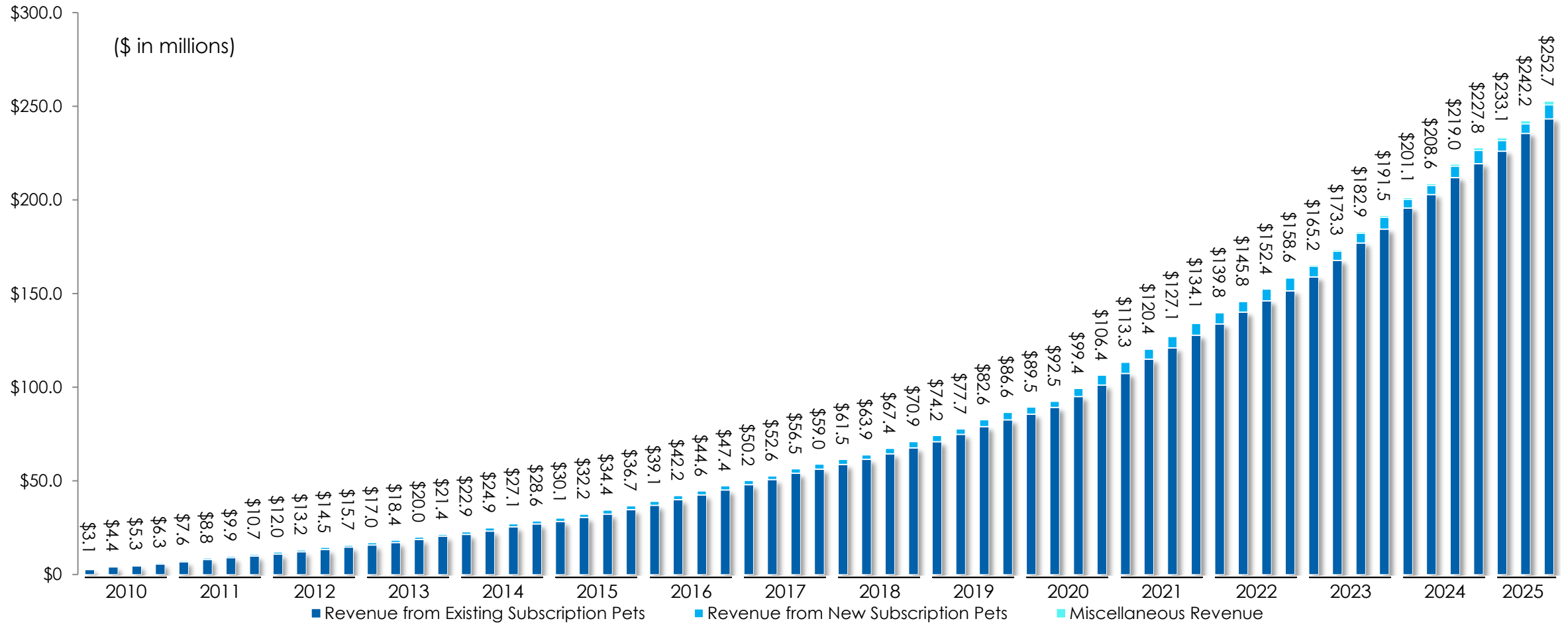


# Quarterly Earnings Supplement

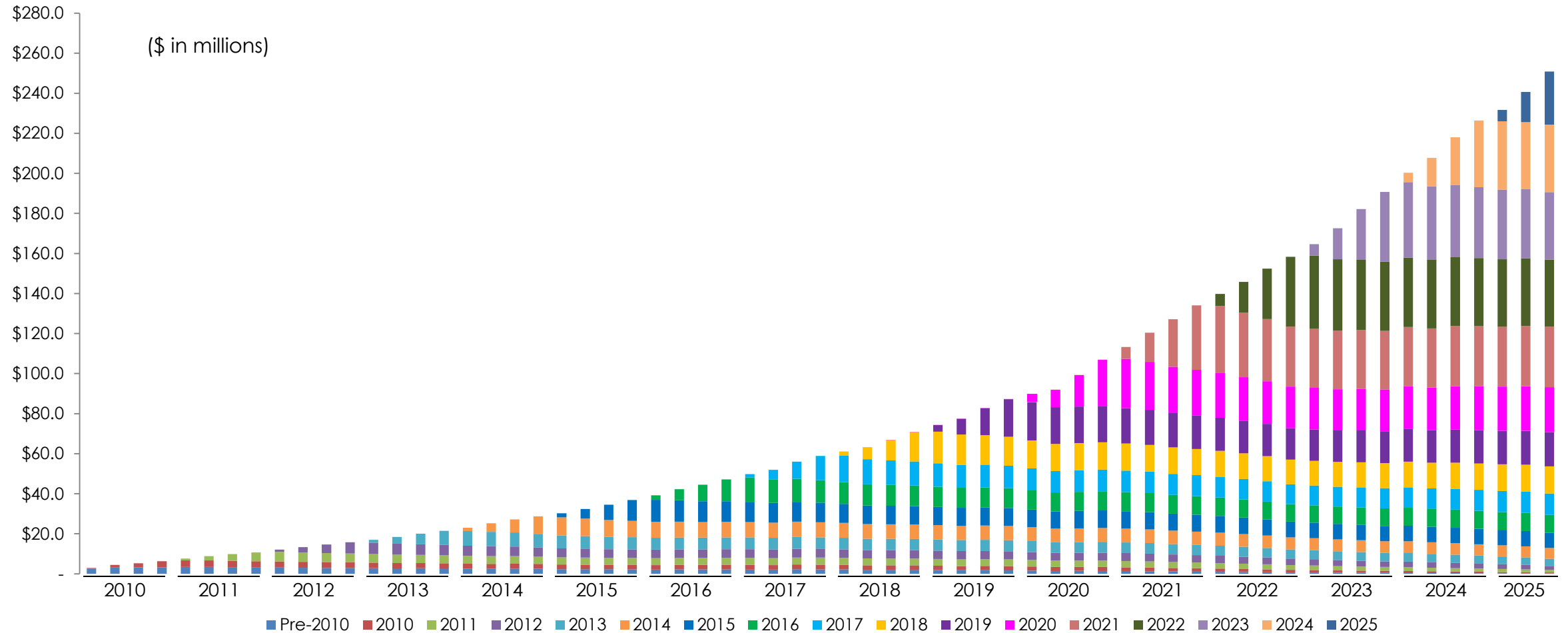
## Q3 2025

**tru**panion<sup>™</sup>  
Medical insurance for the life of your pet.

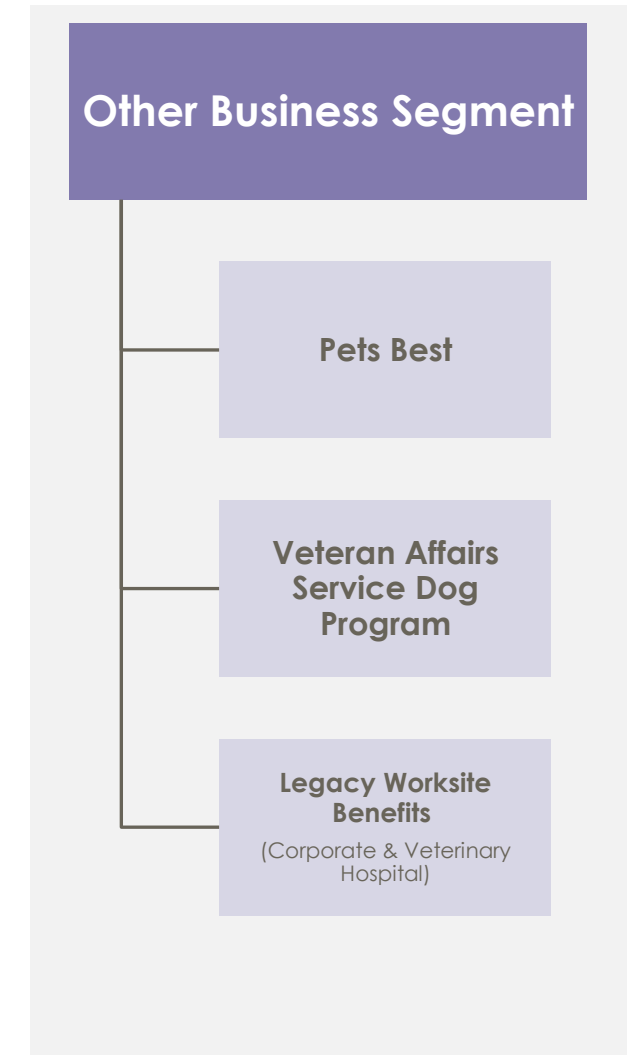
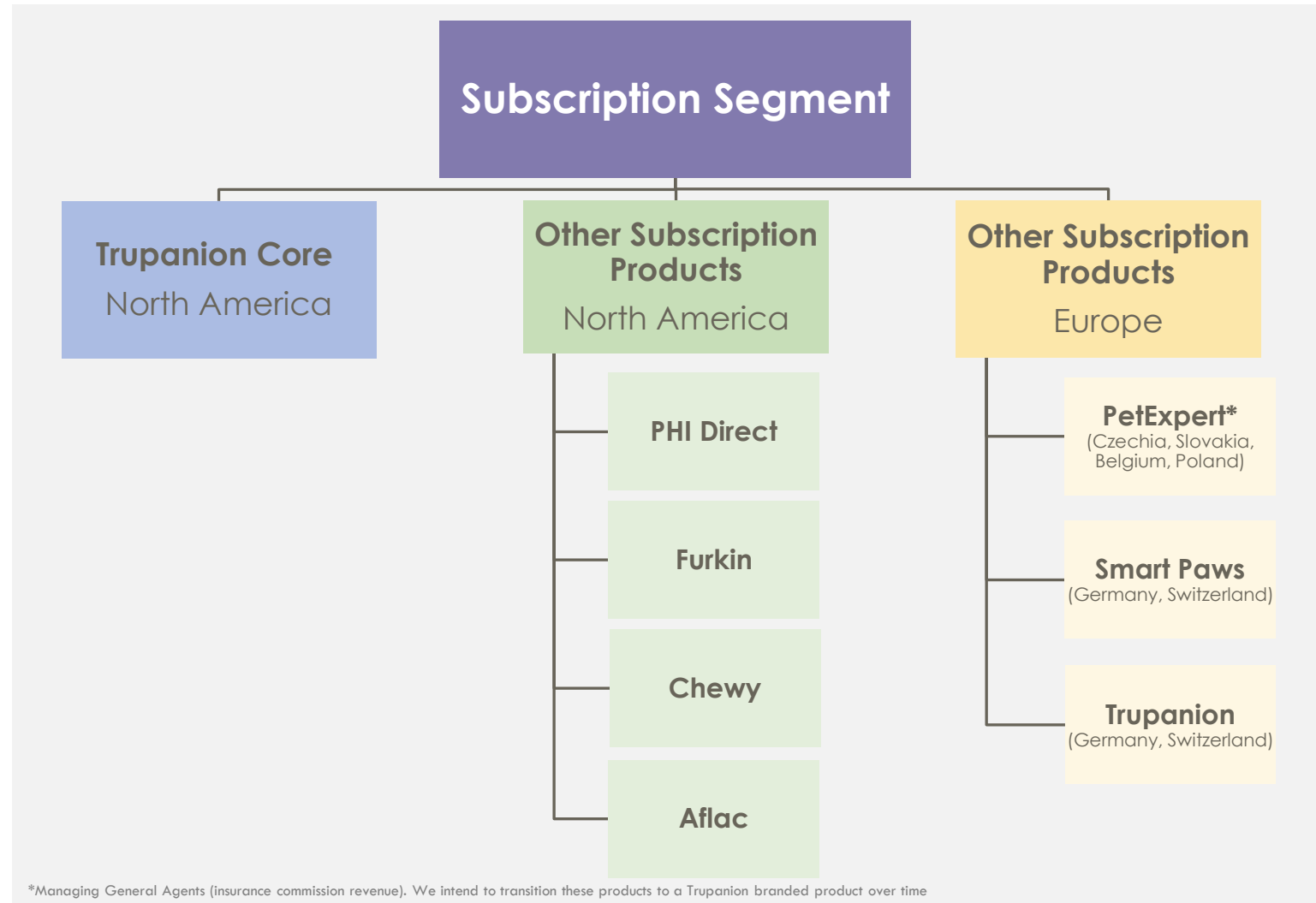
# Total Subscription Revenue Growth



# Subscription Revenue By Cohort



# Product Offerings



# Subscription Pet Count

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Gross new pets	68,111	62,740	63,661	60,162	65,753
Core Trupanion	57,671	53,186	53,611	51,331	55,667
Other Subscription North America	5,845	5,569	6,018	5,309	6,369
Other Subscription Europe	4,595	3,985	4,032	3,522	3,717
Total subscription pets enrolled (at period end)	1,082,412	1,066,354	1,052,845	1,041,212	1,032,042
Excluding MGA pets enrolled	1,026,780	1,014,251	1,003,732	994,072	983,452

# Estimated Internal Rates of Return

Q3 2025							
Quarterly average revenue per new pet	\$74.31						
Estimated profit per pet per month based on a trailing 3-year margin (12.2% margin)	\$9.05	x	61.7	months =	\$558	(Lifetime value of a pet, including fixed expenses)	
Year	0	1	2	3	4	5	
Months*	6	12	12	12	12	7.7	61.7
Estimated profit per pet per month	\$9	\$9	\$9	\$9	\$9	\$9	
Estimated profit per pet	\$54	\$109	\$109	\$109	\$109	\$70	\$558
Capital charge**	\$(4)	\$(9)	\$(9)	\$(9)	\$(9)	\$(6)	
Quarterly average pet acquisition cost (PAC)	\$(290)						Q3 2025 IRR
Cash flows	\$(240)	\$100	\$100	\$100	\$100	\$64	28%

\* This represents the average subscriber life in months, for the period presented, which is calculated as the quotient obtained by dividing one by one minus the average monthly retention rate.

\*\* We include a capital charge in this calculation to estimate cost of capital on reserves which must be set aside to meet regulatory capital requirements. These reserves are included on our balance sheet.

# Free Cash Flow

The following table reflects the reconciliation of cash provided by operating activities to free cash flow (in thousands):

	Three Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$29,238	\$15,296
Purchases of property, equipment, and internal-use software	\$(5,302)	\$(1,914)
Free cash flow	\$23,963	\$13,382

# Outlook

	Q4 2025	Full Year 2025
Revenue	\$371M-\$377M	\$1.433B-\$1.439B
Subscription revenue	\$258M-\$261M	\$986M-\$989M
Adjusted operating income	\$41M-\$44M	\$148M-\$151M
CAD FX Rate	72%	72%



# Definitions – Estimated IRR

- **Average revenue per new pet.** Average revenue per new pet is calculated from total premium for all new pets enrolled for the period divided by the total number of new subscription pet months in the period. Total new subscription pet months in a period represents the sum of all new subscription pets enrolled for each month during the period.
- **Margin per pet.** Margin per pet is calculated based on subscription revenue less cost of revenue from our subscription business segment for the 36 months prior to the period end date excluding stock-based compensation expense, sign-up fee revenue and the change in deferred revenue between periods. This amount is also reduced by the fixed expenses related to our subscription business, less stock-based compensation, based on revenues. The percent margin of this profit is multiplied by quarterly average revenue per new pet.
- **Lifetime value of a pet, including fixed expenses.** Lifetime value of a pet, including fixed expenses, is calculated based on subscription revenue less cost of revenue from our subscription business segment for the 36 months prior to the period end date excluding stock-based compensation expense related to cost of revenue from our subscription business segment, sign-up fee revenue and the change in deferred revenue between periods. This amount is also reduced by the fixed expenses related to our subscription business, which are the pro-rata portion of general and administrative and technology expenses, less stock-based compensation, based on revenues. This amount, on a per pet basis, is multiplied by the implied average subscriber life in months. Implied average subscriber life in months is calculated as the quotient obtained by dividing one by one minus the average monthly retention rate over the past 36 months. We monitor lifetime value of a pet, including fixed expenses, to estimate the value we might expect from new pets over their implied average subscriber life in months, if they behave like the average pet in that respective period. When evaluating the amount of pet acquisition expenses we may want to incur to attract new pet enrollments, we refer to the lifetime value of a pet, including fixed expenses, as well as our estimated internal rate of return calculation for an average pet, which also includes an estimated surplus capital charge, to inform the amount of acquisition spend in relation to the estimated payback period.
- **Average pet acquisition cost.** Average pet acquisition cost (PAC) is calculated as net acquisition cost divided by the total number of new subscription pets enrolled in that period. Net acquisition cost, a non-GAAP financial measure, is calculated in a reporting period as new pet acquisition expense, excluding stock-based compensation expense, other business segment expense, offset by sign-up fee revenue. We exclude stock-based compensation expense because the amount varies from period to period based on number of awards issued and market-based valuation inputs. We offset sign-up fee revenue because it is a one-time charge to new members collected at the time of enrollment used to partially offset initial setup costs, which are included in new pet acquisition expenses. We exclude other business segment pet acquisition expense because that does not relate to subscription enrollments. We monitor average pet acquisition cost to evaluate the efficiency in acquiring new members and measure effectiveness based on our targeted return on investment.
- **Internal rate of return per average subscription pet (IRR)** is calculated assuming the new subscription pets we enroll during the period will behave like an average subscription pet over the last 36 months, and represents the discount rate that results in the net present value of all estimated future cash flows generated over an average enrolled pet's implied subscriber life, to be equal to zero. Cash outflows from an average pet include average pet acquisition cost for the applicable period. Cash outflows also include a monthly capital charge, which we estimate as 1% of the average quarterly revenue per new pet. Cash inflows from an average pet calculated based margin per pet multiplied by average revenue per new pet for the applicable period.
- **Trailing 3-year Retention.** Trailing 3-year retention is measured as the monthly retention rate of enrolled subscription pets for each applicable period averaged over the 36 months prior to the period end date. As such, our average monthly retention rate as of September 30, 2025 is an average of each month's retention from October 1, 2022 through September 30, 2025. We calculate monthly retention as the number of pets that remain after subtracting all pets that cancel during a month, including pets that enroll and cancel within that month, divided by the total pets enrolled at the beginning of that month.

# Disclaimers

## **Forward-Looking Statements**

Average All information under the heading "Outlook" in this Quarterly Earnings Supplement is a forward-looking statement. Such statements are subject to risks and uncertainties that could cause actual results to differ materially, including: the ability to achieve or maintain profitability and/or appropriate levels of cash flow in future periods; the ability to keep growing our membership base and revenue; the accuracy of assumptions used in determining appropriate member acquisition expenditures; the severity and frequency of claims; the ability to maintain high retention rates; the accuracy of assumptions used in pricing medical plan subscriptions and the ability to accurately estimate the impact of new products or offerings on claims frequency; actual claims expense exceeding estimates; regulatory and other constraints on the ability to institute, or the decision to otherwise delay, pricing modifications in response to changes in actual or estimated claims expense; the effectiveness and statutory or regulatory compliance of our Territory Partner model and of our Territory Partners, veterinarians and other third parties in recommending medical plan subscriptions to potential members; the ability to retain existing Territory Partners and increase the number of Territory Partners and active hospitals; compliance by us and those referring us members with laws and regulations that apply to our business, including the sale of a pet medical plan; the ability to maintain the security of our data; fluctuations in the Canadian currency exchange rate; the ability to protect our proprietary and member information; the ability to maintain our culture and team; the ability to maintain the requisite amount of risk-based capital; our ability to generate sufficient cash flows to repay or otherwise comply with requirements of our outstanding debt; our ability to implement and maintain effective controls, including to remediate material weaknesses in internal controls over financial reporting; the ability to protect and enforce Trupanion's intellectual property rights; the ability to successfully implement our alliance with Aflac; our ability to successfully finalize the transition of policies from Accelerant to our wholly owned subsidiary, GPIC; the ability to continue key contractual relationships with third parties; third-party claims including litigation and regulatory actions; the ability to recognize benefits from investments in new solutions and enhancements to Trupanion's technology platform and website; our ability to retain key personnel; and deliberations and determinations by the Trupanion board based on the future performance of the company or otherwise. For a detailed discussion of these risks and uncertainties, please refer to the risk factors and other disclosure contained in our most recent Form 10-K and subsequent Forms 10-Q and 8-K filed with the SEC from time to time. These forward-looking statements are based upon the current expectations and beliefs of Trupanion's management as of the date hereof, and Trupanion assumes no obligation to update these forward-looking statements, except as required by law.

## **Non-GAAP Financial Measures**

This Quarterly Earnings Supplement contains non-GAAP information, including average pet acquisition cost and free cash flow. See the Non-GAAP disclosures and reconciliations in Trupanion's Form 10-Q and earnings release announcing results for the third quarter of 2025.