

REFINITIV

DELTA REPORT

10-Q

CHWY - CHEWY, INC.

10-Q - APRIL 28, 2024 COMPARED TO 10-Q - OCTOBER 29, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3165

█ CHANGES 170

█ DELETIONS 1312

█ ADDITIONS 1683

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 29, 2023** **April 28, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number: 001-38936



CHEWY, INC.

(Exact name of registrant as specified in its charter)

Delaware

90-1020167

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

7700 West Sunrise Boulevard, Plantation, Florida

33322

(Address of principal executive offices)

(Zip Code)

(786) 320-7111

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	CHWY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Class	Outstanding as of November 29, 2023 May 22, 2024
Class A Common Stock, \$0.01 par value per share	120,217,588 137,046,700
Class B Common Stock, \$0.01 par value per share	311,188,356 298,863,356

CHEWY, INC.
FORM 10-Q

For the Quarterly Period Ended **October 29, 2023** **April 28, 2024**

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	<u>3</u>
Condensed Consolidated Balance Sheets as of October 29 April 28, 2023 2024 and January 29, 2023 January 28, 2024	<u>3</u>
Condensed Consolidated Statements of Operations and Comprehensive Income for the Thirteen and Thirty-Nine Weeks Ended October April 28, 2023 2024 and October April 30, 200, 2022 23	<u>4</u>
Condensed Consolidated Statements of Stockholders' Equity for the Thirteen and Thirty-Nine Thirteen Weeks Ended April 28, 2024 and April 30, 20 October 29, 2023 and October 30, 2022 23	<u>5</u>
Condensed Consolidated Statements of Cash Flows for the Thirty-Nine Thirteen Weeks Ended April 28, 2024 and April 30, 20 October 29, 2023 and October 30, 2022 023	<u>76</u>
Notes to Condensed Consolidated Financial Statements	<u>87</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>2017</u>
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>3026</u>
Item 4. <u>Controls and Procedures</u>	<u>3026</u>
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	<u>3127</u>
Item 1A. <u>Risk Factors</u>	<u>3127</u>
Item 5. <u>Other Information</u>	<u>3153</u>
Item 6. <u>Exhibits</u>	<u>3254</u>
<u>SIGNATURES</u>	<u>3355</u>

PART I. FINANCIAL INFORMATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our share repurchase program, our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These

Although we believe that these forward-looking statements include, are based on reasonable assumptions, you should be aware that many factors could cause actual results to differ materially from those in such forward-looking statements, including but are not limited to, statements concerning our ability to:

- sustain our recent growth rates and successfully manage challenges to our future growth, including introducing new products or services, improving existing products and services, and expanding into new jurisdictions and offerings;
- successfully respond to business disruptions;
- successfully manage risks related to the macroeconomic environment, including any adverse impacts on our business operations, financial performance, supply chain, workforce, facilities, customer services and operations;
- acquire and retain new customers in a cost-effective manner and increase our net sales, improve margins and maintain profitability;
- manage our growth effectively;
- maintain positive perceptions of our company the Company and preserve, grow and leverage the value of our reputation and our brand;
- limit operating losses as we continue to expand our business;
- forecast net sales and appropriately plan our expenses in the future;
- estimate the size of our addressable market; markets;
- strengthen our current supplier relationships, retain key suppliers and source additional suppliers;
- negotiate acceptable pricing and other terms with third-party service providers, suppliers and outsourcing partners and maintain our relationships with such parties;
- mitigate changes in, or disruptions to, our shipping arrangements and operations;
- optimize, operate and manage the expansion of the capacity of our fulfillment centers;
- provide our customers with a cost-effective platform that is able to respond and adapt to rapid changes in technology;
- limit our losses related to online payment methods;

- maintain and scale our technology, including the reliability of our website, websites, mobile applications, and network infrastructure;
- maintain adequate cybersecurity with respect to our systems and ensure that our third-party service providers do the same with respect to their systems;
- maintain consumer confidence in the safety, quality and health of our products;
- limit risks associated with our suppliers and our outsourcing partners;
- comply with existing or future laws and regulations in a cost-efficient manner;
- compete with other retailers and service providers;
- utilize tax attributes, net operating loss and tax credit carryforwards, and other tax attributes, and limit fluctuations in our tax obligations and effective tax rate;
- adequately protect our intellectual property rights;
- successfully defend ourselves against any allegations or claims that we may be subject to;
- attract, develop, motivate and retain highly-qualified and skilled employees;
- predict and respond to economic conditions, industry trends, and market conditions, and their impact on the pet products market;
- reduce merchandise returns or refunds;
- respond to severe weather and limit disruption to normal business operations;
- manage new acquisitions, investments or alliances, and integrate them into our existing business;
- successfully compete in the pet insurance market; new offerings;
- manage challenges presented by international markets;
- successfully compete in the pet products and services health and retail industry, especially in the e-commerce sector;
- comply with the terms of our credit facility;
- raise capital as needed; and
- maintain effective internal control over financial reporting and disclosure controls and procedures.

1

You should not rely on forward-looking statements as predictions of future events, and you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of factors. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current assumptions, expectations and projections about future events and trends that we believe may affect our business, financial condition, and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 29, 2023 January 28, 2024, our subsequent quarterly reports, and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that such information provides a reasonable basis for these statements, this information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

Investors and others should note that we may announce material information to our investors using our investor relations website (<https://investor.chewy.com/>), filings with the Securities and Exchange Commission (the "SEC"), press releases, public conference calls and webcasts. We use these channels, as well as social media, to communicate with our investors and the public about our company, our business and other issues. It is possible that the information that we post on these channels could be deemed to be material information. We therefore encourage investors to visit these websites from time to time. The information contained on such websites and social media posts is not incorporated by reference into this filing. Further, our references to website URLs in this filing are intended to be inactive textual references only.

2

Item 1. Financial Statements (Unaudited)

CHEWY, INC.

REFINITIV CORPORATE DISCLOSURES | www.refinitiv.com | Contact Us

4/112

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV 

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

		As of			
		October 29, 2023	January 29, 2023		
				April 28, 2024	January 28, 2024
Assets	Assets	(Unaudited)			
Current assets:	Current assets:				
Current assets:					
Current assets:					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents	Cash and cash equivalents	\$ 469,409	\$ 330,441		
Marketable securities	Marketable securities	487,772	346,944		
Accounts receivable	Accounts receivable	160,980	126,349		
Inventories	Inventories	712,053	675,520		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	52,713	41,067		
Total current assets	Total current assets	1,882,927	1,520,321		
Property and equipment, net	Property and equipment, net	514,701	478,738		
Operating lease right-of-use assets	Operating lease right-of-use assets	473,529	423,423		
Goodwill	Goodwill	39,442	39,442		
Other non-current assets	Other non-current assets	25,883	53,152		
Total assets	Total assets	<u>\$2,936,482</u>	<u>\$2,515,076</u>		
Liabilities and stockholders' equity	Liabilities and stockholders' equity				
Current liabilities:	Current liabilities:				
Current liabilities:					
Current liabilities:					
Trade accounts payable					
Trade accounts payable					
Trade accounts payable	Trade accounts payable	\$1,078,429	\$1,030,882		
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	886,259	738,467		
Total current liabilities	Total current liabilities	1,964,688	1,769,349		
Operating lease liabilities	Operating lease liabilities	526,994	471,765		

Other long-term liabilities	Other long-term liabilities	51,633	60,005
Total liabilities	Total liabilities	2,543,315	2,301,119

Commitments and contingencies (Note 6)

Commitments and contingencies
(Note 5)

Commitments and contingencies (Note 5)

Stockholders' equity:

Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of October 29, 2023 and January 29, 2023	—	—
Class A common stock, \$0.01 par value per share, 1,500,000,000 shares authorized, 119,950,022 and 114,160,531 shares issued and outstanding as of October 29, 2023 and January 29, 2023, respectively	1,199	1,141
Class B common stock, \$0.01 par value per share, 395,000,000 shares authorized, 311,188,356 shares issued and outstanding as of October 29, 2023 and January 29, 2023	3,112	3,112
Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024		
Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024		
Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024		
Class A common stock, \$0.01 par value per share, 1,500,000,000 shares authorized, 136,495,974 and 132,913,046 shares issued and outstanding as of April 28, 2024 and January 28, 2024, respectively		

Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024

Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024

Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding as of April 28, 2024 and January 28, 2024

Class A common stock, \$0.01 par value per share, 1,500,000,000 shares authorized, 136,495,974 and 132,913,046 shares issued and outstanding as of April 28, 2024 and January 28, 2024, respectively

Class B common stock, \$0.01 par value per share, 395,000,000 shares authorized, 298,863,356 shares issued and outstanding as of April 28, 2024 and January 28, 2024	
Additional paid-in capital	Additional paid-in capital 2,345,082 2,171,247
Accumulated deficit	Accumulated deficit (1,956,226) (1,961,543)
Accumulated other comprehensive loss	
Total stockholders' equity	Total stockholders' equity 393,167 213,957
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity \$2,936,482 \$2,515,076

See accompanying Notes to Condensed Consolidated Financial Statements.

3

CHEWY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except per share data)
(Unaudited)

	13 Weeks Ended		39 Weeks Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
13 Weeks Ended				
13 Weeks Ended				
13 Weeks Ended				
April 28, 2024				
April 28, 2024				
April 28, 2024				
Net sales				
Net sales				
Net sales	Net sales	\$ 2,738,611	\$ 2,532,122	\$ 8,301,055
				\$ 7,391,460

Cost of goods sold	Cost of goods sold	1,957,850	1,811,945	5,942,066	5,320,666			
Cost of goods sold								
Cost of goods sold								
Gross profit								
Gross profit								
Gross profit	Gross profit	780,761	720,177	2,358,989	2,070,794			
Operating expenses:	Operating expenses:							
Operating expenses:								
Operating expenses:								
Selling, general and administrative								
Selling, general and administrative								
Selling, general and administrative	Selling, general and administrative	611,718	543,532	1,814,586	1,564,798			
Advertising and marketing	Advertising and marketing	179,200	177,079	548,424	465,959			
Advertising and marketing								
Advertising and marketing								
Total operating expenses	Total operating expenses	790,918	720,611	2,363,010	2,030,757			
(Loss) income from operations		(10,157)	(434)	(4,021)	40,037			
Total operating expenses								
Total operating expenses								
Income from operations								
Income from operations								
Income from operations								
Interest income, net								
Interest income, net								
Interest income, net	Interest income, net	10,173	2,745	27,117	3,091			
Other expense, net	Other expense, net	(34,122)	—	(13,768)	—			
(Loss) income before income tax provision		(34,106)	2,311	9,328	43,128			
Other expense, net								
Other expense, net								
Income before income tax provision								
Income before income tax provision								
Income before income tax provision								
Income tax provision	Income tax provision	1,704	—	4,011	—			
Net (loss) income	\$	(35,810)	\$	2,311	\$	5,317	\$	43,128
Income tax provision								
Income tax provision								
Net income								
Net income								
Net income								
(Loss) earnings per share attributable to common Class A and Class B stockholders:								
Comprehensive income:								
Comprehensive income:								
Comprehensive income:								
Net income								
Net income								
Net income								
Foreign currency translation adjustments								

Foreign currency translation adjustments						
Foreign currency translation adjustments						
Comprehensive income						
Comprehensive income						
Comprehensive income						
Earnings per share attributable to common						
Class A and Class B stockholders:						
Earnings per share attributable to common						
Class A and Class B stockholders:						
Earnings per share attributable to common						
Class A and Class B stockholders:						
Basic						
Basic						
Basic	Basic	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10	
Diluted	Diluted	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10	
Weighted-average common shares used in computing (loss) earnings per share:						
Diluted						
Diluted						
Weighted-average common shares used in computing earnings per share:						
Weighted-average common shares used in computing earnings per share:						
Weighted-average common shares used in computing earnings per share:						
Basic						
Basic						
Basic	Basic	430,758	422,898	428,743	421,665	
Diluted	Diluted	430,758	428,125	431,406	427,223	
Diluted						
Diluted						

See accompanying Notes to Condensed Consolidated Financial Statements.

CHEWY, INC.						
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY						
(in thousands)						
(Unaudited)						
13 Weeks Ended October 29, 2023						
	Class A and Class B Common Stock		Additional Paid-in Capital		Accumulated Deficit	
	Shares	Amount	Capital	Deficit	Total Stockholders' Equity	
Balance as of July 30, 2023	429,718	\$ 4,297	\$ 2,280,748	\$ (1,920,416)	\$ 364,629	
Share-based compensation expense	—	—	64,348	—	64,348	
Vesting of share-based compensation awards	1,420	14	(14)	—	—	
Net loss	—	—	—	(35,810)	(35,810)	
Balance as of October 29, 2023	<u>431,138</u>	<u>\$ 4,311</u>	<u>\$ 2,345,082</u>	<u>\$ (1,956,226)</u>	<u>\$ 393,167</u>	

13 Weeks Ended April 28, 2024								
	Class A and Class B Common Stock		Additional Paid-in Capital		Accumulated Deficit		Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount						
Balance as of January 28, 2024	431,776	\$ 4,318	\$ 2,481,984	\$ (1,975,652)	\$ (406)	\$ 510,244		
Share-based compensation expense	—	—	65,385	—	—	—	65,385	
Vesting of share-based compensation awards	3,583	36	(36)	—	—	—	—	—
Tax withholdings for share-based compensation awards	—	—	(12)	—	—	—	—	(12)
Net income	—	—	—	66,897	—	—	66,897	
Other comprehensive income	—	—	—	—	402	402	402	
Balance as of April 28, 2024	435,359	\$ 4,354	\$ 2,547,321	\$ (1,908,755)	\$ (4)	\$ 642,916		

13 Weeks Ended April 30, 2023								13 Weeks Ended April 30, 2023				
	Class A and Class B Common Stock		Additional Paid-in Capital			Accumulated Deficit		Other Comprehensive Income (Loss)		Stockholders' Equity		
	Shares											
Balance as of January 29, 2023												
Balance as of January 29, 2023												
Balance as of January 29, 2023												

13 Weeks Ended October 30, 2022							
	Class A and Class B Common Stock		Additional Paid-in Capital			Total Stockholders' Equity	
	Shares	Amount	Paid-in Capital	Accumulated Deficit	Total	Stockholders' Equity	
Balance as of July 31, 2022	422,647	\$ 4,226	\$ 2,083,123	\$ (1,969,958)	\$ 117,391		
Share-based compensation expense	—	—	45,530	—	45,530		
Share-based compensation expense	—	—	45,530	—	45,530		
Share-based compensation expense	—	—	45,530	—	45,530		
Vesting of share-based compensation awards	448	5	(5)	—	—		
Tax withholdings for share-based compensation awards	—	—	(3)	—	(3)		
Tax sharing agreement with related parties							
Tax sharing agreement with related parties							
Tax sharing agreement with related parties	—	—	(1,274)	—	(1,274)		
Net income	Net income	—	—	2,311	2,311		

Balance as of October 30, 2022	423,095	\$ 4,231	\$2,127,371	\$ (1,967,647)	\$ 163,955
Balance as of April 30, 2023					

See accompanying Notes to Condensed Consolidated Financial Statements.

CHEWY, INC.						
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY						
	(in thousands)					
	(Unaudited)					
39 Weeks Ended October 29, 2023						
	Class A and Class B Common Stock		Additional Paid-in Capital		Accumulated Deficit	
	Shares	Amount				Total Stockholders' Equity
Balance as of January 29, 2023	425,349	\$ 4,253	\$ 2,171,247	\$ (1,961,543)	\$ 213,957	
Share-based compensation expense	—	—	178,897	—	—	178,897
Vesting of share-based compensation awards	5,696	57	(57)	—	—	—
Distribution to parent	93	1	(1)	—	—	—
Tax withholdings for share-based compensation awards	—	—	(5)	—	—	(5)
Tax sharing agreement with related parties	—	—	(4,999)	—	—	(4,999)
Net income	—	—	—	5,317	5,317	5,317
Balance as of October 29, 2023	431,138	\$ 4,311	\$ 2,345,082	\$ (1,956,226)	\$ 393,167	

39 Weeks Ended October 30, 2022						
	Class A and Class B Common Stock		Additional Paid-in Capital		Accumulated Deficit	
	Shares	Amount				Total Stockholders' Equity
Balance as of January 30, 2022						
Balance as of January 30, 2022	420,106	\$ 4,201	\$ 2,021,310	\$ (2,010,775)	\$ 14,736	
Share-based compensation expense	—	—	109,701	—	—	109,701
Vesting of share-based compensation awards	2,949	30	(30)	—	—	—
Distribution to parent	93	1	(1)	—	—	—
Tax withholdings for share-based compensation awards	(53)	(1)	(2,474)	—	—	(2,475)
Tax sharing agreement with related parties	—	—	(1,135)	—	—	(1,135)
Net income	—	—	—	43,128	43,128	43,128
Balance as of October 30, 2022	423,095	\$ 4,231	\$ 2,127,371	\$ (1,967,647)	\$ 163,955	

See accompanying Notes to Condensed Consolidated Financial Statements.

CHEWY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Uaudited)

		39 Weeks Ended			
		October 29, 2023	October 30, 2022		
		13 Weeks Ended			
		April 28, 2024		April 28, 2024	April 30, 2023
Cash flows from operating activities	Cash flows from operating activities				
Net income	Net income	\$ 5,317	\$ 43,128		
Net income					
Net income					
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	82,195	60,696		
Share-based compensation expense	Share-based compensation expense	178,897	109,701		
Non-cash lease expense	Non-cash lease expense	29,371	29,286		
Change in fair value of equity warrants and investments	Change in fair value of equity warrants and investments	13,589	—		
Unrealized foreign currency losses, net					
Other	Other	3,810	840		
Net change in operating assets and liabilities:	Net change in operating assets and liabilities:				
Accounts receivable					
Accounts receivable					
Accounts receivable	Accounts receivable	(34,631)	(3,453)		
Inventories	Inventories	(36,533)	(118,719)		

Prepaid expenses and other current assets	Prepaid expenses and other current assets	(27,363)	(6,237)
Other non-current assets	Other non-current assets	(1,337)	(44,220)
Trade accounts payable	Trade accounts payable	47,547	108,635
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	144,599	42,306
Operating lease liabilities	Operating lease liabilities	(19,774)	(15,790)
Other long-term liabilities	Other long-term liabilities	1,669	42,847
Net cash provided by operating activities	Net cash provided by operating activities	387,356	249,020
Cash flows from investing activities	Cash flows from investing activities		
Capital expenditures	Capital expenditures	(110,898)	(171,841)
Capital expenditures	Capital expenditures		
Cash paid for acquisition of business, net of cash acquired		(367)	—
Purchases of marketable securities			
Purchases of marketable securities			
Purchases of marketable securities	Purchases of marketable securities	(876,189)	(296,624)
Proceeds from maturities of marketable securities	Proceeds from maturities of marketable securities	750,000	—
Other		—	(1,400)
Net cash used in investing activities		(237,454)	(469,865)
Cash paid for acquisition of business, net of cash acquired			
Net cash provided by (used in) investing activities			
Net cash provided by (used in) investing activities			

Net cash provided by (used in) investing activities	
Cash flows from financing activities	Cash flows from financing activities
Income taxes paid for, net of proceeds from, parent reorganization transaction	
Income taxes paid for, net of proceeds from, parent reorganization transaction	
Income taxes paid for, net of proceeds from, parent reorganization transaction	
Principal repayments of finance lease obligations	
Payments for tax withholdings related to vesting of share-based compensation awards	
Payments for tax sharing agreement with related parties	Payments for tax sharing agreement with related parties
Principal repayments of finance lease obligations	(10,279) (1,040)
Payment of debt modification costs	Payment of debt modification costs
Payments for tax withholdings related to vesting of share-based compensation awards	(475) (492)
Net cash used in financing activities	Net cash used in financing activities
Net increase (decrease) in cash and cash equivalents	138,968 (224,852)
Net cash used in financing activities	
Net cash used in financing activities	
Effect of exchange rate changes on cash and cash equivalents	

Net increase in cash and cash equivalents			
Cash and cash equivalents, as of beginning of period	Cash and cash equivalents, as of beginning of period	330,441	603,079
Cash and cash equivalents, as of end of period	Cash and cash equivalents, as of end of period	\$469,409	\$378,227

See accompanying Notes to Condensed Consolidated Financial Statements.

CHEWY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Uaudited)

1. Description of Business

Chevy, Inc. and its wholly-owned subsidiaries (collectively "Chevy" or the "Company") is a pure play e-commerce business geared toward pet products and services for dogs, cats, fish, birds, small pets, horses, and reptiles. Chevy serves its customers through its [retail website, www.chevy.com](#), [websites](#) and its mobile applications and focuses on delivering exceptional customer service, competitive prices, outstanding convenience (including Chevy's Autoship subscription program, fast shipping, and hassle-free returns), and a large selection of high-quality pet food, treats and supplies, and pet healthcare products.

The Company is controlled by a consortium including private investment funds advised by BC Partners Advisors LP ("BC Partners") and its affiliates, La Caisse de dépôt et placement du Québec, affiliates of GIC Special Investments Pte Ltd, affiliates of StepStone Group LP and funds advised by Longview Asset Management, LLC (collectively, the "Sponsors"). [The Company was controlled by PetSmart LLC \("PetSmart"\), a wholly-owned subsidiary of the Sponsors through February 11, 2021.](#)

On October 30, 2023 (the "Closing Date"), the Company entered into certain transactions (the "Transactions") with affiliates of BC Partners pursuant to an Agreement and Plan of Merger (the "Merger Agreement"). The Transactions resulted in such affiliates restructuring their ownership interests in the Company and Chewy Pharmacy KY, LLC ("Chevy Pharmacy KY") becoming an indirect wholly-owned subsidiary of the Company.

[Contemporaneously with the execution and delivery of the Merger Agreement, the Company and the BC Partners-affiliated stockholders named therein \(the "BCP Stockholder Parties"\) entered into an Amended and Restated Investor Rights Agreement \(the "A&R Investor Rights Agreement"\), which amended and restated in its entirety that certain Investor Rights Agreement, dated as of June 13, 2019, by and among the Company and the stockholders identified therein. The A&R Investor Rights Agreement contains changes to the governing arrangements between the BCP Stockholder Parties and the Company, including \(i\) the gradual elimination of the Company's dual class share structure through the conversion of the Company's Class B common stock \(ten votes per share\) into Class A common stock \(one vote per share\), \(ii\) certain revisions to the BCP Stockholder Parties director nomination rights which will accelerate the step down of their nomination rights as the economic ownership of the BCP Stockholder Parties decreases following the date that such stockholders no longer hold an aggregate of over 50% of the outstanding Class A and Class B common stock of the Company, \(iii\) the approval of a disinterested and independent committee of the Company's board of directors for certain change of control transactions, \(iv\) certain standstill commitments, and \(v\) additional transfer restrictions.](#)

On the Closing Date, affiliates of BC Partners transferred \$1.9 billion to the Company to be used to fund: (i) tax obligations of its affiliates that were inherited by the Company as a result of the Transactions and (ii) expenses incurred by the Company in connection with the Transactions. [The Company is evaluating the related tax obligations and an estimate is currently unavailable.](#) The Merger Agreement requires affiliates of BC Partners to indemnify the Company for certain tax liabilities and includes customary indemnifications related to the Transactions.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The [Company's](#) accompanying unaudited condensed consolidated financial statements and related notes include the accounts of Chevy, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. The unaudited condensed consolidated financial statements and notes thereto of Chevy, Inc. have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") accounting standards codification ("ASC"). In the opinion of management, all adjustments necessary for a fair statement of the financial information, which are of a normal and recurring nature, have been made for the interim periods reported. Results of operations for the quarterly period ended [October 29, 2023](#) [April 28, 2024](#) are not necessarily indicative of the results for the entire fiscal year. The unaudited condensed consolidated financial

statements and notes thereto included in this Quarterly Report on Form 10-Q for the quarterly period ended **October 29, 2023** **April 28, 2024** ("10-Q Report") should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended **January 29, 2023** **January 28, 2024** ("10-K Report").

8 In connection with the Transactions described in Note 1 – Description of Business, the Company has provided recasted condensed consolidated financial statements and related notes for the historical comparative periods in this 10-Q Report reflecting the operations of Chewy Pharmacy KY as part of the Company's condensed consolidated financial statements. The recasted financial information was accounted for as a common control transaction, with Chewy Pharmacy KY's net assets transferred at the previous parent company's historical basis.

Fiscal Year

The Company has a 52- or 53-week fiscal year ending each year on the Sunday that is closest to January 31 of that year. The Company's **2023** **2024** fiscal year ends on **January 28, 2024** **February 2, 2025** and is a **52-week** **53-week** year. The Company's **2022** **2023** fiscal year ended **January 29, 2023** **January 28, 2024** and was a 52-week year.

7

Significant Accounting Policies

Other than policies noted herein, there have been no significant changes from the significant accounting policies disclosed in Note 2 of the "Notes to Consolidated Financial Statements" included in the 10-K Report.

Use of Estimates

GAAP requires management to make certain estimates, judgments, and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates these estimates and judgments. Actual results could differ from those estimates.

Key estimates relate primarily to determining the net realizable value and demand for inventory, useful lives associated with property and equipment and intangible assets, valuation allowances with respect to deferred tax assets, contingencies, self-insurance accruals, evaluation of sales tax positions, and the valuation and assumptions underlying share-based compensation and equity warrants. On an ongoing basis, management evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities.

Accrued Expenses and Other Current Liabilities

The following table presents the components of accrued expenses and other current liabilities (in thousands):

		As of	
		October 29, 2023	January 29, 2023
		As of	
Outbound fulfillment	Outbound fulfillment	\$488,209	\$369,661
Advertising and marketing	Advertising and marketing	107,790	99,593
Payroll liabilities	Payroll liabilities	67,213	66,799
Accrued expenses and other	Accrued expenses and other	223,047	202,414

Total accrued expenses and other current liabilities	Total accrued expenses and other current liabilities	\$886,259	\$738,467
--	--	-----------	-----------

Stockholders' Equity

Conversion of Class B Common Stock

On May 8, 2020, Buddy Chester Sub LLC, a wholly-owned subsidiary of the Sponsors, converted 17,584,098 shares of the Company's Class B common stock into Class A common stock. On May 11, 2020, Buddy Chester Sub LLC entered into a variable forward purchase agreement (the "Contract") to deliver up to 17,584,098 shares of the Company's Class A common stock at the exchange date, with the number of shares to be issued based on the trading price of the Company's common stock during a 20-day observation period. On each of May 15, 2023 and May 16, 2023, Buddy Chester Sub LLC settled its obligations under the Contract and delivered a total of 17,584,098 shares.

9

Interest Income (Expense), net

The Company generates interest income from its cash and cash equivalents and marketable securities and incurs interest expense from in relation to its borrowing facilities, finance leases, and finance leases. The following table provides additional information about the Company's interest income (expense), net (in thousands):

	13 Weeks Ended		39 Weeks Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
13 Weeks Ended				
13 Weeks Ended				
13 Weeks Ended				
April 28, 2024				
April 28, 2024				
April 28, 2024				
Interest income				
Interest income				
Interest income	\$ 11,050	\$ 3,392	\$ 29,752	\$ 4,995
Interest expense	\$ (877)	\$ (647)	\$ (2,635)	\$ (1,904)
Interest expense				
Interest expense				
Interest income, net	\$ 10,173	\$ 2,745	\$ 27,117	\$ 3,091
Interest income, net				
Interest income, net				

Other Income (Expense), net

The Company's other income (expense), net consists of: (i) changes in the fair value of equity warrants, investments, and investments, tax indemnification receivables, (ii) foreign currency transaction gains and losses, and (iii) allowances for credit losses. The following table provides additional information about the Company's other income (expense), net (in thousands):

	13 Weeks Ended		39 Weeks Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
13 Weeks Ended				

	13 Weeks Ended	13 Weeks Ended	
	April 28, 2024	April 28, 2024	April 28, 2024
Change in fair value of equity warrants	Change in fair value of equity warrants	\$ (33,800)	\$ —
Change in fair value of equity warrants			\$ (13,542)
Change in fair value of equity investments	Change in fair value of equity investments	(33)	—
Foreign currency transaction losses	Foreign currency transaction losses	(289)	—
Change in fair value of equity investments			(47)
Change in fair value of equity investments			(179)
Change in fair value of tax indemnification receivables			
Change in fair value of tax indemnification receivables			
Change in fair value of tax indemnification receivables			
Other expense, net	Other expense, net	\$ (34,122)	\$ —
Other expense, net			\$ (13,768)
Other expense, net			\$ —

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

ASU 2022-04—Liabilities—Supplier Finance Programs (Subtopic 405-50) 2022-03, Fair Value Measurement (Topic 820): Disclosure Fair Value Measurement of Supplier Finance Program Obligations. Equity Securities Subject to Contractual Sale Restrictions. In September June 2022, the FASB issued this Accounting Standards Update ("ASU") which requires entities to clarify the guidance when measuring the fair value of an equity security subject to contractual sale restrictions that use supplier finance programs in connection with prohibit the purchase sale of goods and services to disclose the key terms of the programs and information about obligations outstanding at the end of the reporting period. an equity security. This update became effective at the beginning of the Company's 2023 2024 fiscal year. The adoption of this standard did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. In December 2023, the FASB issued this ASU to update income tax disclosure requirements, primarily related to the income tax rate reconciliation and income taxes paid information. This update is effective beginning with the Company's 2025 fiscal year annual reporting period, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. In November 2023, the FASB issued this ASU to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. This update is

effective beginning with the Company's 2024 fiscal year annual reporting period, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. In June 2022, the FASB issued this ASU to clarify the guidance when measuring the fair value of an equity security subject to contractual sale restrictions that prohibit the sale of an equity security. This update is effective at the beginning of the Company's 2024 fiscal year, with early adoption permitted. The Company does not believe the adoption of this standard will have a material impact on the Company's condensed consolidated financial statements.

3. Acquisitions

Petabyte Acquisition

On October 23, 2022, the Company entered into a definitive Agreement and Plan of Merger (the "Petabyte Merger Agreement") with Petabyte Technology Inc. ("Petabyte"), a Delaware corporation. Under the terms of the Petabyte Merger Agreement, the Company and Petabyte effected a merger on November 7, 2022, and Petabyte became a wholly-owned subsidiary of the Company. Headquartered in Bellevue, Washington, Petabyte is a provider of cloud-based technology solutions to the veterinary sector and the acquisition is expected to further strengthen the Company's pet healthcare product and service offering.

The following table reconciles the estimated purchase price to the cash paid for the acquisition, net of cash acquired (in thousands):

Estimated purchase price	\$ 43,281
Less: cash acquired	2,881
Cash paid for acquisition of business, net of cash acquired	\$ 40,400

The Petabyte transaction was accounted for as a business combination in accordance with ASC 805 "Business Combinations." Assets acquired and liabilities assumed were recorded in the accompanying consolidated balance sheet at their estimated fair values, with the remaining unallocated purchase price recorded as goodwill. Goodwill represents the expected synergies and cost rationalization from the merger of operations as well as intangible assets that do not qualify for separate recognition such as an assembled workforce.

The following table summarizes the assets acquired and liabilities assumed as of the acquisition date (in thousands):

Assets acquired:	
Cash and cash equivalents	\$ 2,881
Accounts receivable	104
Goodwill	39,442
Identified intangible assets	1,510
Other current and non-current assets	318
Liabilities assumed:	
Other current and long-term liabilities	(974)
Estimated purchase price	\$ 43,281

Pro forma information for the Petabyte acquisition has not been provided as the impact was not material to the Company's consolidated results of operations.

Based on a preliminary allocation, in connection with this acquisition, the Company recorded goodwill of \$39.4 million, none of which is anticipated to be deductible for tax purposes. The identified intangible assets consisted of \$1.5 million of developed technology with an amortization period of 3.0 years.

4. Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1-Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2-Valuations based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3-Valuations based on unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Cash equivalents are carried at cost, which approximates fair value and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

Marketable securities are carried at fair value and are classified within Level 1 because they are valued using quoted market prices. Specific to marketable fixed income securities, the Company did not record any gross unrealized gains and losses as fair value approximates amortized cost. The Company did not record any credit losses during the thirteen and thirty-nine weeks ended **October 29, 2023** **April 28, 2024**. Further, as of **October 29, 2023** **April 28, 2024**, the Company did not record an allowance for credit losses related to its fixed income securities.

Equity **Vested equity warrants and equity** investments in public companies that have readily determinable fair values are carried at fair value and are classified as **marketable securities** within Level 1 because they are valued using quoted market prices.

Equity **Unvested equity** warrants are classified within Level 3 of the fair value hierarchy as they are valued based on observable and unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. The Company utilized certain valuation techniques, such as the Black-Scholes option-pricing model and the Monte Carlo simulation model, to determine the fair value of **unvested** equity warrants. The application of these models requires the use of a number of complex assumptions based on unobservable inputs, including the expected term, expected equity volatility, discounts for lack of marketability, cash flow projections, and probability with respect to vesting requirements. **Equity warrants are transferred from Level 3 to Level 1 of the fair value hierarchy upon vesting as they are no longer valued based on unobservable inputs.**

The following table includes a summary of financial instruments measured at fair value as of **October 29, 2023** **April 28, 2024** (in thousands):

	Level 1	Level 2	Level 3
Cash	\$ 469,409	\$ —	\$ —
Cash and cash equivalents	469,409	—	—
U.S. Treasury securities	487,687	—	—
Equity investments	85	—	—
Marketable securities	487,772	—	—
Equity warrants	—	—	8,440
Total financial instruments	\$ 957,181	\$ —	\$ 8,440

12

	Level 1	Level 2	Level 3
Cash	\$ 886,228	\$ —	\$ —
U.S. Treasury securities	248,401	—	—
Cash and cash equivalents	1,134,629	—	—
Vested equity warrants	3,251	—	—
Equity investments	239	—	—
Marketable securities	3,490	—	—
Unvested equity warrants	—	—	1,843
Total financial instruments	\$ 1,138,119	\$ —	\$ 1,843

The following table includes a summary of financial instruments measured at fair value as of **January 29, 2023** **January 28, 2024** (in thousands):

		Level		
		Level 1	2	Level 3
		Level		
		1		
Cash	Cash	\$ 300,441	\$ —	\$ —
Money market funds	Money market funds	30,000	—	—
Cash and cash equivalents	Cash and cash equivalents	330,441	—	—
U.S. Treasury securities	U.S. Treasury securities	346,926	—	—
Equity investments	Equity investments	18	—	—
Marketable securities	Marketable securities	346,944	—	—
Equity warrants		—	—	31,622
Unvested equity warrants				
Total financial instruments	Total financial instruments	\$ 677,385	\$ —	\$31,622

As of April 28, 2024 and January 28, 2024, the deferred credit subject to vesting and performance requirements recognized within other long-term liabilities in exchange for the equity warrants was \$5.1 million and \$1.9 million, respectively.

The following table summarizes the change in fair value for financial instruments using unobservable Level 3 inputs (in thousands):

	39 Weeks Ended	
	October 29, 2023	October 30, 2022
Beginning balance	\$ 31,622	\$ —
Change in fair value of equity warrants	(23,182)	44,962
Ending balance	\$ 8,440	\$ 44,962

As of October 29, 2023 and January 29, 2023, the deferred credit subject to vesting requirements recognized within other long-term liabilities in exchange for the equity warrants was \$34.9 million and \$45.0 million, respectively.

	13 Weeks Ended	
	April 28, 2024	April 30, 2023
Beginning balance	\$ 2,219	\$ 31,622
Change in fair value of unvested equity warrants	2,875	(8,934)
Equity warrants vested	(3,251)	—
Ending balance	\$ 1,843	\$ 22,688

The following table presents quantitative information about Level 3 significant unobservable inputs used in the fair value measurement of the **unvested** equity warrants as of **October 29, 2023** **April 28, 2024** (in thousands):

	Fair Value	Valuation Techniques	Unobservable Input	Range		
				Min	Max	Weighted Average
Equity warrants	\$8,440	Black-Scholes and Monte Carlo	Probability of vesting	0%	99%	78%
			Equity volatility	35%	80%	76%
Equity warrants	\$1,843	Black-Scholes and Monte Carlo	Probability of vesting	0%	25%	17%

	Equity volatility	35%	80%	73%
--	-------------------	-----	-----	-----

5.4. Property and Equipment, net

The following is a summary of property and equipment, net (in thousands):

	As of		April 28, 2024	As of January 28, 2024
	October 29, 2023	January 29, 2023		
	As of April 28, 2024			
Furniture, fixtures and equipment	Furniture, fixtures and equipment	\$181,788	\$162,296	
Computer equipment	Computer equipment	77,956	67,535	
Internal-use software	Internal-use software	172,791	138,123	
Leasehold improvements	Leasehold improvements	303,813	245,700	
Construction in progress	Construction in progress	82,723	93,534	
		819,071	707,188	
		857,545		
Less: accumulated depreciation and amortization	Less: accumulated depreciation and amortization	304,370	228,450	
Property and equipment, net	Property and equipment, net	\$514,701	\$478,738	

13

Internal-use software includes labor and license costs associated with software development for internal use. As of **October 29, 2023** **April 28, 2024** and **January 29, 2023** **January 28, 2024**, the Company had accumulated amortization related to internal-use software of **\$78.3** **\$96.4** million and **\$56.5** **\$87.5** million, respectively.

Construction in progress is stated at cost, which includes the cost of construction and other directly attributable costs. No provision for depreciation is made on construction in progress until the relevant assets are completed and put into use.

For the thirteen weeks ended **October 29, 2023** **April 28, 2024** and **October 30, 2022** **April 30, 2023**, the Company recorded depreciation expense on property and equipment of **\$16.6** **\$18.1** million and **\$16.1** **\$21.3** million, respectively, and amortization expense related to internal-use software costs of **\$8.0** **\$8.9** million and **\$6.1** **\$6.6** million, respectively. For the thirty-nine weeks ended **October 29, 2023** and **October 30, 2022**, the Company recorded depreciation expense on property and equipment of **\$57.5** million, and **\$42.1** million, respectively, and amortization expense related to internal-use software costs of **\$21.8** million and **\$16.0** million, respectively. The aforementioned depreciation and amortization expenses were included within selling, general and administrative expenses in the condensed consolidated statements of operations.

6.

5. Commitments and Contingencies

Legal Matters

Various legal claims arise from time to time in the normal course of business. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

The Company believes that it has adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. The Company does not believe that the ultimate resolution of any matters to which it is presently a party will have a material adverse effect on the Company's results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

International Business Machines Corporation ("IBM") previously alleged that the Company is infringing four of its patents. On February 15, 2021, the Company filed a declaratory judgment action in the United States District Court for the Southern District of New York (the "District Court") against IBM seeking the District Court's declaration that the Company is not infringing the four asserted IBM patents. On April 19, 2021, IBM filed an answer with counterclaims seeking unspecified damages, including a request that the amount of compensatory damages be trebled, injunctive relief and costs and reasonable attorneys' fees. On May 24, 2021, IBM filed an amended complaint that included an additional assertion that the Company is infringing a fifth IBM patent. On October 8, 2021, the parties had a claim construction hearing and on November 9, 2021, the claim construction rulings resulted in one of the five patents (the "414 patent") being eliminated from the case.

The parties filed their motions for summary judgment which were fully briefed on February 24, 2022. On April 11, 2022, the District Court granted the Company's motions for summary judgment that the Company did not infringe three of the patents and that the fourth patent is invalid. On April 29, 2022, IBM filed a notice of appeal in the United States Court of Appeals for the Federal Circuit (the "Federal Circuit") to appeal the District Court's judgment of non-infringement of certain of the patents. Oral argument for the appeal occurred on October 4, 2023 and a decision by the Federal Circuit is pending. On was issued on March 5, 2024, which upheld the District Court's decision except for a claim related to one of the patents (the "849 patent"), which has been remanded for further proceedings. Separately, on May 3, 2023, IBM sent the Company a letter indicating that the '414 patent that was invalidated by the District Court was reexamined by the U.S. Patent & Trademark Office and a reexamination certificate was issued. As On March 25, 2024, the parties filed a result, IBM is asserting that the Company infringes the new joint stipulation of voluntary dismissal of all claims of the '414 patent. The Company continues to deny this recent allegation related to the '414 patent and all other allegations of any infringement and intends to vigorously defend itself in this matter. counterclaims.

7.6. Debt

ABL Credit Facility

The Company has a senior secured asset-based credit facility (the "ABL Credit Facility") which matures on August 27, 2026 and provides for non-amortizing revolving loans in an aggregate principal amount of up to \$800 million, subject to a borrowing base comprised of, among other things, inventory and sales receivables (subject to certain reserves). The ABL Credit Facility provides the right to request incremental commitments and add incremental asset-based revolving loan facilities in an aggregate principal amount of up to \$250 million, subject to customary conditions.

14

The Company is required to pay a commitment fee of 0.25% per annum with respect to the undrawn portion of the commitments, which is generally based on average daily usage of the facility. Based on the Company's borrowing base as of October 29, 2023 April 28, 2024, which is reduced by standby letters of credit, the Company had \$759.0 million \$759.4 million of borrowing capacity under the ABL Credit Facility. As of October 29, 2023 April 28, 2024 and January 29, 2023 January 28, 2024, the Company had no outstanding borrowings under the ABL Credit Facility, respectively.

8.7. Leases

The Company leases all of its fulfillment and customer service centers and corporate offices under non-cancelable operating lease agreements. The terms of the Company's real estate leases generally range from 5 to 15 years and typically allow for the leases to be renewed for up to three additional five-year terms. Fulfillment and customer service centers and corporate office leases expire at various dates through 2038, excluding renewal options. The Company also leases certain equipment under operating and finance leases. The terms of equipment leases generally range from 3 to 5 years and do not contain renewal options. These leases expire at various dates through 2025.

The Company's finance leases as of October 29, 2023 April 28, 2024 and January 29, 2023 January 28, 2024 were not material and were included in property and equipment, net, on the Company's condensed consolidated balance sheets.

The table below presents the operating lease-related assets and liabilities recorded on the condensed consolidated balance sheets (in thousands):

Leases	As of		As of				
			As of		As of		
	Balance Sheet Classification	October 29, 2023	January 29, 2023	Leases	Balance Sheet Classification	April 28, 2024	January 28, 2024

Assets		Assets	
Operating			
Operating			
		Operating	
		lease right-of-	
Operating	Operating	use assets	\$473,529 \$423,423
Total	Total		
operating	operating		
lease	lease		
assets	assets		\$473,529 \$423,423
Liabilities		Liabilities	
Liabilities			
Liabilities			
Current	Current		
Current			
Operating			
Operating			
		Accrued	
		expenses and	
		other current	
Operating	Operating	liabilities	\$ 28,425 \$ 27,611
Non-current	Non-current		
		Operating	
Operating	Operating	lease liabilities	526,994 471,765
Operating			
Operating			
Total	Total		
operating	operating		
lease	lease		
liabilities	liabilities		\$555,419 \$499,376

For the thirty-nine thirteen weeks ended October 29, 2023 and October 30, 2022 April 28, 2024, there were no assets acquired in exchange for new operating lease liabilities.

For the thirteen weeks ended April 30, 2023, assets acquired in exchange for new operating lease liabilities were \$97.8 million and \$90.3 million, respectively, \$33.7 million.

Lease expense primarily relates to operating lease costs. Lease expense for the thirteen weeks ended October 29, 2023 April 28, 2024 and October 30, 2022 April 30, 2023 was \$25.5 million \$26.3 million and \$23.7 million \$26.1 million, respectively. Lease expense for the thirty-nine weeks ended October 29, 2023 and October 30, 2022 was \$77.8 million and \$68.3 million, respectively. The aforementioned lease expense was included within selling, general and administrative expenses in the condensed consolidated statements of operations.

Cash flows used in operating activities related to operating leases were approximately \$70.1 million \$25.6 million and \$58.2 million \$21.1 million for the thirty-nine thirteen weeks ended October 29, 2023 April 28, 2024 and October 30, 2022 April 30, 2023, respectively.

9.8. Share-Based Compensation

2022 Omnibus Incentive Plan

In July 2022, the Company's stockholders approved the Chewy, Inc. 2022 Omnibus Incentive Plan (the "2022 Plan") replacing the Chewy, Inc. 2019 Omnibus Incentive Plan (the "2019 Plan"). The 2022 Plan became effective on July 14, 2022 and allows for the issuance of up to 40.0 million shares of Class A common stock and 1.0 million shares for new grants rolled over from the 2019 Plan. No awards may be granted under the 2022 Plan after July 2032. The 2022 Plan provides for grants of: (i) options, including incentive stock options and non-qualified stock options, (ii) restricted stock units, (iii) other share-based awards, including share appreciation rights, phantom stock, restricted shares, performance shares, deferred share units, and share-denominated performance units, (iv) cash awards, (v) substitute awards, and (vi) dividend equivalents (collectively, the "awards"). The awards may be granted to (i) the Company's employees, consultants, and non-employee directors, (ii) employees of the Company's affiliates and subsidiaries, and (iii) consultants of the Company's subsidiaries.

15 Service-Based Awards

As of October 29, 2023 (April 28, 2024), total unvested base share-based compensation options ("RSUs") which vested subject to \$7.5 million \$34.7 million and is expected over a weighted-average grant date fair value of 2.1 (2.5) years based compensation expense for RSUs on a straight-line basis over the requisite service period and accounted for forfeitures as they occur.

During the thirty-nine weeks ended October 29, 2023 and October 30, 2022, vesting occurred for 93,309 PRSUs, respectively, that were previously granted to an employee of PetSmart. For accounting purposes, the issuance of Class A common stock upon vesting of these PRSUs is treated as a distribution to a parent entity because both the Company and PetSmart are controlled by affiliates of BC Partners.

The following table summarizes the activity related to the Company's RSUs for the thirty-nine weeks ended April 28, 2024 (in thousands, except for weighted-average grant date fair value):

Service-Based Awards	Number of RSUs	Weighted-Average Grant Date Fair Value	
		Unvested and outstanding as of January 28, 2024	34.65
The Company granted restricted stock units with service-based vesting conditions ("RSUs") which vested subject to the employee's continued employment with the Company through the applicable vesting date. The Company recorded share-based compensation expense for RSUs on a straight-line basis over the requisite service period and accounted for forfeitures as they occur.	17,388	\$ (3,546)	35.80
Forfeited	(1,209)	\$ (1,209)	34.64
Unvested and outstanding as of April 28, 2024	16	34,350	\$ 22.82

The following table summarizes the weighted average grant-date fair value of RSUs granted and total fair value of RSUs vested for the periods presented:

Service-Based Awards Activity	Number of RSUs	13 Weeks Ended	
		April 28, 2024	April 30, 2023
Weighted average grant-date fair value of RSUs	\$ 16.12	\$ 35.21	35.21
Total fair value of vested RSUs (in millions)	\$ 62.7	\$ 74.9	74.9

The following table summarizes the activity related to the Company's RSUs for the thirty-nine weeks ended October 29, 2023 (in thousands, except for weighted-average grant date fair value): 2024, total unrecognized compensation expense related to unvested RSUs was \$700.7 million and is expected to be recognized over a weighted-average expected performance period of 2.9 years.

Service and Performance-Based Awards	Number of RSUs	Weighted-Average Grant Date Fair Value	
		Unvested and outstanding as of January 29, 2023	Value
Granted	10,813	\$ 45.56	45.56
Vested	11,105	\$ 34.25	34.25
The Company granted restricted stock units which vested upon satisfaction of both service-based vesting conditions and performance-based vesting conditions ("PRSUs"), subject to the employee's continued employment with the Company through the applicable vesting date. The Company recorded share-based compensation expense for PRSUs over the requisite service period and accounted for forfeitures as they occur.	(3,894)	\$ 46.01	46.01
Unvested and outstanding as of October 29, 2023	16,373	\$ 38.27	38.27

The following table summarizes the weighted average grant-date fair value of RSUs granted and total fair value of RSUs vested for the periods presented:

Service-Based Compensation Expense	Number of PRSUs	39 Weeks Ended	
		October 29, 2023	October 30, 2022
Weighted average grant-date fair value of RSUs	\$ 34.25	\$ 41.44	41.44
Total fair value of vested RSUs (in millions)	\$ 142.9	\$ 34.3	34.3

As of October 29, 2023, total unrecognized compensation expense related to unvested RSUs was \$513.5 million and is expected to be recognized over a weighted-average expected performance period of 2.7 years.

The fair value for RSUs is established based on the market price of the Company's Class A common stock on the date of grant, outstanding as of January 29, 2023.

As of October 29, 2023 (April 28, 2024), there were 28.2 million 2.8 million additional shares of Class A common stock reserved for future issuance under the 2022 Plan.

Number of Share-Based Compensation Expense	Number of PRSUs	Weighted-Average Grant Date Fair Value	
		13 Weeks Ended	13 Weeks Ended
Unvested			Share-based compensation expense is included within selling, general and administrative expenses in the condensed consolidated statements of operations. The Company and recognized share-based compensation expense as follows (in thousands):
as of			
January			
28, 2024			
Granted	Granted	232	\$ 35.71
Vested	Vested	(1,904)	\$ 36.03
Forfeited	Forfeited	(193)	\$ 37.33
			April 28, 2024

Unvested and outstanding as of October 29, 2023	341	\$ 36.32
RSUs		
Unvested PRSUs and PRSUs outstanding PRSUs		
April 28, 2024		

13 Weeks Ended

39 Weeks Ended

Total share-based compensation
expense

The following table summarizes the weighted average grant-date fair value of PRSUs granted and total fair value of PRSUs vested for the periods presented:

	39 Weeks Ended	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
PRSUs	39 Weeks Ended	\$ 954	\$ 2,498	\$ 732	\$ 10,696
RSUs	October	63,394	43,032	178,165	99,005
Total share-based compensation expense	29, 30, 13 Weeks Ended	\$ 64,348	\$ 45,530	\$ 178,897	\$ 109,701

Total share-based compensation
expense

April 28,
2024

April 30, 2023

Weighted
average
grant-
date fair
value

10.9. Income Taxes

Chewy is subject to taxation in the U.S. and various state, local, and foreign jurisdictions. Income taxes as presented in the Company's condensed consolidated financial statements have been prepared based on Chewy's separate return method.

PRSUs PRSUs \$ 35.71 \$ 43.59

The Company had a current income tax provision during the thirteen and thirty-nine weeks ended October 29, 2023 April 28, 2024 and April 30, 2023 of \$1.7 \$11.5 million and \$4.0 \$1.0 million, respectively. The Company did not have a current or deferred provision for income taxes for any taxing jurisdiction during the thirteen weeks ended October 29, 2023 April 28, 2024 and April 30, 2023.

PRAs of April 28, 2024 and thirty-nine weeks ended October 30, 2022 January 28, 2024, respectively. Additionally, the Company maintained a full valuation allowance on of \$281.1 million against its net deferred tax assets, including \$275.7 million related to its U.S. entities, and expects to continue to maintain such valuation allowance until the Company determines that it has sufficient taxable income to support the utilization of all or some portion of the allowance. Based on the Company's assessment of current earnings and anticipated future earnings, there is a reasonable possibility that the Company will have sufficient taxable income to release a significant portion of the valuation allowance related to its U.S. entities within the next 12 months. Release of the valuation allowance would result in the recognition of certain deferred tax assets and a reduction in income tax expense for the period in which the release is recorded. However, the exact timing and amount of the valuation allowance release is subject to change based on the level of profitability that the Company is able to achieve.

17

Concurrent in connection with its initial public offering during the fiscal year ended February 2, 2020, the Company, PetSmart, and Argos Intermediate Holdco I Inc. ("Argos Holdco") entered into a tax sharing agreement. Chewy assumed \$1.9 billion in income taxes which governs the respective rights, responsibilities, and obligations were fully indemnified by affiliates of the Company, PetSmart, and Argos Holdco with respect to tax matters, including taxes attributable to PetSmart, entitlement to refunds, allocation of tax attributes, preparation of tax returns, certain tax elections, control of tax contests and other tax matters regarding U.S. federal, state, and local income taxes.

BC Partners. During the thirty-nine thirteen weeks ended October 29, 2023, and October 30, 2022 April 28, 2024, the Company paid \$10.3 million \$96.1 million in federal and \$1.0 million, respectively, pursuant to state income taxes relating to the preceding and had an income tax sharing agreement. The tax sharing agreement was effectively terminated for federal income taxes upon tax deconsolidation with PetSmart in February 2021. As payable of January 29, 2023, the Company had a payable related to the tax sharing agreement of \$5.3 million which was settled \$12.8 million and \$108.9 million as of October 29, 2023. The tax sharing agreement was subsequently terminated by all parties to the agreement on October 30, 2023 April 28, 2024 and January 28, 2024, in connection with the transaction described in Note 1 - Description of Business, respectively.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act which introduced new tax provisions, including a 15% corporate alternative minimum tax, a 1% excise tax on corporate stock buybacks, and several tax incentives to promote clean energy. These tax provisions are effective for tax years beginning on or after December 31, 2022, and will not have a material impact on the Company's condensed consolidated financial statements.

11.10. Earnings per Share

Basic and diluted earnings per share attributable to the Company's common stockholders are presented using the two-class method required for participating securities. Under the two-class method, net income attributable to the Company's common stockholders is determined by allocating undistributed earnings between common stock and participating securities. Undistributed earnings for the periods presented are calculated as net income less distributed earnings. Undistributed earnings are allocated proportionally to the Company's common Class A and Class B stockholders as both classes are entitled to share equally, on a per share basis, in dividends and other distributions. Basic and diluted earnings per share are calculated by dividing net income attributable to the Company's common stockholders by the weighted-average shares outstanding during the period.

The following table sets forth basic and diluted earnings per share attributable to the Company's common stockholders for the periods presented (in thousands, except per share data):

		13 Weeks Ended		39 Weeks Ended				
		October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022			
Basic and diluted earnings per share		13 Weeks Ended		13 Weeks Ended				
Basic and diluted earnings per share		13 Weeks Ended		13 Weeks Ended				
Basic and diluted earnings per share	Basic and diluted earnings per share							
Numerator	Numerator							
(Loss) earnings attributable to common Class A and Class B stockholders	\$	(35,810)	\$	2,311	\$	5,317	\$	43,128
Numerator								
Earnings attributable to common Class A and Class B stockholders								
Earnings attributable to common Class A and Class B stockholders								
Earnings attributable to common Class A and Class B stockholders								
Denominator	Denominator							
Weighted-average common shares used in computing (loss) earnings per share:								
Denominator								
Weighted-average common shares used in computing earnings per share:								
Weighted-average common shares used in computing earnings per share:								
Weighted-average common shares used in computing earnings per share:								
Basic	Basic	430,758		422,898		428,743		421,665
Effect of dilutive stock-based awards		—		5,227		2,663		5,558
Basic								
Basic								

Effect of dilutive share-based awards					
Effect of dilutive share-based awards					
Effect of dilutive share-based awards					
Diluted	Diluted	430,758	428,125	431,406	427,223
Anti-dilutive stock-based awards excluded from diluted common shares		16,781	6,008	10,868	5,069
(Loss) earnings per share attributable to common Class A and Class B stockholders:					
Diluted					
Diluted					
Anti-dilutive share-based awards excluded from diluted common shares					
Anti-dilutive share-based awards excluded from diluted common shares					
Anti-dilutive share-based awards excluded from diluted common shares					
Earnings per share attributable to common Class A and Class B stockholders:					
Earnings per share attributable to common Class A and Class B stockholders:					
Earnings per share attributable to common Class A and Class B stockholders:					
Basic					
Basic					
Basic	Basic	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10
Diluted	Diluted	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10
Diluted					
Diluted					

12.11. Certain Relationships and Related Party Transactions

Certain of the Company's healthcare operations are conducted through Chewy Pharmacy KY, a Delaware limited liability company which was previously a wholly-owned subsidiary of PetSmart, for which the Company and Chewy Pharmacy KY entered into a services agreement, which provided for the payment of a management fee to the Company due from Chewy Pharmacy KY. The Company recognized \$2.4 million and \$6.9 million during the thirteen and thirty-nine weeks ended October 29, 2023, respectively, within net sales in the condensed consolidated statements of operations for the services provided compared to \$1.8 million and \$4.9 million during the thirteen and thirty-nine weeks ended October 30, 2022, respectively. The services agreement between the Company and Chewy Pharmacy KY was subsequently terminated in connection with the transaction described in Note 1 - Description of Business.

As of October 29, 2023 April 28, 2024 and January 29, 2023 January 28, 2024, the Company had a net payable receivable from affiliates of BC Partners of \$7.0 million and \$48.3 million, respectively, with respect to PetSmart of \$3.6 million and \$4.9 million, respectively, future tax payments in connection with the Transactions, which was included in accrued prepaid expenses and other current assets on the Company's condensed consolidated balance sheets.

As of April 28, 2024 and January 28, 2024, the Company had a receivable from affiliates of BC Partners of \$20.2 million and \$19.7 million, respectively, with respect to the indemnification for certain tax liabilities in connection with the Transactions, which was included in other non-current assets on the Company's condensed consolidated balance sheets.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and related notes thereto included in this Quarterly Report on Form 10-Q for the quarterly period ended **October 29, 2023** **April 28, 2024** ("10-Q Report") and our audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the fiscal year ended **January 29, 2023** **January 28, 2024** ("10-K Report"). This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections herein and in our 10-K Report, our actual results may differ materially from those anticipated in these forward-looking statements. Unless the context requires otherwise, references in this **Quarterly 10-Q Report on Form 10-Q** to "Chewy," "the Company," the "Company," "we," "our," or "us" refer to Chewy, Inc. and its consolidated subsidiaries.

Investors and others should note that we may announce material information to our investors using our investor relations website (<https://investor.chewy.com/>), filings with the SEC, press releases, public conference calls and webcasts. We use these channels, as well as social media, to communicate with our investors and the public about our company, our business and other issues. It is possible that the information that we post on these channels could be deemed to be material information. We therefore encourage investors to visit these websites from time to time. The information contained on such websites and social media posts is not incorporated by reference into this filing. Further, our references to website URLs in this filing are intended to be inactive textual references only.

Overview

We are the largest pure-play pet e-tailer in the United States, offering virtually every product a pet needs. We launched Chewy in 2011 to bring the best of the neighborhood pet store shopping experience to a larger audience, enhanced by the depth and wide selection of products and services, as well as the around-the-clock convenience, that only e-commerce can offer. We believe that we are the preeminent destination for pet parents as a result of our broad selection of high-quality products and expanded menu of service offerings, which we offer at great prices and deliver with an exceptional level of care and a personal touch. We are the trusted source for pet parents and partners and continually develop innovative ways for our customers to engage with us. We partner with approximately 3,500 of the best and most trusted brands in the pet industry, and we create and offer our own outstanding private brands. Through our website and mobile applications, we offer our customers approximately **110,000** **115,000** products, compelling merchandising, an easy and enjoyable shopping experience, and exceptional customer service.

Macroeconomic Considerations

The evolving **Evolving** macroeconomic conditions, including rising inflation and interest rates, have affected, and continue to affect, our business and consumer shopping behavior. We continue to monitor conditions closely and adapt aspects of our logistics, transportation, supply chain, and purchasing processes accordingly to meet the needs of our growing community of pets, pet parents and partners. As our customers react to these economic conditions, we will adapt our business accordingly to meet their evolving needs.

We are unable to predict the duration and ultimate impact of the **evolving** macroeconomic conditions on the broader economy or our operations and liquidity. As such, macroeconomic risks and uncertainties remain. Please refer to the "Cautionary Note Regarding Forward-Looking Statements" in this 10-Q Report and in the section titled "Risk Factors" in Item 1A of **Form our** 10-K **for the fiscal year ended January 29, 2023**. **Report**.

Fiscal Year End

We have a 52- or 53-week fiscal year ending each year on the Sunday that is closest to January 31 of that year. Our **2023** **2024** fiscal year ends on **January 28, 2024** **February 2, 2025** and is a **52-week** **53-week** year. Our **2022** **2023** fiscal year ended **January 29, 2023** **January 28, 2024** and was a 52-week year.

20

Key Financial and Operating Data

We measure our business using both financial and operating data and use the following metrics and measures to assess the near-term and long-term performance of our overall business, including identifying trends, formulating financial projections, making strategic decisions, assessing operational efficiencies, and monitoring our business.

	13 Weeks Ended	39 Weeks Ended
	13 Weeks Ended	
	13 Weeks Ended	
	13 Weeks Ended	
(in thousands, except net sales per active customer, per share data, and percentages)		
(in thousands, except net sales per active customer, per share data, and percentages)		

(in thousands, except net sales per active customer, per share data, and percentages)		(in thousands, except net sales per active customer, per share data, and percentages)		October 29, 2023		October 30, 2022		% Change		October 29, 2023		October 30, 2022		% Change															
				Financial and Operating Data		Financial and Operating Data																							
Financial and Operating Data																													
Financial and Operating Data																													
Net sales	Net sales	\$	2,738,611	\$	2,532,122		8.2	%	\$	8,301,055	\$	7,391,460		12.3	%														
Net (loss) income ⁽¹⁾		\$	(35,810)	\$	2,311		n/m		\$	5,317	\$	43,128		(87.7)	%														
Net sales																													
Net sales																													
Net income ⁽¹⁾																													
Net income ⁽¹⁾																													
Net income ⁽¹⁾																													
Net margin	Net margin		(1.3)	%		0.1	%			0.1	%		0.6	%															
Net margin	Net margin		(1.3)	%		0.1	%			0.1	%		0.6	%															
Adjusted EBITDA ⁽²⁾	Adjusted EBITDA ⁽²⁾	\$	82,126	\$	70,399		16.7	%	\$	279,167	\$	213,970		30.5	%														
Adjusted EBITDA ⁽²⁾																													
Adjusted EBITDA ⁽²⁾																													
Adjusted EBITDA ⁽²⁾	Adjusted EBITDA ⁽²⁾		3.0	%		2.8	%			3.4	%		2.9	%															
Adjusted net income ⁽²⁾	Adjusted net income ⁽²⁾	\$	63,011	\$	48,401		30.2	%	\$	213,576	\$	156,151		36.8	%														
(Loss) earnings per share, basic and diluted ⁽¹⁾		\$	(0.08)	\$	0.01		n/m		\$	0.01	\$	0.10		(90.0)	%														
Adjusted earnings per share, basic and diluted ⁽²⁾		\$	0.15	\$	0.11		36.4	%	\$	0.50	\$	0.37		35.1	%														
Adjusted net income ⁽²⁾																													
Adjusted net income ⁽²⁾																													
Earnings per share, basic and diluted ⁽¹⁾																													
Earnings per share, basic and diluted ⁽¹⁾																													
Earnings per share, basic and diluted ⁽¹⁾																													
Adjusted earnings per share, basic ⁽²⁾																													
Adjusted earnings per share, basic ⁽²⁾																													
Adjusted earnings per share, basic ⁽²⁾																													
Adjusted earnings per share, diluted ⁽²⁾																													
Adjusted earnings per share, diluted ⁽²⁾																													
Adjusted earnings per share, diluted ⁽²⁾																													
Adjusted earnings per share, diluted ⁽²⁾																													
Adjusted earnings per share, diluted ⁽²⁾																													

Net cash provided by operating activities										
Net cash provided by operating activities										
Net cash provided by operating activities	Net cash provided by operating activities	\$ 80,208	\$ 117,415	(31.7)	%	\$ 387,356	\$ 249,020	55.6	%	
Free cash flow (2)	Free cash flow	\$ 48,523	\$ 69,786	(30.5)	%	\$ 276,458	\$ 77,179	258.2	%	
Free cash flow (2)										
Free cash flow (2)										
Active customers	Active customers									
Active customers	Active customers	20,266	20,524	(1.3)	%	20,266	20,524	(1.3)	%	
Net sales per active customer	Net sales per active customer	\$ 543	\$ 477	13.8	%	\$ 543	\$ 477	13.8	%	
Net sales per active customer										
Net sales per active customer										
Autoship customer sales	Autoship customer sales									
Autoship customer sales	Autoship customer sales	\$ 2,093,077	\$ 1,855,979	12.8	%	\$ 6,270,985	\$ 5,386,243	16.4	%	
Autoship customer sales as a percentage of net sales	Autoship customer sales as a percentage of net sales	76.4 %	73.3 %			75.5 %	72.9 %			
n/m - not meaningful										
(1) Includes share-based compensation expense and related taxes of \$65.8 million and \$187.9 million for the thirteen and thirty-nine weeks ended October 29, 2023, compared to \$46.1 million and \$113.0 million for the thirteen and thirty-nine weeks ended October 30, 2022.										
(1) Includes share-based compensation expense and related taxes of \$69.5 million for the thirteen weeks ended April 28, 2024, compared to \$53.8 million for the thirteen weeks ended April 30, 2023.										
(1) Includes share-based compensation expense and related taxes of \$69.5 million for the thirteen weeks ended April 28, 2024, compared to \$53.8 million for the thirteen weeks ended April 30, 2023.										
(1) Includes share-based compensation expense and related taxes of \$69.5 million for the thirteen weeks ended April 28, 2024, compared to \$53.8 million for the thirteen weeks ended April 30, 2023.										
(2) Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic and diluted earnings per share, and free cash flow are non-GAAP financial measures.										
(2) Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic and diluted earnings per share, and free cash flow are non-GAAP financial measures.										
(2) Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic and diluted earnings per share, and free cash flow are non-GAAP financial measures.										

We define net margin as net **income** divided by net sales and adjusted EBITDA margin as adjusted EBITDA divided by net sales.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin

To provide investors with additional information regarding our financial results, we have disclosed here and elsewhere in this 10-Q Report adjusted EBITDA, a non-GAAP financial measure that we calculate as net income (loss) excluding depreciation and amortization; share-based compensation expense and related taxes; income tax provision; interest income (expense), net; transaction related costs; changes in the fair value of equity warrants; **severance and exit costs**; and litigation matters and other items that we do not consider representative of our underlying operations. We have provided a reconciliation below of adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure.

We have included adjusted EBITDA and adjusted EBITDA margin in this 10-Q Report because each is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating adjusted EBITDA and adjusted EBITDA margin facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and certain variable charges. Accordingly, we believe that adjusted EBITDA and adjusted EBITDA margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We believe it is useful to exclude non-cash charges, such as depreciation and amortization and share-based compensation expense from our adjusted EBITDA because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations. We believe it is useful to exclude income tax provision; interest income (expense), net; transaction related costs; changes in the fair value of equity warrants; **exit costs**; and litigation matters and other items **which are not components of our core business operations**. We believe it is useful to exclude **severance and exit costs** because these expenses represent temporary initiatives to realign resources and enhance operational efficiency, which are not components of our core business operations. Adjusted EBITDA has limitations as a financial measure and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and adjusted EBITDA does not reflect capital expenditure requirements for such replacements or for new capital expenditures;
- adjusted EBITDA does not reflect share-based compensation and related taxes. Share-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy;
- adjusted EBITDA does not reflect interest income (expense), net; or changes in, or cash requirements for, our working capital;
- adjusted EBITDA does not reflect transaction related costs and other items which are either not representative of our underlying operations or are incremental costs that result from an actual or planned transaction **or initiative** and include changes in the fair value of equity warrants, **severance and exit costs**, litigation matters, integration consulting fees, internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and converging IT systems; and
- other companies, including companies in our industry, may calculate adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider adjusted EBITDA and adjusted EBITDA margin alongside other financial performance measures, including various cash flow metrics, net income (loss), net margin, and our other GAAP results.

The following table presents a reconciliation of net **(loss)** income to adjusted EBITDA, as well as the calculation of net margin and adjusted EBITDA margin, for each of the periods indicated. **indicated:**

(in thousands, except percentages)	13 Weeks Ended		39 Weeks Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
Reconciliation of Net (Loss) Income to Adjusted EBITDA				
Net (loss) income	\$ (35,810)	\$ 2,311	\$ 5,317	\$ 43,128
Add (deduct):				
Depreciation and amortization	25,523	23,018	82,195	60,696
Share-based compensation expense and related taxes	65,799	46,090	187,878	113,023
Interest income, net	(10,173)	(2,745)	(27,117)	(3,091)
Change in fair value of equity warrants	33,800	—	13,542	—
Income tax provision	1,704	—	4,011	—
Exit costs	(778)	—	6,839	—
Transaction related costs	1,041	706	3,167	2,101
Other	1,020	1,019	3,335	(1,887)
Adjusted EBITDA	\$ 82,126	\$ 70,399	\$ 279,167	\$ 213,970
Net sales	\$ 2,738,611	\$ 2,532,122	\$ 8,301,055	\$ 7,391,460
Net margin	(1.3)%	0.1 %	0.1 %	0.6 %
Adjusted EBITDA margin	3.0 %	2.8 %	3.4 %	2.9 %

(in thousands, except percentages)

Reconciliation of Net Income to Adjusted EBITDA

	13 Weeks Ended	
	April 28, 2024	April 30, 2023
Net income	\$ 66,897	\$ 22,859
Add (deduct): Income (Loss) and Adjusted Basic and Diluted Earnings (Loss) per Share		
Depreciation and amortization	28,000	28,898
To provide investors with additional information regarding our financial results, we have disclosed here and elsewhere in this 10-Q Report adjusted net income (loss) and adjusted basic and diluted earnings (loss) per share, which represent non-GAAP financial measures. We calculate adjusted net income (loss) as net income (loss) excluding share-based compensation expense and related taxes, interest income, net, change in fair value of equity warrants, and severance and exit costs. We calculate adjusted basic and diluted earnings (loss) per share by dividing adjusted net income (loss) attributable to common stockholders by the weighted-average shares outstanding during the period. We have provided a reconciliation below on a per-share basis to net income (loss), the most directly comparable GAAP financial measure.	66,897	55,977
Interest income, net	(14,523)	(18,016)
Change in fair value of equity warrants	633	8,934
Exit costs	11,483	1,003
—	—	2,357
We have included adjusted net income (loss) and adjusted basic and diluted earnings (loss) per share in this 10-Q Report because each is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating adjusted net income (loss) and adjusted basic and diluted earnings (loss) per share facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and certain variable gains and losses that do not represent a component of our core business operations. We believe it is useful to exclude non-cash share-based compensation expense because the amount of such expenses in any specific period may not directly correlate to the operating performance of our business operations. We believe it is useful to exclude exit costs and the changes in the fair value of equity warrants because exit costs and the variability of equity warrant gains and losses are not representative of our underlying operations. We believe it is useful to exclude severance and exit costs because these expenses represent temporary initiatives to realign resources and enhance operational efficiency, which are not components of our core business operations. Accordingly, we believe that these measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.	10	1,061
Other	910	1,061
Adjusted EBITDA	\$ 162,924	\$ 110,873
Net margin	25.7%	40.0%
Adjusted EBITDA margin	27.1%	40.0%

Adjusted net income (loss) and adjusted basic and diluted earnings (loss) per share have limitations as financial measures and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Other companies may calculate adjusted net income (loss) and adjusted basic and diluted earnings (loss) per share differently, which reduces their usefulness as comparative measures. Because of these limitations, you should consider adjusted net income (loss) and adjusted basic and diluted earnings (loss) alongside other financial performance measures, including various cash flow metrics, net income (loss), basic and diluted earnings (loss) per share, and our other GAAP results.

The following table presents a reconciliation of net (loss) income to adjusted net income, as well as the calculation of adjusted basic and diluted earnings per share, for each of the periods indicated. **Indicated:**

Reconciliation of Net (Loss) Income to Adjusted Net Income	13 Weeks Ended		39 Weeks Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
	\$ (35,810)	\$ 2,311	\$ 5,317	\$ 43,128
Net (loss) income	\$ (35,810)	\$ 2,311	\$ 5,317	\$ 43,128
Add (deduct):				
Share-based compensation expense and related taxes	65,799	46,090	187,878	113,023
Change in fair value of equity warrants	33,800	—	13,542	—
Exit costs	(778)	—	6,839	—
Adjusted net income	\$ 63,011	\$ 48,401	\$ 213,576	\$ 156,151
Weighted-average common shares used in computing (loss) earnings per share and adjusted earnings per share:				
Basic	430,758	422,898	428,743	421,665
Effect of dilutive share-based awards ⁽¹⁾	1,414	5,227	2,663	5,558
Diluted ⁽¹⁾	432,172	428,125	431,406	427,223
(Loss) earnings per share attributable to common Class A and Class B stockholders				
Basic	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10
Diluted ⁽¹⁾	\$ (0.08)	\$ 0.01	\$ 0.01	\$ 0.10
Adjusted basic	\$ 0.15	\$ 0.11	\$ 0.50	\$ 0.37
Adjusted diluted ⁽¹⁾	\$ 0.15	\$ 0.11	\$ 0.50	\$ 0.37

⁽¹⁾ For the thirteen weeks ended October 29, 2023, our calculation of adjusted diluted earnings per share attributable to common Class A and Class B stockholders requires an adjustment to the weighted-average common shares used in the calculation to include the weighted-average dilutive effect of share-based awards.

(in thousands, except per share data)	13 Weeks Ended	
	April 28, 2024	April 30, 2023
Reconciliation of Net Income to Adjusted Net Income		
Net income	\$ 66,897	\$ 22,859
Add:		
Share-based compensation expense and related taxes	69,484	53,777
Change in fair value of equity warrants	683	8,934
Exit costs	—	2,357
Adjusted net income	\$ 137,064	\$ 87,927
Weighted-average common shares used in computing earnings per share and adjusted earnings per share:		
Basic	434,873	426,852
Effect of dilutive share-based awards	1,551	3,619
Diluted	436,424	430,471
Earnings per share attributable to common Class A and Class B stockholders		
Basic	\$ 0.15	\$ 0.05
Diluted	\$ 0.15	\$ 0.05
Adjusted basic	\$ 0.32	\$ 0.21
Adjusted diluted	\$ 0.31	\$ 0.20

Free Cash Flow

To provide investors with additional information regarding our financial results, we have also disclosed here and elsewhere in this 10-Q Report free cash flow, a non-GAAP financial measure that we calculate as net cash provided by (used in) operating activities less capital expenditures (which consist of purchases of property and equipment, capitalization of labor related to our website, websites, mobile applications, and software development, and leasehold improvements). We have provided a reconciliation below of free cash flow to net cash provided by (used in) operating activities, the most directly comparable GAAP financial measure.

We have included free cash flow in this 10-Q Report because it is used by our management and board of directors as an important indicator of our liquidity as it measures the amount of cash we generate. Accordingly, we believe that free cash flow provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Free cash flow has limitations as a financial measure and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. There are limitations to using non-GAAP financial measures, including that other companies, including companies in our industry, may calculate free cash flow differently. Because of these limitations, you should consider free cash flow alongside other financial performance measures, including net cash provided by (used in) operating activities, capital expenditures and our other GAAP results.

24

The following table presents a reconciliation of net cash provided by operating activities to free cash flow for each of the periods indicated:

(in thousands)	(in thousands)	13 Weeks Ended	39 Weeks Ended
(in thousands)			
(in thousands)			
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow			
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow			

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow		Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow		Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow		Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow	
	Cash Flow	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022		
Net cash provided by operating activities	Net cash provided by operating activities	\$ 80,208	\$ 117,415	\$ 387,356	\$ 249,020		
Net cash provided by operating activities							
Net cash provided by operating activities							
Deduct:	Deduct:						
Deduct:	Deduct:						
Capital expenditures	Capital expenditures	(31,685)	(47,629)	(110,898)	(171,841)		
Capital expenditures							
Capital expenditures							
Free Cash Flow	Free Cash Flow	\$ 48,523	\$ 69,786	\$ 276,458	\$ 77,179		
Free Cash Flow							
Free Cash Flow							

Free cash flow may be affected in the near to medium term by the timing of capital investments (such as the launch of new fulfillment centers, **pharmacy facilities, veterinary clinics, customer service centers, infrastructure**, and corporate offices and purchases of IT and other equipment), fluctuations in our growth and the effect of such fluctuations on working capital, and changes in our cash conversion cycle due to increases or decreases of vendor payment terms as well as inventory turnover.

Key Operating Metrics

Active Customers

As of the last date of each reporting period, we determine our number of active customers by counting the total number of individual customers who have ordered a product or service, and for whom a product has shipped or for whom a service has been provided, at least once during the preceding 364-day period. The change in active customers in a reporting period captures both the inflow of new customers and the outflow of customers who have not made a purchase in the last 364 days. We view the number of active customers as a key indicator of our growth—acquisition and retention of customers—as a result of our marketing efforts and the value we provide to our customers. The number of active customers has grown over time as we acquired new customers and retained previously acquired customers.

Net Sales Per Active Customer

We define net sales per active customer as the aggregate net sales for the preceding four fiscal quarters, divided by the total number of active customers at the end of that period. We view net sales per active customer as a key indicator of our customers' purchasing patterns, including their initial and repeat purchase behavior.

Autoship and Autoship Customer Sales

We define Autoship customers as customers in a given fiscal quarter that had an order shipped through our Autoship subscription program during the preceding 364-day period. We define Autoship as our subscription program, which provides automatic ordering, payment, and delivery of products to our customers. We view our Autoship subscription program as a key driver of recurring net sales and customer retention. For a given fiscal quarter, Autoship customer sales consist of sales and shipping revenues from all Autoship subscription program purchases and purchases outside of the Autoship subscription program by Autoship customers, excluding taxes collected from customers, excluding any refund allowance, and net of any promotional offers (such as percentage discounts off current purchases and other similar offers) for that quarter. For a given fiscal year, Autoship customer sales equal the sum of the Autoship customer sales for each of the fiscal quarters in that fiscal year.

Autoship Customer Sales as a Percentage of Net Sales

We define Autoship customer sales as a percentage of net sales as the Autoship customer sales in a given reporting period divided by the net sales from all orders in that period. We view Autoship customer sales as a percentage of net sales as a key indicator of our recurring sales and customer retention.

Components of Results of Consolidated Operations

Net Sales

We derive net sales primarily from sales of both third-party brand and private brand pet food, pet products, pet medications and other pet health products, and related shipping fees. Sales of third-party brand and private brand pet food, pet products and shipping revenues are recorded when products are shipped, net of promotional discounts and refund allowances. Taxes collected from customers are excluded from net sales. Net sales is primarily driven by growth of new customers and active customers, and the frequency with which customers purchase and subscribe to our Autoship subscription program.

We also periodically provide promotional offers, including discount offers, such as percentage discounts off current purchases and other similar offers. These offers are treated as a reduction to the purchase price of the related transaction and are reflected as a net amount in net sales.

Cost of Goods Sold

Cost of goods sold consists of the cost of third-party brand and private brand products sold to customers, inventory freight, shipping supply costs, inventory shrinkage costs, and inventory valuation adjustments, offset by reductions for promotions and percentage or volume rebates offered by our vendors, which may depend on reaching minimum purchase thresholds. Generally, amounts received from vendors are considered a reduction of the carrying value of inventory and are ultimately reflected as a reduction of cost of goods sold.

Selling, General and Administrative

Selling, general and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions, including accounting, finance, tax, legal and human resources; costs associated with use by these functions, such as depreciation expense and rent relating to facilities and equipment; professional fees and other general corporate costs; share-based compensation; and fulfillment costs.

Fulfillment costs represent costs incurred in operating and staffing fulfillment and customer service centers, including costs attributable to buying, receiving, inspecting and warehousing inventories, picking, packaging and preparing customer orders for shipment, payment processing and related transaction costs, and responding to inquiries from customers. Included within fulfillment costs are merchant processing fees charged by third parties that provide merchant processing services for credit cards.

Advertising and Marketing

Advertising and marketing expenses consist of advertising and payroll related expenses for personnel engaged in marketing, business development and selling activities.

Interest Income (Expense), net

We generate interest income from our cash and cash equivalents and marketable securities. We incur interest expense ~~from~~ in relation to our ~~credit borrowing~~ facilities, ~~finance leases~~, and ~~finance leases~~, ~~uncertain tax positions~~.

Other Income (Expense), net

Our other income (expense), net consists of changes in the fair value of equity warrants, ~~investments~~, and ~~investments~~, ~~tax indemnification receivables~~, foreign currency transaction gains and losses, and allowances for credit losses.

26

Results of Consolidated Operations

The following tables set forth our results of operations for the periods presented and express the relationship of certain line items as a percentage of net sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of future ~~results~~, ~~results~~:

	13 Weeks Ended	39 Weeks Ended
	% of net sales	% of net sales
13 Weeks Ended		
13 Weeks Ended		
13 Weeks Ended		
	% of net sales	
	% of net sales	
	% of net sales	
<i>(in thousands, except percentages)</i>		

(in thousands, except
percentages)

(in thousands, except percentages)	(in thousands, except percentages)	October 29, 2023	October 30, 2022	% Change	October 29, 2023	October 30, 2022	% Change	October 29, 2023	October 30, 2022	% Change	October 29, 2023	October 30, 2022
Consolidated Statements of Operations	Consolidated Statements of Operations											
Consolidated Statements of Operations												
Consolidated Statements of Operations												
Net sales	Net sales	\$ 2,738,611	\$ 2,532,122	8.2 %	100.0 %	100.0 %	\$ 8,301,055	\$ 7,391,460	12.3 %	100.0 %	100.0 %	
Cost of goods sold	Cost of goods sold	1,957,850	1,811,945	8.1 %	71.5 %	71.6 %	5,942,066	5,320,666	11.7 %	71.6 %	72.0 %	
Cost of goods sold												
Cost of goods sold												
Gross profit	Gross profit	780,761	720,177	8.4 %	28.5 %	28.4 %	2,358,989	2,070,794	13.9 %	28.4 %	28.0 %	
Operating expenses:	Operating expenses:											
Operating expenses:												
Selling, general and administrative	Selling, general and administrative	611,718	543,532	12.5 %	22.3 %	21.5 %	1,814,586	1,564,798	16.0 %	21.9 %	21.2 %	
Advertising and marketing	Advertising and marketing	179,200	177,079	1.2 %	6.5 %	7.0 %	548,424	465,959	17.7 %	6.6 %	6.3 %	
Advertising and marketing	Advertising and marketing											
Total operating expenses	Total operating expenses	790,918	720,611	9.8 %	28.9 %	28.5 %	2,363,010	2,030,757	16.4 %	28.5 %	27.5 %	
(Loss) income from operations	(Loss) income from operations	(10,157)	(434)	n/m	(0.4) %	— %	(4,021)	40,037	110.0 %	— %	0.5 %	
Total operating expenses												
Total operating expenses												
Income from operations	Income from operations											
Income from operations												
Interest income, net	Interest income, net	10,173	2,745	n/m	0.4 %	0.1 %	27,117	3,091	n/m	0.3 %	— %	
Other expense, net	Other expense, net	(34,122)	—	n/m	(1.2) %	— %	(13,768)	—	n/m	(0.2) %	— %	
(Loss) income before income tax provision	(Loss) income before income tax provision	(34,106)	2,311	n/m	(1.2) %	0.1 %	9,328	43,128	(78.4) %	0.1 %	0.6 %	
Other expense, net	Other expense, net											

Thirteen and Thirty-Nine Weeks Ended October 29, 2023 April 28, 2024 Compared to Thirteen and Thirty-Nine Weeks Ended October 30, 2022 April 30, 2023

Net Sales

		13 Weeks Ended			39 Weeks Ended								
		13 Weeks Ended			39 Weeks Ended								
		13 Weeks Ended			39 Weeks Ended								
(in thousands, except percentages)													
(in thousands, except percentages)													
(in thousands, except percentages)		(in thousands, except percentages)											
		October 29, 2023		October 30, 2022		\$ Change							
Consumables		Consumables		\$ 1,984,688		\$ 1,804,126							
Consumables				\$ 180,562		10.0 %							
Hardgoods						October 29, 2023							
Hardgoods				\$ 5,993,689		\$ 5,215,097							
Hardgoods				\$ 778,592		14.9 %							
Other						October 30, 2022							
Other						\$ Change							
Net sales						% Change							
Net sales													
Net sales		Net sales		\$ 2,738,611		\$ 2,532,122							
				\$ 206,489		8.2 %							
				\$ 8,301,055		\$ 7,391,460							
				\$ 909,595		12.3 %							

Net sales for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$206.5 million** **\$87.1 million**, or **8.2%** **3.1%**, to **\$2.7 billion** **\$2.9 billion** compared to **\$2.5 billion** **\$2.8 billion** for the thirteen weeks ended **October 30, 2022** **April 30, 2023**. This increase was primarily driven by growth in customer spending from both new and existing customers, and the frequency with which customers purchase and subscribe to our Autoship subscription program. Net sales per active customer increased **\$66** **\$49**, or **13.8%** **9.6%**, in the thirteen weeks ended **October 29, 2023** **April 28, 2024** compared to the thirteen weeks ended **October 30, 2022** **April 30, 2023**, driven by growth across our healthcare and **consumables** specialty businesses.

Net sales for the thirty-nine weeks ended October 29, 2023 increased by \$909.6 million, or 12.3%, to \$8.3 billion compared to \$7.4 billion for the thirty-nine weeks ended October 30, 2022. This increase was primarily driven by growth in customer spending from both new and existing customers, and the frequency

with which customers purchase and subscribe to our Autoship subscription program. Net sales per active customer increased \$66, or 13.8%, in the thirty-nine weeks ended October 29, 2023 compared to the thirty-nine weeks ended October 30, 2022, driven by growth across our consumables and healthcare businesses.

Cost of Goods Sold and Gross Profit

Cost of goods sold for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$145.9 million** **\$26.0 million**, or **8.1% 1.3%**, to **\$2.0 billion** compared to **\$1.8 billion** **\$2.0 billion** in the thirteen weeks ended **October 30, 2022**. This increase was primarily due to an increase in associated product, outbound freight, and shipping supply costs. The increase in cost of goods sold was lower than the increase in net sales on a percentage basis, reflecting supply chain efficiency gains across our fulfillment network.

Cost of goods sold for the thirty-nine weeks ended October 29, 2023 increased by \$621.4 million, or 11.7%, to \$5.9 billion compared to \$5.3 billion in the thirty-nine weeks ended October 30, 2022 **April 30, 2023**. This increase was primarily due to an increase in associated product, outbound freight, and shipping supply costs. The increase in cost of goods sold was lower than the increase in net sales on a percentage basis, reflecting supply chain efficiency gains across our fulfillment network.

Gross profit for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$60.6 million** **\$61.1 million**, or **8.4% 7.7%**, to **\$780.8 million** **\$854.0 million** compared to **\$720.2 million** **\$792.9 million** in the thirteen weeks ended **October 30, 2022** **April 30, 2023**. This increase was primarily due to the year-over-year increase in net sales as described above. Gross profit as a percentage of net sales for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **10 130** basis points compared to the thirteen weeks ended **October 30, 2022** **April 30, 2023**, primarily due to margin expansion across our **consumables, healthcare, hardgoods and private brands businesses**.

Gross profit for the thirty-nine weeks ended October 29, 2023 increased by \$288.2 million, or 13.9%, to \$2.4 billion compared to \$2.1 billion in the thirty-nine weeks ended October 30, 2022. This increase was primarily due to the year-over-year increase in net sales as described above. Gross profit as a percentage of net sales for the thirty-nine weeks ended October 29, 2023 increased by 40 basis points compared to the thirty-nine weeks ended October 30, 2022, primarily due to margin expansion across our **healthcare, hardgoods, and private brands businesses**.

Selling, General and Administrative

Selling, general and administrative expenses for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$68.2 million** **\$18.2 million**, or **12.5% 3.1%**, to **\$611.7 million** **\$602.6 million** compared to **\$543.5 million** **\$584.4 million** in the thirteen weeks ended **October 30, 2022** **April 30, 2023**. This was primarily due to an increase of **\$27.7** **\$15.7 million** in non-cash share-based compensation expense and related taxes as well as an increase of **\$5.0 million** in facilities expenses and other general and administrative expenses, principally due to business growth and new initiatives as well as the expansion of operations at our corporate offices in Seattle, Washington, Boston, Massachusetts, and Plantation, Florida, and Seattle, Washington. This also included an increase of **\$20.7 million** in fulfillment costs largely attributable to investments to support the overall growth of our business, including the as well as costs associated with the launch of operations in Canada, and the opening and operating partially offset by a decrease of fulfillment centers in Reno, Nevada and Nashville, Tennessee, as well as an increase of **\$19.8 million** in non-cash share-based compensation expense and related taxes.

Selling, general and administrative expenses for the thirty-nine weeks ended October 29, 2023 increased by \$249.8 million, or 16.0%, to \$1.8 billion compared to \$1.6 billion in the thirty-nine weeks ended October 30, 2022. This was primarily due to an increase of \$116.2 million in facilities expenses and other general and administrative expenses, principally due to business growth and new initiatives as well as the expansion of operations at corporate offices in Plantation, Florida, and Seattle, Washington. This also included an increase of \$74.9 million in non-cash share-based compensation expense and related taxes as well as an increase of \$58.7 **\$2.5 million** in fulfillment costs largely attributable to investments to support the overall growth of automation and supply chain efficiencies within our **business**, including the costs associated with the opening and operating of fulfillment centers in Reno, Nevada and Nashville, Tennessee, network.

Advertising and Marketing

Advertising and marketing expenses for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$2.1 million** **\$3.1 million**, or **1.2% 1.7%**, to **\$179.2 million** **\$186.8 million** compared to **\$177.1 million** **\$183.7 million** in the thirteen weeks ended **October 30, 2022** **April 30, 2023**. Our marketing expenses increased due to additional investment in our **lower and upper funnel marketing channels** as well as expansion into **new channels, Canada**, contributing to new customer acquisition, and an increase in wallet share from our **large and stable customer base**.

Advertising and marketing expenses for the thirty-nine weeks ended October 29, 2023 increased by \$82.4 million, or 17.7%, to \$548.4 million compared to \$466.0 million in the thirty-nine weeks ended October 30, 2022. Our marketing expenses increased due to additional investment in our upper funnel marketing channels as well as expansion into new channels, contributing to new customer acquisition retention, and an increase in wallet share from our **large and stable customer base**.

Interest Income (Expense), net

Interest income for the thirteen weeks ended **October 29, 2023** **April 28, 2024** increased by **\$7.4 million** **\$6.5 million**, to **\$10.2 million** **\$14.5 million** compared to interest income of **\$2.8 million** **\$8.0 million** in the thirteen weeks ended **October 30, 2022**. This increase was due to interest income generated by cash and cash equivalents and marketable securities exceeding interest expenses incurred.

Interest income for the thirty-nine weeks ended October 29, 2023 increased by \$24.0 million, to \$27.1 million compared to interest income of \$3.1 million in the thirty-nine weeks ended October 30, 2022 April 30, 2023. This increase was due to interest income generated by cash and cash equivalents and marketable securities exceeding interest expenses incurred.

Other Income (Expense), net

Other expense for the thirteen weeks ended October 29, 2023 April 28, 2024 decreased by \$8.1 million, to \$0.8 million compared to other expense of \$8.9 million in the thirteen weeks ended April 30, 2023. This decrease was \$34.1 million and consisted of primarily due to changes in the fair value of equity warrants and investments as well as foreign currency transaction losses.

Other expense for the thirty-nine weeks ended October 29, 2023 was \$13.8 million and consisted of changes in the fair value of equity warrants and investments as well as tax indemnification receivables, partially offset by foreign currency transaction losses.

Liquidity and Capital Resources

We finance our operations and capital expenditures primarily through cash flows generated by operations. Our principal sources of liquidity are expected to be our cash and cash equivalents, marketable securities, and our revolving credit facility. Cash and cash equivalents consist primarily of cash on deposit with banks and investments in money market funds, U.S. Treasury securities, certificates of deposit, and commercial paper. Cash and cash equivalents totaled \$469.4 million \$1.1 billion as of October 29, 2023 April 28, 2024, an increase of \$139.0 million \$532.4 million from January 29, 2023 January 28, 2024. Marketable securities consist primarily of vested equity warrants, equity investments, U.S. treasury securities, certificates of deposit, and commercial paper and totaled \$487.8 million \$3.5 million as of October 29, 2023 April 28, 2024, an increase a decrease of \$140.8 million \$528.3 million from January 29, 2023 January 28, 2024.

We believe that our cash and cash equivalents, marketable securities, and availability under our revolving credit facility will be sufficient to fund our working capital, capital expenditure requirements, and contractual obligations for at least the next twelve months. In addition, we may choose to raise additional funds at any time through equity or debt financing arrangements, which may or may not be needed for additional working capital, capital expenditures or other strategic investments. Our opinions concerning liquidity are based on currently available information. To the extent this information proves to be inaccurate, or if circumstances change, future availability of trade credit or other sources of financing may be reduced and our liquidity could be adversely affected. Our future capital requirements and the adequacy of available funds will depend on many factors, including those described in the section titled "Risk Factors" in Item 1A of our 10-K Report. Depending on the severity and direct impact of these factors on us, we may be unable to secure additional financing to meet our operating requirements on terms favorable to us, or at all.

Cash Flows

39 Weeks Ended				13 Weeks Ended	
13 Weeks Ended				13 Weeks Ended	
(\$ thousands)	in (\$ thousands)	in October 29, 2023	in October 30, 2022	(\$ in thousands)	
Net cash provided by operating activities	Net cash provided by operating activities	\$ 387,356	\$ 249,020	April 28, 2024	April 30, 2023
Net cash used in investing activities	Net cash used in investing activities	\$(237,454)	\$(469,865)		
Net cash provided by (used in) investing activities	Net cash provided by (used in) investing activities				
Net cash used in financing activities	Net cash used in financing activities	\$ (10,934)	\$ (4,007)		

Operating Activities

Net cash provided by operating activities was **\$387.4 million** **\$81.9 million** for the **thirty-nine thirteen** weeks ended **October 29, 2023** **April 28, 2024**, which primarily consisted of **\$5.3 million** **\$66.9 million** of net income, non-cash adjustments such as depreciation and amortization expense of **\$82.2 million** **\$28.0 million** and share-based compensation expense of **\$178.9 million** **\$65.4 million**, and partially offset by a cash **increase** **decrease** of **\$93.6 million** **\$79.3 million** from working capital. Cash **increases** **decreases** from working capital were primarily driven by an **increase** **a decrease** in other current liabilities and **payables**, partially offset by an increase in inventories, receivables, and other current **assets**, **assets**, partially offset by an increase in **payables**.

Net cash provided by operating activities was **\$249.0 million** **\$148.7 million** for the **thirty-nine thirteen** weeks ended **October 30, 2022** **April 30, 2023**, which primarily consisted of **\$43.1 million** **\$22.9 million** of net income, non-cash adjustments such as depreciation and amortization expense of **\$60.7 million** **\$28.9 million** and share-based compensation expense of **\$109.7 million** **\$48.6 million**, and a cash increase of **\$22.5** **\$30.0 million** from working capital. Cash increases from working capital were primarily driven by an increase in **payables** and other current liabilities, partially offset by an increase in inventories, **receivables**, and other current **assets**, **assets**.

Investing Activities

Net cash **used in** provided by investing activities was **\$237.5 million** **\$505.7 million** for the **thirty-nine thirteen** weeks ended **October 29, 2023** **April 28, 2024**, primarily consisting of **\$126.2** **\$535.0 million** for the **purchase** **maturities** of marketable securities, **net of maturities** and **\$110.9 million** partially offset by **\$29.3 million** for capital expenditures related to the launch of new and future **pharmacy facilities**, **veterinary clinics**, and **fulfillment centers** **and as well as** additional investments in IT hardware and software.

Net cash used in investing activities was **\$469.9 million** **\$66.0 million** for the **thirty-nine thirteen** weeks ended **October 30, 2022** **April 30, 2023**, primarily consisting of **\$296.6 million** **\$44.1 million** for the purchase of marketable securities, **net of maturities** and **\$171.8** **\$21.6 million** for capital expenditures related to the launch of new and future fulfillment centers and additional investments in IT hardware and software.

Financing Activities

Net cash used in financing activities was **\$10.9 million** **\$55.1 million** for the **thirty-nine thirteen** weeks ended **October 29, 2023** **April 28, 2024** primarily consisting of **\$54.8 million** for **income taxes paid for**, **net of proceeds from**, the parent reorganization transaction as well as **principal repayments of finance lease obligations**.

Net cash used in financing activities was **\$4.1 million** for the **thirteen** weeks ended **April 30, 2023**, and consisted of payments made pursuant to the tax sharing agreement with related parties, **principal repayments of finance lease obligations**, and payment of debt modification **costs**.

Net cash used in financing activities was **\$4.0 million** for the **thirty-nine** weeks ended **October 30, 2022**, and consisted of **\$2.5 million** for payments of tax withholdings related to vesting of share-based compensation awards, payments made pursuant to the tax sharing agreement with related parties, **costs**, and principal repayments of finance lease obligations.

Other Liquidity Measures

ABL Credit Facility

We have a senior secured asset-based credit facility (the "ABL Credit Facility") which matures on August 27, 2026 and provides for non-amortizing revolving loans in the aggregate principal amount of up to \$800 million, subject to a borrowing base comprised of, among other things, inventory and sales receivables (subject to certain reserves). The ABL Credit Facility provides the right to request incremental commitments and add incremental asset-based revolving loan facilities up to \$250 million, subject to customary conditions. We are required to pay a 0.25% per annum commitment fee with respect to the undrawn portion of the commitments, which is generally based on average daily usage of the facility. Based on our borrowing base as of **October 29, 2023** **April 28, 2024**, which is reduced by standby letters of credit, we had **\$759.0 million** **\$759.4 million** of borrowing capacity under the ABL Credit Facility. As of **October 29, 2023** **April 28, 2024** and **January 29, 2023** **January 28, 2024**, we had no outstanding borrowings under the ABL Credit Facility, respectively.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is included in Note 2 in the "Notes to Condensed Consolidated Financial Statements" of this 10-Q Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the quantitative and qualitative disclosures about market risk disclosed in our Annual Report on Form 10-K for the fiscal year ended **January 29, 2023** **January 28, 2024**.

Item 4. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this 10-Q Report, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) and 15d-15(e). Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of **October 29, 2023** **April 28, 2024**.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the thirteen weeks ended **October 29, 2023** **April 28, 2024**.

Limitations on the Effectiveness of Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based on certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information concerning legal proceedings is provided in Item 1 of Part I, "Financial Statements (Unaudited)–Note 6–5– Commitments and Contingencies–Legal Matters" and is incorporated by reference herein.

Item 1A. Risk Factors

There have been no material changes The following are important factors that could affect our business, financial condition or results of operations and could cause actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Quarterly Report on Form 10-Q, our other filings with the SEC or in presentations such as telephone conferences and webcasts open to the **risk factors disclosed** public. The following updates and supersedes the risks and uncertainties previously provided in Part I, Item 1A of our 2023 Annual Report on Form 10-K 10-K. You should carefully consider the following factors in conjunction with this Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 and our consolidated financial statements and related notes in Item 1. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition or results of operations. If any of the following risks actually occur, or other risks that we are not aware of become material, our business, financial condition, results of operations and future prospects could be materially and adversely affected.

Summary Risk Factors

Our business faces significant risks. The risk factors described below are only a summary of the principal risk factors associated with an investment in us. These risks are more fully described in this "Risk Factors" section, including the following:

Risks Related to Our Business and Operations

- Our recent growth rates may not be sustainable or indicative of our future growth and we may not be able to successfully manage challenges to our future growth.
- Business disruptions and responsive actions may adversely affect our business operations, financial performance, liquidity and cash flow for an unknown period of time.
- If we fail to acquire and retain new customers, or fail to do so in a cost-effective manner, we may be unable to increase net sales, improve margins, and maintain profitability.
- If we fail to manage our growth effectively, our business, financial condition, and results of operations could be materially and adversely affected.
- Our continued success is largely dependent on positive perceptions of the Company.
- We have a history of losses and may generate operating losses as we continue to expand our business.
- We may be unable to accurately forecast net sales and appropriately plan our expenses in the future.
- Our estimate of the size of our addressable markets may prove to be inaccurate.
- We may be unable to source additional suppliers or strengthen our existing relationships with suppliers. In addition, the loss of any of our key suppliers would negatively impact our business.

- Shipping is a critical part of our business and any changes in, or disruptions to, our shipping arrangements could adversely affect our business, financial condition, and results of operations.
- If we do not successfully optimize, operate, and manage the expansion of the capacity of our fulfillment centers, our business, financial condition, and results of operations could be harmed.
- Our business may be adversely affected if we are unable to provide our customers with a cost-effective platform that is able to respond and adapt to rapid changes in technology.
- We are subject to risks related to online payment methods.
- Our business depends on network and mobile infrastructure, our third-party data center hosting facilities (including cloud-service providers), other third-party providers, and our ability to maintain and scale our technology. Any significant interruptions or delays in service on our websites or mobile applications or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of customers or suppliers.
- Disruptions to software-as-a-service technologies from third parties may adversely affect our business and results of operations.
- Our failure or the failure of third-party service providers to protect our websites, networks, and systems against cybersecurity incidents, or to otherwise protect our confidential information, could damage our reputation and brand and harm our business, financial condition, and results of operations.
- Safety, quality, and health concerns regarding our products could affect our business.
- Risks associated with our suppliers and our outsourcing partners, many of which are located outside of the United States ("U.S."), could materially and adversely affect our business, financial condition, and results of operations.
- We are subject to extensive laws and regulations and we may incur material liabilities or costs related to complying with existing or future laws and regulations, and our failure to comply may result in enforcements, penalties, recalls, and other adverse actions.
- We may inadvertently not comply with various state or federal laws and regulations covering our pet health business, which may subject us to reprimands, sanctions, probations, fines, suspensions, or the loss of one or more of our licenses.
- Resistance from veterinarians to authorize prescriptions, or their efforts to discourage pet owners from purchasing from us, could cause our sales to decrease and could adversely affect our financial condition and results of operations.
- Failure to comply with laws and regulations relating to privacy, data protection, cybersecurity, marketing and advertising and consumer protection, could adversely affect our business, financial condition, and results of operations.
- Our ability to utilize net operating loss and tax credit carryforwards, and other tax attributes may be subject to certain limitations.
- We may be unable to adequately protect our intellectual property rights. Additionally, we may be subject to intellectual property infringement claims or other allegations, which could result in substantial damages and diversion of management's efforts and attention.
- We may be subject to personal injury, workers' compensation, product liability, labor and employment, and other claims in the ordinary course of business.
- We rely on the performance of members of management and highly skilled personnel and our business could be harmed if we are unable to attract, develop, motivate, and retain highly-qualified and skilled employees.
- Uncertainties in economic conditions, industry trends, and market conditions, and their impact on the pet market, could adversely impact our business, financial condition, and results of operations.
- Significant merchandise returns or refunds could harm our business.
- We may seek to grow our business through acquisitions or investments in new or complementary businesses, technologies, or offerings, or through other strategic transactions, and the failure to manage these acquisitions, investments, or strategic transactions, or to integrate them with our existing business, could have a material adverse effect on us.
- Our business results could be adversely affected if our new offerings are unsuccessful.
- Regulation of the sale of insurance for pets is subject to change, and future regulations could harm our business, operating results, and financial condition.
- If we cannot successfully manage the unique challenges presented by international markets, we may not be successful in expanding our operations outside the U.S. and Canada.

Risks Related to Our Industry

- Competition in the pet products and services health and retail industries, especially Internet-based competition, is strong and presents an ongoing threat to the success of our business.
- Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could harm our business, financial condition, and results of operations.
- Changes in tax treatment of companies engaged in e-commerce may adversely affect the commercial use of our websites and mobile applications and our financial results.

Risks Related to Our Controlling Stockholders

- Substantial future sales by affiliates of BC Partners (the "BCP Stockholder Parties") or others of our common stock, or the perception that such sales may occur, could depress the price of our Class A common stock.
- There could be potential conflicts of interests between us and affiliates of the BCP Stockholder Parties. In addition, our directors may encounter conflicts of interest involving us and the other entities with which they may be affiliated, including matters that involve corporate opportunities.

Risks Related to Ownership of Our Class A Common Stock

- Our stock price has been, and may continue to be, volatile and may decline regardless of our operating performance.
- The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.
- Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of the Company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our Class A common stock.
- Our amended and restated certificate of incorporation includes exclusive forum provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.
- The BCP Stockholder Parties control the direction of our business and the concentrated ownership of our common stock will prevent other stockholders from influencing significant decisions.

- We are a "controlled company" within the meaning of the rules of NYSE and rely on exemptions from certain corporate governance requirements.
- Restrictions in our revolving credit facility could adversely affect our operating flexibility.
- The terms of our revolving credit facility may restrict our ability to pay dividends.
- We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves.

General Risk Factors

- Future litigation could have a material adverse effect on our business, financial condition, and results of operations.
- Our ability to raise capital in the future may be limited and our failure to raise capital when needed could prevent us from growing.
- We may experience fluctuations in our tax obligations and effective tax rate, which could materially and adversely affect our results of operations.
- If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may be unable to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.
- The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

Risks Related to Our Business and Operations

Our recent growth rates may not be sustainable or indicative of our future growth and we may not be able to successfully manage challenges to our future growth.

We have experienced significant growth in recent periods. This rate of growth may not be sustainable or indicative of our future rate of growth. We believe that our continued growth in net sales will depend upon, among other factors, our ability to:

- acquire new customers and retain existing customers;
- increase sales from our new and existing customers;
- increase the number of customers and the amount of sales in our Autoship subscription program;
- attract new vendors to supply quality products that we can offer to our customers at attractive prices;
- retain our existing vendors and have them supply additional quality products that we can offer to our customers at attractive prices;
- provide our customers and vendors with a superior and differentiated experience;
- expand our private brand product offering, including, through the launch of new brands and expansion into new offerings;
- increase the scale of existing private brands;
- expand into new territories;
- increase the awareness of our brand;
- protect our reputation and maintain our positive brand perception;
- develop new features to enhance the consumer experience on our websites and our mobile and tablet applications;
- compete effectively and respond to challenges from existing and new competitors;
- develop a scalable, high-performance technology and fulfillment infrastructure that can efficiently and reliably handle increased demand, as well as the deployment of new features and the sale of new products and services;
- fulfill and deliver orders in a timely way and in accordance with customer expectations, which may change over time;
- anticipate and respond timely to macroeconomic trends and changes to consumer preferences;
- hire, integrate and retain talented personnel;
- leverage our technological and operational efficiencies;
- invest in the infrastructure underlying our websites and other operational systems; and
- expand into new offerings or new lines of business in which we do not have prior, or sufficient, operating experience.

Our ability to improve margins and maintain profitability will also depend on the factors described above. We cannot provide assurance that we will be able to successfully manage any of the foregoing challenges to our future growth. Any of these factors and others not listed could cause our net sales growth to decline and may adversely affect our margins and profitability. We have also benefited from increasing pet ownership and discretionary spending on pets. To the extent these trends slow or reverse, our net sales, margins and profitability could be adversely affected. Failure to continue our net sales growth or improve margins could have a material adverse effect on our business, financial condition, and results of operations. You should not rely on our historical rate of net sales growth as an indication of our future performance.

Business disruptions and responsive actions may adversely affect our business operations, financial performance, liquidity and cash flow for an unknown period of time.

Our operations and supply chain could be disrupted by natural or man-made disasters including severe weather, hurricanes, earthquakes, floods, fires, power or water shortages, telecommunications failures, materials scarcity and price volatility, terrorism, civil unrest, conflicts or wars, and health epidemics or pandemics.

Several of our fulfillment centers, customer service centers, and corporate offices are located in Florida, Texas, and other areas that are susceptible to hurricanes, sea-level rise, earthquakes, and other natural disasters and severe weather events (including those resulting from climate change). We recognize that the frequency and intensity of natural disasters and severe weather events may continue to increase, and as a result, our exposure to these events may increase. A potential result of climate change is more frequent or severe natural disasters or weather events. To the extent such natural disasters or weather events do become more frequent or severe, disruptions to our business and costs to repair facilities or maintain or resume operations could increase. The long-term impacts of climate change may be widespread and unpredictable. These changes over time could also affect, for example, the availability and cost of our products, insurance, commodities and energy (including utilities), which in turn may impact our ability to procure those certain goods or services required for the **fiscal year ended January 29, 2023** operation of our business. Therefore, we may experience certain risks, including higher costs, such as

uninsured property losses and higher insurance premiums, as well as unexpected disruptions to our business and operations, which could materially and adversely affect our business, financial condition and results of operations.

Public health crises and the measures taken in response to such events have negatively impacted and may negatively impact our business operations in the future as well. The extent to which any public health crisis may impact our business will depend on future developments that are uncertain and unpredictable, including the duration and severity of such events, their impact on capital and financial markets, the availability and use of vaccines, virus mutations and variants, the length of time for economic and operating conditions to return to prior levels, together with resulting consumer and government behaviors, and numerous other uncertainties. Any of these events could have a material adverse impact on our business, financial condition, results of operations and ability to execute and capitalize on our strategies for a period of time that is currently unknown.

If any of our fulfillment centers were to shut down, suffer substantial labor shortages, or lose significant capacity for any reason, our operations would likely be significantly disrupted. Our business relies on an efficient and effective supply chain, including the transportation of our products, as well as the effective functioning of our fulfillment centers. Any interruption or malfunction in our fulfillment operations that could negatively affect the flow or availability of our products and result in difficulties in timely obtaining product from vendors and transportation of those products to our fulfillment centers could adversely affect our sales and results of operations.

If we fail to acquire and retain new customers, or fail to do so in a cost-effective manner, we may be unable to increase net sales, improve margins, and maintain profitability.

Our success depends on our ability to acquire and retain new customers and to do so in a cost-effective manner. In order to expand our customer base, we must, in part, acquire customers who have historically purchased their pet products and services from other retailers, such as traditional brick and mortar retailers, the websites of our competitors, or our suppliers' own websites. We have made significant investments related to customer acquisition and expect to continue to spend significant amounts to acquire additional customers. We cannot assure you that the net sales from the new customers we acquire will ultimately exceed the cost of acquiring those customers. There are many factors that may result in our inability to acquire or retain customers. If we are unable to acquire or retain customers who purchase products in volumes sufficient to grow our business, we may be unable to generate the scale necessary to achieve operational efficiency and drive beneficial network effects with our suppliers. Additionally, we may be required to incur significantly higher marketing expenses in order to acquire new customers. Consequently, our prices may increase (or may not decrease to levels sufficient to generate customer interest), our net sales may decrease and our margins and profitability may decline or not improve. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

If our efforts to satisfy our customers are not successful, we may be unable to acquire new customers in sufficient numbers to continue to grow our business, and we may be required to incur significantly higher marketing expenses in order to acquire new customers.

We also use paid and non-paid advertising. Our paid advertising includes search engine marketing, direct mail, display, television, radio and magazine advertising, paid social media and product placement. Our non-paid advertising efforts include search engine optimization, non-paid social media and e-mail marketing. We have relied on and may continue relying on search engines to drive a significant amount of traffic to our websites. Search engines frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our websites can be negatively affected. Moreover, a search engine could, for competitive or other purposes, alter its search algorithms or results, causing our websites to place lower in search query results.

We also drive a significant amount of traffic to our websites via social networking or other e-commerce channels used by our current and prospective customers. As social networking and e-commerce channels continue to rapidly evolve, we may be unable to develop or maintain a presence within these channels. If we are unable to cost-effectively drive traffic to our websites, our ability to acquire new customers and our financial condition would be materially and adversely affected. Additionally, if we fail to increase our net sales per active customer, generate repeat purchases or maintain high levels of customer engagement, our business, financial condition, and results of operations could be materially and adversely affected.

If we fail to manage our growth effectively, our business, financial condition, and results of operations could be materially and adversely affected.

To manage our growth effectively, we must continue to, among other things, implement our operational plans and strategies, improve and expand our infrastructure of people and information systems and expand, train and manage our employee base. To support our continued growth, we must effectively integrate, develop and motivate our employees. We face significant competition for personnel in the areas where our corporate offices are located, and certain other areas in which we have operations. Failure to manage our hiring needs effectively or successfully integrate our new hires may have a material adverse effect on our business, financial condition, and results of operations.

Additionally, the growth of our business places significant demands on our management and other employees. We are required to manage relationships with a growing number of suppliers, customers and other third parties. Our information technology systems, supply chain operations, and our internal controls and procedures may not be adequate to support future growth of our customer or supplier base. If we are unable to manage the growth of our organization effectively, our business, financial condition, and results of operations may be materially and adversely affected.

The growth of our business depends on our ability to accurately predict and timely respond to consumer trends, successfully introduce new products and services, improve existing products and services, and expand into new offerings. Our growth also depends on our ability to meet the requirements of our customers and the needs of their pets by successfully introducing new products and services, improving and repositioning our existing products and services and expanding into new offerings. These factors contribute to our ability to predict and respond to evolving consumer trends, demands and preferences. The development and introduction of innovative new products and services and expansion into new offerings involves considerable costs. In addition, it may be difficult to establish new supplier or partner relationships and determine appropriate product selection when developing a new product, service or offering. Any new product, service or offering may not generate sufficient customer interest and sales to become profitable or to cover the costs of its development and promotion and may reduce our operating income. In addition, any such unsuccessful effort may adversely affect our brand and reputation. If we are unable to anticipate, identify, develop or market products, services or new offerings that respond to changes in consumer requirements and preferences, or if our new product or service introductions, repositioned products or services, or new offerings fail to gain consumer acceptance, we may be unable to grow our business as anticipated, our sales may decline and our margins and profitability may decline or not improve. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

In addition, while we plan to continue to invest in the expansion of our current offerings and new offerings, we may be unable to maintain or expand our sales, respond timely to changes in regulations or enter into strategic relationships with market-leading suppliers and other market participants. We may encounter certain challenges in manufacturing our products, including the loss of key suppliers and product recalls. Maintaining consistent product quality, competitive pricing, and availability of our products and services for our customers is essential to developing and maintaining customer loyalty and brand awareness. Our inability to sustain the growth and sales of our current and future offerings may materially and adversely affect our projected growth rates, business, financial condition, and results of operations.

Our continued success is largely dependent on positive perceptions of the Company.

We believe that one of the reasons our customers prefer to shop at Chewy is the reputation we have built for providing an exceptional customer experience. To be successful in the future, we must continue to preserve, grow and leverage the value of our reputation and our brand. Reputational value is based in large part on perceptions of subjective qualities, and even isolated incidents may erode trust and confidence and have adverse effects on our business and financial results, particularly if they result in adverse publicity or widespread reaction on social media, governmental investigations, or litigation. Our brand could be adversely affected if our public image or reputation were to be tarnished by negative publicity. Failure to comply or accusations of failure to comply with ethical, social, product, labor, data privacy, and environmental standards could also jeopardize our reputation and potentially lead to various adverse consumer actions. Any of these events could adversely affect our business. Additionally, there is an increasing focus from regulators, investors, and other stakeholders on environmental, social, and governance ("ESG") matters. To the extent our products and services create ESG-related concerns, our reputation may be harmed.

We have a history of losses and may generate operating losses as we continue to expand our business.

We have a history of losses and may again generate operating losses in the future as we continue investment in our business. Furthermore, it is difficult for us to predict our future results of operations. Our operating expenses may increase over the next several years as we increase our advertising and marketing, launch and expand our offerings and geographical presence, hire additional personnel and continue to develop and enhance features on our websites and mobile applications. Our operating expenses have been affected and may again be affected by increased costs as a result of macroeconomic impacts. If our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from our investment in our business, our financial condition and stock price could be materially and adversely affected.

We may be unable to accurately forecast net sales and appropriately plan our expenses in the future.

Net sales and results of operations are difficult to forecast because they generally depend on the volume, timing and type of orders we receive, all of which are uncertain. We base our expense levels and investment plans on our estimates of net sales and gross margins. We cannot be sure the same growth rates, trends, and other key performance metrics are meaningful predictors of future growth. If our assumptions prove to be wrong, we may spend more than we anticipate acquiring and retaining customers or may generate lower net sales per active customer than anticipated, either of which could have a negative impact on our business, financial condition, and results of operations.

Our estimate of the size of our addressable markets may prove to be inaccurate.

Data for sales of pet products and services is collected for most, but not all channels, and as a result, it is difficult to estimate the size of the markets that we operate in and predict the rate at which the markets for our products and services will grow, if at all. While our market size estimates are made in good faith and are based on assumptions and estimates we believe to be reasonable, these estimates may not be accurate. If our estimates of the size of our addressable markets are not accurate, our potential for future growth may be less than we currently anticipate, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be unable to source additional suppliers or strengthen our existing relationships with suppliers. In addition, the loss of any of our key suppliers would negatively impact our business.

If we are unable to attract and retain suppliers, we may be unable to maintain and/or expand our supplier network, which would negatively impact our business.

We also purchase significant amounts of products from a number of suppliers with limited supply capabilities. There can be no assurance that our current suppliers will be able to accommodate our anticipated growth or continue to supply current quantities at preferential prices. An inability of our existing suppliers to provide products in a timely or cost-effective manner could impair our growth and materially and adversely affect our business, financial condition, and results of operations. For instance, we have experienced disruptions by existing suppliers being unable to supply us with products in a timely or cost-effective manner. While we believe these disruptions were temporary, they may occur again and a continued inability of our existing suppliers to provide products or other product supply disruptions that may occur in the future could impair our business, financial condition, and results of operations.

If any of our significant pet product suppliers discontinue selling to us at any time or discontinue offering us any preferential pricing or exclusive incentives, we could experience a negative impact on our business, financial condition, and results of operations. In addition, in our experience, it is challenging to persuade pet food buyers to switch to a different product, which could make it difficult to retain certain customers if we lose a pet food supplier, thereby exacerbating the negative impact of such loss on our business, financial condition, and results of operations.

We continually seek to expand our base of suppliers and to identify new pet products. If we are unable to identify or enter into distribution relationships with new suppliers or to replace the loss of any of our existing suppliers, we may experience a competitive disadvantage, our business may be disrupted and our business, financial condition, and results of operations may be adversely affected.

Most of the premium pet food brands that we purchase are not widely carried in supermarkets, warehouse clubs or mass merchants. If any premium pet food manufacturers were to make premium pet food products widely available in supermarkets or through mass merchants, or if the premium brands currently available to supermarkets and mass merchants were to increase their market share at the expense of the premium brands sold only through specialty pet food and supplies retailers, our ability to attract and retain customers and our competitive position may suffer. Furthermore, if supermarkets, warehouse clubs or mass merchants begin offering any of these premium pet food brands at lower prices, our sales and gross margin could be adversely affected.

Certain of our principal suppliers currently provide us with incentives related to various trade allowances, cooperative advertising and market development funds. A reduction or discontinuance of these incentives could reduce our overall profitability. Similarly, if one or more of our suppliers were to offer certain incentives, including preferential pricing, to our competitors, our competitive advantage could be reduced, which could materially and adversely affect our business, financial condition, and results of operations.

Shipping is a critical part of our business and any changes in, or disruptions to, our shipping arrangements could adversely affect our business, financial condition, and results of operations.

We have relied on and will continue to rely on third-party national, regional and local logistics providers to ship and deliver our products. If we are not able to negotiate acceptable pricing and other terms with these providers, or if these providers experience performance problems or other difficulties in processing our orders or delivering our products to customers, it could negatively impact our results of operations and our customers' experience. In addition, our ability to receive inbound inventory efficiently and ship merchandise to customers may be negatively affected by factors beyond our and these providers' control, including inclement weather, fire, flood, power loss, earthquakes, acts of war or terrorism or other events, such as labor disputes, financial difficulties, volatility in the prices of fuel, gasoline and commodities such as paper and packing supplies, system failures and other disruptions to the operations of the shipping companies on which we rely. We are also subject to risks of damage or loss during delivery by our shipping vendors. If the products ordered by our customers are not delivered in a timely fashion or are damaged or lost during the delivery process, our customers could become dissatisfied and cease buying our products, which would adversely affect our business, financial condition, and results of operations. Further, due to conditions beyond our control, we have experienced and may continue to experience disruptions and delays in national, regional and local shipping, which may negatively impact our customers' experience and our results of operations. These conditions may disrupt our suppliers and logistics providers and other third-party delivery agents, as their workers may be unable to report to work and transporting products within regions or countries may be limited due to extended holidays, factory closures, port closures and increased border controls and closures, among other things. We have incurred and may continue to incur higher shipping costs due to various surcharges by third-party delivery agents. If we are unable to recover these additional costs, our margins and profitability may be adversely affected.

If we do not successfully optimize, operate, and manage the expansion of the capacity of our fulfillment centers, our business, financial condition, and results of operations could be harmed.

If we do not optimize and operate our fulfillment centers successfully and efficiently, it could result in excess or insufficient fulfillment capacity, an increase in costs or impairment charges or harm to our business in other ways. In addition, if we do not have sufficient fulfillment capacity or experience problems fulfilling orders in a timely manner, including as a result of unforeseen disruptions, our customers may experience delays in receiving their purchases, which could harm our reputation, our relationship with our customers and our results of operations. In addition, we have had to, and may again have to, pause operations at a fulfillment center, which resulted in, and could again result in, delayed or canceled orders. These actions or other actions that we may take in response to unforeseen circumstances that have the effect of delaying or canceling orders could negatively impact our ability to maintain, protect or enhance our brand. We have also experienced and may continue to experience disruptions to our supply chain operations and labor workforce availability due to factors beyond our control. If we are unable to successfully optimize our fulfillment centers, it could increase costs and adversely affect our business.

We have designed and built our own fulfillment center infrastructure which is tailored to meet the specific needs of our business, including customizing third-party inventory and package handling software systems and automated fulfillment capabilities. If we continue to add fulfillment and warehouse capabilities, add new businesses or categories with different fulfillment requirements or change the mix in products that we sell, our fulfillment network could become increasingly complex and operating it may become more challenging. Failure to successfully address such challenges in a cost-effective and timely manner could impair our ability to timely deliver our customers' purchases and could harm our reputation and ultimately, our business, financial condition, and results of operations.

We may add additional fulfillment center capacity as our business continues to grow and our offerings expand. We cannot assure you that we will be able to locate suitable facilities on commercially acceptable terms, nor can we assure you that we will be able to recruit qualified managerial and operational personnel to support our expansion plans. If we are unable to secure new facilities for the expansion of our fulfillment operations, recruit qualified personnel to support any such facilities, or effectively control expansion-related expenses, our business, financial condition, and results of operations could be materially and adversely affected. If we grow faster than we anticipate, we may exceed our fulfillment center capacity sooner than we anticipate, we may experience problems fulfilling orders in a timely manner or our customers may experience delays in receiving their purchases, which could harm our reputation and our relationship with our customers, and we would need to increase our capital expenditures more than anticipated and in a shorter time frame than we currently anticipate. Our ability to operate and potentially expand our fulfillment center capacity, including our ability to secure suitable facilities and recruit qualified employees, may be affected by unforeseen circumstances and macroeconomic impacts. Many of the expenses and investments with respect to our fulfillment centers are fixed, and any expansion of such fulfillment centers will require additional investment of capital. We have incurred and may again incur increased capital expenditures for our fulfillment center operations as our business continues to grow. We would typically incur such expenses and make such investments in advance of expected sales, and such expected sales may not occur. Any of these factors could materially and adversely affect our business, financial condition, and results of operations.

Our business may be adversely affected if we are unable to provide our customers with a cost-effective platform that is able to respond and adapt to rapid changes in technology.

Our customers generally access the Internet through devices other than personal computers, including mobile phones, handheld computers such as notebooks and tablets, video game consoles and television set-top devices. The versions of our websites and mobile applications developed for these devices may not be compelling to consumers. Adapting our services and/or infrastructure to these devices, as well as other new Internet, networking or telecommunications technologies, could be time-consuming and could require us to incur substantial expenditures, which could adversely affect our business, financial condition, and results of operations.

Additionally, as new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in developing applications for alternative devices and platforms and we may need to devote significant resources to the creation, support and maintenance of such applications. If we are unable to attract consumers to our websites or mobile applications through these devices or are slow to develop a version of our websites or mobile applications that is more compatible with alternative devices, we may fail to capture a significant share of consumers in the pet food and accessory market and could also lose customers, which could materially and adversely affect our business, financial condition, and results of operations.

Our technology platform may also use open-source software. The use of such open-source software may subject us to certain conditions, including the obligation to offer, distribute, or disclose our technology platform for no or reduced cost, make the proprietary source code subject to open-source software licenses available to the public, license our software

and systems that use open-source software for the purpose of making derivative works, or allow reverse assembly, disassembly, or reverse engineering. We monitor our use of open-source software to avoid subjecting our technology platform to conditions we do not intend. However, if our technology platform becomes subject to such unintended conditions, it could have an adverse effect on our business, financial condition, and results of operations.

Further, we continually consider whether to upgrade existing technologies and business applications and we may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes may require significant investments. Our results of operations may be affected by the timing, effectiveness and costs associated with the implementation of any upgrades or changes to our systems and infrastructure. In the event that it is more difficult for our customers to buy products from us on their mobile devices, or if our customers choose not to buy products from us on their mobile devices or to use mobile products that do not offer access to our websites, we could lose customers and fail to attract new customers. As a result, our customer growth could be harmed and our business, financial condition, and results of operations may be materially and adversely affected.

We are subject to risks related to online payment methods.

We currently accept payments using a variety of methods, including credit card, debit card, PayPal, Apple Pay, and gift cards and may offer new payment options over time. These payment options subject us to additional regulations and compliance requirements and may also increase our exposure to fraud, criminal activity and other risks. For certain payment methods, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard ("PCI DSS") and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. Failure to comply with PCI DSS or to meet other payment card standards may result in the imposition of financial penalties or the allocation by the card brands of the costs of fraudulent charges to us.

Furthermore, as our business changes, we may be subject to different rules under existing standards, which may require new assessments that involve additional costs for compliance. In the future, as we offer new payment options to consumers, including by way of integrating emerging mobile and other payment methods, we may be subject to additional regulations, compliance requirements and fraud. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card payments from consumers or facilitate other types of online payments. If any of these events were to occur, our business, financial condition, and results of operations could be materially and adversely affected.

We have previously received and could continue to receive orders placed with fraudulent data. Bad actors have exploited and may continue to exploit stolen data from data breaches unrelated to us, which may increase the number of orders placed with fraudulent data. If we are unable to detect or control fraud, our liability for these transactions could harm our business, financial condition, and results of operations.

Our business depends on network and mobile infrastructure, our third-party data center hosting facilities (including cloud- service providers),other third-party providers, and our ability to maintain and scale our technology. Any significant interruptions or delays in service on our websites or mobile applications or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of customers or suppliers.

An element of our strategy is to generate a high volume of traffic on, and use of, our websites and mobile applications. Our reputation and ability to acquire, retain and serve our customers are dependent upon the reliable performance of our websites, mobile applications, on-premises systems and the underlying network infrastructure. As our customer base and the amount of information shared on our websites and mobile applications continue to grow, we are likely to need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on data centers, including cloud providers, and equipment and related network infrastructure to handle the traffic on our websites and mobile applications. The operation of these systems is complex and we have experienced minor interruptions, which could increase in severity and result in operational failures. In some cases, we access platforms ran by third-party cloud providers, which makes us vulnerable to their service interruptions. In the event that the volume of traffic of our customers exceeds the capacity of our current network infrastructure or in the event that our customer base or the amount of traffic on our websites and mobile applications grows more quickly than anticipated, we may be required to incur significant additional costs to enhance the underlying network infrastructure. Significant interruptions or delays in these systems, whether due to system failures, computer viruses, physical or electronic break-ins, undetected errors, design faults or other unexpected events or causes, could affect the security or availability of our websites and mobile applications and prevent our customers from accessing our websites and mobile applications. If sustained or repeated, these performance issues could reduce the attractiveness of our products and services. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any web or mobile platform interruption or inadequacy that causes performance issues or interruptions in the availability of our websites or mobile applications could reduce consumer satisfaction and result in a reduction in the number of consumers using our products and services.

We depend on the development and maintenance of the Internet and mobile infrastructure. This includes maintenance of reliable Internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary products, for providing reliable Internet and mobile access. We also use and rely on services from other third parties, such as our telecommunications services and credit card processors, and those services may be subject to outages and interruptions that are not within our control. We have experienced telecommunication issues and increased failures by our telecommunications providers may interrupt our ability to provide phone support to our customers and distributed denial-of-service ("DDoS") attacks directed at our telecommunication service providers could prevent customers from accessing our websites. In addition, we have and may continue to experience down periods where our third-party credit card processors are unable to process the online payments of our customers and our ability to receive customer orders is disrupted. Our business, financial condition, and results of operations could be materially and adversely affected if for any reason the reliability of our Internet, telecommunications, payment systems and mobile infrastructure is compromised.

We currently rely upon third-party service providers, including cloud service providers, such as Amazon Web Services ("AWS"). Nearly all of our data storage and analytics are conducted on, and the data and content we create associated with sales on our websites and mobile applications are processed through servers hosted by these providers. We also rely on e-mail service providers, bandwidth providers, Internet service providers and mobile networks to deliver e-mail and "push" communications to customers and to allow customers to access our websites. We have experienced and may again experience cybersecurity incidents due to disruptions to systems maintained by third-party service providers.

Any significant damage to, or failure of, our systems or the systems of our third-party data centers, or our other service providers could result in prolonged interruptions to the availability or functionality of our websites and mobile applications. As a result, we could lose customer data and miss order fulfillment deadlines, which could result in decreased sales, increased overhead costs, excess inventory and product shortages. If for any reason our arrangements with our data centers, cloud service providers or other third-party providers are terminated or interrupted, such termination or interruption could adversely affect our business, financial condition, and results of operations. We exercise little control over these providers, which increases our vulnerability to problems with the services they provide. We have designed certain of our software and computer systems to also utilize data processing, storage capabilities and other services provided by AWS. Given this, along with the fact that we cannot rapidly switch our AWS operations to another cloud provider, any disruption of or interference with our use of AWS would impact our operations and our business would be adversely impacted. We could experience additional expense in arranging for new facilities, technology, services and support. In addition, the failure of our third-party data centers, including cloud service providers, or any other third-party providers to meet our capacity requirements could result in interruption in the availability or functionality of our websites and mobile applications.

The satisfactory performance, reliability and availability of our websites, mobile applications, transaction processing systems and technology infrastructure are critical to our reputation and our ability to acquire and retain customers, as well as to maintain adequate customer service levels. We have experienced unavailability of our websites and mobile applications, primarily due to DDoS events, and increased unavailability of our websites or of our mobile applications or reduced order fulfillment performance would reduce the volume of goods sold and could also materially and adversely affect consumer perception of our brand. Any slowdown or failure of our websites, mobile applications or the underlying technology infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers.

The occurrence of a natural disaster, power loss, telecommunications failure, data loss, computer virus, ransomware attack, an act of terrorism, cyberattack, vandalism or sabotage, act of war or any similar event, or a decision to close our third-party data centers on which we normally operate or the facilities of any other third-party provider without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the availability of our websites and mobile applications. Cloud computing, in particular, is dependent upon having access to an Internet connection in order to retrieve data. If a natural disaster, pandemic, blackout or other unforeseen event were to occur that disrupted the ability to obtain an Internet connection, we may experience a slowdown or delay in our operations. While we have some limited business continuity arrangements in place, our preparations may not be adequate to account for disasters or similar events that may occur in the future and may not effectively permit us to continue operating in the event of any problems with respect to our systems or those of our third-party data centers or any other third-party facilities. Our business continuity and data redundancy plans may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. If any such event were to occur to our business, our operations could be impaired and our business, financial condition, and results of operations may be materially and adversely affected.

Disruptions to software-as-a-service ("SaaS") technologies from third parties may adversely affect our business and results of operations.

We use SaaS technologies from third-parties in order to operate critical functions of our business, including financial management services, customer relationship management services, supply chain services and data storage services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, or for any other reason, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our offerings and supporting our customers could be impaired, our ability to communicate with our suppliers could be weakened and our ability to access or save data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could harm our business, financial condition, and results of operations.

Our failure or the failure of third-party service providers to protect our websites, networks, and systems against cybersecurity incidents, or to otherwise protect our confidential information, could damage our reputation and brand and harm our business, financial condition, and results of operations.

As a result of our services being primarily web-based, we collect, process, transmit and store large amounts of data about our customers, employees, suppliers and others, including credit card information (which we don't store) and personally identifiable information, as well as other confidential and proprietary information. We also employ third-party service providers for a variety of reasons, including storing, processing and transmitting proprietary, personal and confidential information on our behalf. While we rely on tokenization solutions licensed from third-parties in an effort to securely transmit confidential and sensitive information, including credit card numbers, advances in computer capabilities, new technological discoveries or other developments may result in the whole or partial failure of these solutions to protect confidential and sensitive information from being breached or compromised. Similarly, our security measures and those of our third-party service providers may not detect or prevent all attempts to hack our systems or those of our third-party service providers. DDoS attacks, viruses, malicious software, break-ins, phishing attacks, ransomware, social engineering, cyber-attacks, security breaches or other cybersecurity incidents and similar disruptions that may jeopardize the security of information stored in or transmitted by our websites, networks and systems or that we or our third-party service providers otherwise maintain, including payment card systems, may subject us to fines or higher transaction fees or limit or terminate our access to certain payment methods. We and our service providers may not anticipate or prevent all types of attacks until after they have already been launched, and techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers. In addition, cybersecurity incidents can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial relationships.

Breaches of our security measures or those of our third-party service providers or any cybersecurity incident could result in unauthorized access to our websites, networks and systems; unauthorized access to and misappropriation of consumer and/or employee information, including personally identifiable information, or other sensitive, confidential or proprietary information of ourselves or third parties; viruses, worms, spyware or other malware being served from our websites, networks or systems; deletion or modification of content or the display of unauthorized content on our websites; interruption, disruption or malfunction of operations; costs relating to cybersecurity incident remediation, deployment of additional personnel and protection technologies, response to governmental investigations and media inquiries and coverage; engagement of third party experts and consultants; litigation, regulatory action and other potential liabilities. If any of these cybersecurity incidents occur, or there is a public perception that we, or our third-party service providers, have suffered such a breach, our reputation and brand could also be damaged and we could be required to expend significant capital and other resources to alleviate problems caused by such cybersecurity incidents. As a consequence, our business could be materially and adversely affected and we could also be exposed to litigation and regulatory action and possible liability. In addition, any party who is able to illicitly obtain a customer's password could access the customer's transaction data or personal information. Any compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data security and other laws, and cause significant legal and financial exposure, adverse publicity and a loss of confidence in our security measures, which could have a material adverse effect on our business, financial condition, and results of operations. This is more so since governmental authorities throughout the U.S. and around the world are devoting more attention to data privacy and security issues.

While we maintain privacy, data breach and network security liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Additionally, even though we continue to devote significant resources to monitor and update

our systems and implement information security measures to protect our systems, there can be no assurance that any controls and procedures we have in place will be sufficient to protect us from future cybersecurity incidents. Failure by us or our vendors to comply with data security requirements or rectify a security issue may result in class action litigation, fines and the imposition of restrictions on our ability to accept payment cards, which could adversely affect our operations. As cyber threats are continually evolving, our controls and procedures may become inadequate and we may be required to devote additional resources to modify or enhance our systems in the future. As a result, we may face interruptions to our systems, reputational damage, claims under privacy, cybersecurity and data protection laws and regulations, customer dissatisfaction, legal liability, enforcement actions or additional costs, any and all of which could adversely affect our business, financial condition, and results of operations.

Safety, quality, and health concerns regarding our products could affect our business.

We could be adversely affected if consumers lose confidence in the safety and quality of our food or other products. All of our suppliers are required to comply with applicable product safety laws and we are dependent upon them to ensure such compliance. One or more of our suppliers, including manufacturers of our private brand products, might not adhere to product safety requirements or our quality control standards. Any issues of product safety or allegations that our products are in violation of governmental regulations, including, but not limited to, issues involving products manufactured in foreign countries, could cause those products to be recalled. Adverse publicity about these types of concerns, whether valid or not, may discourage consumers from buying the products we offer, or cause supplier production and delivery disruptions. The real or perceived sale of contaminated food products by us could result in product liability claims against our suppliers or us, expose us or our suppliers to governmental enforcement action or private litigation, or lead to costly recalls and a loss of consumer confidence, any of which could have an adverse effect on our business, financial condition and results of operations. In addition, our products may be exposed to product recalls, and we may be subject to litigation, if they are alleged to cause or pose a risk of injury or illness or if they are alleged to have been mislabeled, misbranded or adulterated or to otherwise be in violation of governmental regulations. We may also voluntarily recall or withdraw products that we consider do not meet our standards, whether for palatability, appearance or otherwise, in order to protect our brand and reputation. While we carry product liability insurance, our insurance may not be adequate to cover all liabilities that we may incur in connection with product liability claims. For example, punitive damages are generally not covered by insurance. In addition, we may be unable to continue to maintain our existing insurance, obtain comparable insurance at a reasonable cost, if at all, or secure additional coverage, which may result in future product liability claims being uninsured. Any of these factors could negatively impact our business, financial condition, and results of operations.

Risks associated with our suppliers and our outsourcing partners, many of which are located outside of the U.S., could materially and adversely affect our business, financial condition, and results of operations.

We depend on a number of suppliers and outsourcing partners to provide our customers with a wide range of products in a timely and efficient manner. A significant portion of our suppliers for our private brand business and our non-consumable business are located in China and if we are unable to maintain our relationships with our existing outsourcing partners or cannot enter into relationships with new outsourcing partners to meet the manufacturing and assembly needs of our private brand business, our private brand business may be disrupted and our business, financial condition, and results of operations may be materially and adversely affected. In addition, political and economic instability, the financial stability of our suppliers and outsourcing partners and their ability to meet our standards, conflict and hostilities, labor problems, the availability and prices of raw materials, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, inflation, natural disasters and epidemics, tariffs, taxes, export controls, trade restrictions and sanctions, among other factors, are beyond our control and may materially and adversely affect our suppliers and outsourcing partners and, in turn, our business, financial condition, and results of operations. Our business has been affected by, and may continue to be affected by, disruptions or restrictions on our employees' and other service providers' ability to travel, temporary closures of our facilities, including one or more of our fulfillment centers or customer service centers, or the facilities of our suppliers and other vendors in our supply chain. In addition to the potential direct effects on us of any events beyond our control such as a public health crisis, we could be materially adversely impacted, including from any disruption to critical vendor services or losses of business, if any of our suppliers face significant business disruptions.

In addition, continued and ongoing international conflict has led to disruption, instability and volatility in the global markets and industries that could negatively impact our operations. The U.S. government and other governments have imposed severe sanctions and export controls against Russia and Russian interests in connection with the conflict between Russia and Ukraine and threatened additional sanctions and controls. The impact of the conflict and any sanctions or other measures implemented as a result is currently unknown and could adversely affect our business, supply chain, partners or customers.

Moreover, there is uncertainty regarding the future of international trade agreements and the U.S.' position on international trade. For example, the U.S. government has previously threatened to undertake a number of actions relating to trade with certain countries, including the imposition of escalating tariffs on goods imported into the U.S. and sanctions on certain countries due to violations of product safety, labor, human rights, or other laws. In addition, the U.S. government has previously raised tariffs, and imposed new tariffs, on a wide range of imports of Chinese products. The U.S. federal government may also withdraw from or materially modify international trade agreements.

Additional trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to us and to our suppliers and may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition, and results of operations.

We are subject to extensive laws and regulations and we may incur material liabilities or costs related to complying with existing or future laws and regulations, and our failure to comply may result in enforcements, penalties, recalls, and other adverse actions.

We are subject to a broad range of federal, state, local, and foreign laws and regulations including those intended to protect public and worker health and safety, natural resources and the environment. Our operations are subject to regulation by the Occupational Safety and Health Administration ("OSHA"), the Food and Drug Administration (the "FDA"), the Department of Agriculture (the "USDA") and other federal, state, local and foreign authorities regarding the processing, packaging, storage, distribution, advertising, labeling and export of our products, including food safety standards. In addition, we and our partners are subject to additional regulatory requirements, including environmental, health and safety laws and regulations administered by the U.S. Environmental Protection Agency, state, local and foreign environmental, health and safety legislative and regulatory authorities and the National Labor Relations Board, covering such areas as discharges and emissions to air and water, the use, management, disposal and remediation of, and human exposure to, hazardous materials and wastes, and public and worker health and safety. These laws and regulations also govern our relationships with employees, including minimum wage requirements, overtime, terms and conditions of employment, working conditions and citizenship requirements. Violations of or liability under any of these laws and regulations may result in administrative, civil or criminal fines, penalties or sanctions against us, revocation or modification of applicable permits, licenses or authorizations, environmental, health and safety investigations or remedial activities, voluntary or involuntary product recalls, warning or untitled letters or cease and desist orders against operations that are not in compliance, among other things. Such laws and regulations generally have become more stringent over time and may become more so in the future, and we may incur (directly or indirectly) material costs to comply with current or future laws and regulations or in any required product recalls. Liabilities or costs of compliance with any such laws and regulations

could materially and adversely affect our business, financial condition, and results of operations. In addition, changes in these laws and regulations could impose significant limitations and require changes to our business, which may increase our compliance expenses, make our business more costly and less efficient to conduct, and compromise our growth strategy.

Among other regulatory requirements, the FDA reviews the inclusion of certain claims in pet food labeling. For example, pet food products that are labeled or marketed with claims that may suggest that they are intended to treat or prevent disease in pets would potentially meet the statutory definitions of both a food and a drug. The FDA has issued guidance containing a list of specific factors it will consider in determining whether to initiate enforcement action against such products if they do not comply with the regulatory requirements applicable to drugs. These factors include, among other things, whether the product is only made available through or under the direction of a veterinarian and does not present a known safety risk when used as labeled. While we believe that we market our products in compliance with the policy articulated in the FDA's guidance and in other claim-specific guidance, the FDA may disagree or may classify some of our products differently than we do and may impose more stringent regulations which could lead to alleged regulatory violations, enforcement actions and product recalls. In addition, we may produce new products in the future that may be subject to FDA pre-market review before we can market and sell such products.

From time-to-time the FDA, the Association of American Feed Control Officials, or state regulatory authorities may enact a regulation, requirement or other guidance that impacts pet food packaging, labeling, or marketing materials. As a result, we may need to incur material costs to change our packaging, labeling, or marketing to comply with such regulation or requirement and could be subject to liabilities if we fail to timely comply with such requirements, which could have a material adverse effect on our business, financial condition, and results of operations.

In addition to enforcement actions initiated by government agencies, there has been an increasing tendency in the U.S. among pharmaceutical companies to resort to the courts and industry and self-regulatory bodies to challenge comparative prescription drug advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures, and warning requirements with respect to the advertising for certain products.

These developments and others related to government regulation could have a material adverse effect on our reputation, business, financial condition, and results of operations.

We may inadvertently not comply with various state or federal laws and regulations covering our pet health business, which may subject us to reprimands, sanctions, probations, fines, suspensions, or the loss of one or more of our licenses.

The sale and delivery of prescription pet medications and the provision of pharmacy, veterinary, and telehealth services are generally governed by federal and state laws and regulations and are subject to extensive oversight by state and federal governmental authorities. Governmental authorities that regulate our business have broad latitude to make, interpret, and enforce the applicable laws and regulations and they continue to interpret and enforce those laws and regulations more strictly and more aggressively each year. We are currently and may in the future continue to be subject to routine administrative inquiries related to our pharmacy, veterinary, and telehealth services businesses. We cannot assure you that we will not be subject to reprimands, sanctions, probations or fines, or that one or more of our licenses will not be suspended or revoked, or that our ability to offer pharmacy and telehealth services will not be challenged, in connection with these complaints or otherwise.

Our insurance, pharmacy, and veterinary businesses also involve the provision of professional services that could expose us to professional liability claims. Our pharmacy business is subject to risks inherent in the dispensing, packaging and distribution of drugs and other health care products and services, including claims related to purported dispensing and other operational errors. Our veterinary business is subject to risks inherent in the administration of veterinary services, including claims relating to veterinary malpractice. Any failure to adhere to the laws and regulations applicable to the dispensing of drugs or provision of veterinary services could subject our businesses to administrative, civil and criminal penalties.

If we are unable to maintain the licenses granted by relevant state authorities in connection with our insurance, pharmacy, and veterinary businesses, or if we become subject to actions by the FDA or other regulators, our dispensing of prescription medications to pet parents could cease and we may be subject to reprimands, sanctions, probations or fines, which could have a material adverse effect on our business, financial condition, and results of operations.

Resistance from veterinarians to authorize prescriptions, or their efforts to discourage pet owners from purchasing from us, could cause our sales to decrease and could adversely affect our financial condition and results of operations.

The laws and regulations relating to the sale and delivery of prescription pet medications vary from state to state, but generally require that prescription pet medications be dispensed with authorization from a prescribing veterinarian. Some veterinarians resist providing customers with a copy of their pet's prescription or authorizing the prescription to our pharmacy staff, thereby effectively preventing us from filling such prescriptions under applicable law. Certain veterinarians have also tried to discourage pet owners from purchasing prescription medication from Internet mail order pharmacies. If the number of veterinarians who refuse to authorize prescriptions to our pharmacy staff increases, or if veterinarians are successful in discouraging pet owners from purchasing from us, our sales could decrease and our financial condition and results of operations may be materially adversely affected.

Failure to comply with laws and regulations relating to privacy, data protection, cybersecurity, marketing and advertising and consumer protection could adversely affect our business, financial condition, and results of operations.

We rely on a variety of advertising and marketing techniques, including email and social media marketing and postal mailings and we are subject to various laws and regulations that govern such practices. A variety of applicable laws and regulations govern the collection, use, retention, sharing and security of consumer data, particularly in the context of online advertising which we rely upon to attract new customers. In addition, we also collect, store, and transmit employees' health information for certain reasons, such as administering employee benefits; accommodating disabilities and injuries; complying with public health requirements; and maintaining employee safety in the workplace.

Laws and regulations relating to privacy, data protection, cybersecurity, advertising and marketing, and consumer protection are evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any privacy or consumer protection-related laws, regulations, industry self-regulatory principles, industry standards or codes of

conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy or consumer protection could adversely affect our reputation, brand and business, and may result in claims, liabilities, proceedings or actions against us by governmental entities, customers, suppliers or others, or may require us to change our operations and/or cease using certain data sets. Any such claims, proceedings or actions could hurt our reputation, brand and business, force us to incur significant expenses in defense of such proceedings or actions, distract our management, increase our costs of doing business, result in a loss of customers and suppliers and result in the imposition of monetary penalties. We may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy, data protection, cybersecurity or consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business.

Governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes. The U.S. government and state governments have enacted, have considered or are considering enacting, legislation or regulations that could significantly restrict the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, which could result in the use of third-party cookies and other methods of online tracking becoming significantly less effective. The regulation of the use of these cookies and other current online tracking and advertising practices or a loss in our ability to make effective use of services that employ such technologies could increase our costs of operations and limit our ability to acquire new customers on cost-effective terms and consequently, materially and adversely affect our business, financial condition, and results of operations.

In addition, various legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, cybersecurity, consumer protection, and advertising. For example, in June 2018, the State of California enacted the California Consumer Privacy Act of 2018 (the "CCPA"), which became effective on January 1, 2020. The CCPA requires companies that process information of California residents to make new disclosures to consumers about their data collection, use and sharing practices, and allows consumers to opt out of selling their data to third parties and provides a new cause of action for data breaches. Further, the California Privacy Rights Act (the "CPRA") became effective on January 1, 2023 and significantly amends the CCPA by imposing additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. It also creates a new California data protection agency specifically tasked to enforce the law, which could result in increased regulatory scrutiny of businesses conducting activities in California in the areas of data protection and security. Other states in which we operate have also enacted laws similar to CPRA and similar laws have been proposed in other states and at the federal level in the U.S., and if passed, such laws may have potentially conflicting requirements that would make compliance challenging. Additionally, the Federal Trade Commission (the "FTC") and many state attorneys general are interpreting consumer protection laws to impose standards for the online collection, use, dissemination and security of data. Consumer protection laws require us to publish statements that describe how we handle personal data and choices individuals may have about the way we handle their personal data. If such information that we publish is considered untrue, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Further, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal data secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. Additionally, government entities in Canada have enacted and continue to enact laws that may restrict our ability to attract new customers through our certain advertising and marketing technologies. Each of these privacy, security, and data protection laws and regulations, and any other such changes or new laws or regulations, could impose significant limitations, require changes to our business, impose fines and other penalties or restrict our use or storage of personal information, which may increase our compliance expenses and make our business more costly or less efficient to conduct. Any such changes could compromise our ability to develop an adequate marketing strategy and pursue our growth strategy effectively, which, in turn, could adversely affect our business, financial condition, and results of operations.

Our ability to utilize net operating loss and tax credit carryforwards, and other tax attributes may be subject to certain limitations.

Our ability to use our federal and state net operating losses and tax credits, and other tax attributes to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income, and we cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all of our accumulated tax benefits. In addition, Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), contain rules that impose an annual limitation on the ability of a company with net operating loss and tax credit carryforwards that undergoes an ownership change, which is generally any change in ownership of more than 50% of its stock (by value) over a three-year period, to utilize its net operating loss carryforwards in years after the ownership change. These rules generally operate by focusing on ownership changes among holders owning directly or indirectly 5% or more of the shares of stock of a company or any change in ownership arising from a new issuance of shares of stock by such company. If a company's income in any year is less than the annual limitation prescribed by Sections 382 and 383 of the Code, the unused portion of such limitation amount may be carried forward to increase the limitation (and net operating loss and tax credit carryforward utilization) in subsequent tax years.

In addition to the aforementioned federal income tax implications pursuant to Sections 382 and 383 of the Code, most states follow the general provisions of Sections 382 and 383 of the Code, either explicitly or implicitly resulting in separate state net operating loss and tax credit limitations.

We may be unable to adequately protect our intellectual property rights. Additionally, we may be subject to intellectual property infringement claims or other allegations, which could result in substantial damages and diversion of management's efforts and attention.

We regard our brand, customer lists, trademarks, trade dress, domain names, trade secrets, patents, proprietary technology and similar intellectual property as critical to our success. We rely on trademark, copyright and patent law, trade secret protection, agreements and other methods with our employees and others to protect our proprietary rights. Effective intellectual property protection may not be available in every country in which we operate. The protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights, and we may be unable to broadly enforce all of our intellectual property rights. Any of our intellectual property rights may be challenged or invalidated through administrative process or litigation. Our patent and trademark applications may never be granted. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may be unable to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these patents will adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. We also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. Furthermore, our confidentiality agreements may not effectively prevent disclosure of our proprietary information, technologies and processes and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

We might be required to spend significant resources to monitor and protect our intellectual property rights. For example, we have initiated and may again initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or other proprietary rights or to establish the validity of such rights. However, we may be unable to discover or determine the extent of any infringement, misappropriation or other violation of our intellectual property rights and other proprietary rights. Despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may materially and adversely affect our business, financial condition, and results of operations.

Third parties have from time to time claimed, and may claim in the future, that we have infringed their intellectual property rights. These claims, whether meritorious or not, could be time-consuming, result in considerable litigation costs, require significant amounts of management time or result in the diversion of significant operational resources and expensive changes to our business model, result in the payment of substantial damages or injunctions against us, or require us to enter into costly royalty or licensing agreements, if available. In addition, we may be unable to obtain or use licenses or other rights with respect to intellectual property we do not own. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. Any payments we are required to make and any injunctions we are required to comply with as a result of these claims could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to personal injury, workers' compensation, product liability, labor and employment, and other claims in the ordinary course of business.

Our business involves risks of personal injury, workers' compensation, product liability, labor and employment, and other claims in the ordinary course of business. Product liability claims from customers and product recalls for merchandise alleged to be defective or harmful could lead to the disposal or write-off of merchandise inventories, the incurrence of fines or penalties, the provision of customer credits, increased labor costs, and damage to our reputation. We maintain general liability insurance with a self-insured retention and workers' compensation insurance with a deductible for each occurrence. We also maintain umbrella insurance above the primary general liability and product liability coverage. In many cases, we have indemnification rights against the manufacturers of our products and are entitled to coverage under their products liability and product recall insurance. Our ability to recover costs and damages under such insurance or indemnification arrangements is subject to the financial viability of the insurers and manufacturers, the terms of the policy, and the specific allegations of a claim. No assurance can be given that any insurance coverage or the manufacturers' indemnity will be available or sufficient in any claims brought against or losses incurred by us.

Additionally, we are subject to federal, state, and local employment laws that expose us to potential liability if we are determined to have violated such employment laws. This includes, but is not limited to, laws related to wages, hours worked and other terms and conditions of employment; unlawful discrimination, harassment, retaliation, or failure to accommodate; and wrongful termination. Compliance with these laws, including the remediation of any alleged violation, may have a material adverse effect on our business or results of operations.

We rely on the performance of members of management and highly skilled personnel and our business could be harmed if we are unable to attract, develop, motivate, and retain highly qualified and skilled employees.

Our ability to maintain our competitive position is largely dependent on the services of our senior management and other key personnel. In addition, our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. The market for such positions has been and may continue to be highly competitive and we may incur significant costs to attract and retain qualified individuals. In addition, the loss of any of our senior management or other key employees or our inability to recruit and develop mid-level managers could materially and adversely affect our ability to execute our business plan and we may be unable to find adequate replacements. Other than our Chief Executive Officer, Chief Financial Officer and certain other senior executives, all of our employees are at-will employees, meaning that they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be difficult to replace. If we fail to retain talented senior management and other key personnel, or if we do not succeed in attracting highly-qualified employees or motivating and retaining existing employees, our business, financial condition, and results of operations may be materially and adversely affected.

We compete with other companies for employees, some of whom are larger than us and have access to greater capital resources than we do. If we are unable to successfully recruit and retain personnel, we may face labor shortages or be forced to increase wages and enhance benefits for such personnel, which may have an adverse effect on our results of operations.

Employee availability may be affected if a significant number of employees are limited in their ability to work at, or travel to, our locations due to disruptions to our business. Future actions in response to certain events by federal, state or local authorities, including those that order the shutdown of non-essential businesses or limit the ability of our employees to travel to work, could impact our ability to take or fulfill our customers' orders and operate our business and we may be unable to fully meet our customers' demands for our products and services.

Uncertainties in economic conditions, industry trends, and market conditions, and their impact on the pet market, could adversely impact our business, financial condition, and results of operations.

Our results of operations are sensitive to changes in certain macroeconomic conditions that impact the pet market, which could adversely impact our business, financial condition, and results of operations. Factors such as inflation and rising interest rates have affected us and can adversely affect us by increasing costs of materials and labor. In a highly inflationary environment, we may be unable to raise the price of our products and services at or above the rate of inflation, which could reduce our profitability. In addition, our costs of capital, labor and materials can materially increase, which could have an adverse impact on our business, financial condition, and results of operations. Deflation could cause an overall decrease in spending and borrowing capacity, which could lead to deterioration in economic conditions and employment levels. Deflation could also cause the value of our inventories to decline. Other uncertainties in economic conditions that impact the pet products market and its participants, such as our vendors, suppliers, and investors, may also adversely affect our business, financial condition, and results of operations.

Some of the factors that may affect consumer spending on pet products and services include consumer confidence, levels of unemployment, inflation, interest rates, tax rates and general uncertainty regarding the overall future economic environment. We may experience declines in sales or changes in the types of products sold during economic downturns. Any material decline in the amount of consumer spending or other adverse economic changes could reduce our sales, and a decrease in the sales of higher-margin products could reduce profitability and, in each case, harm our business, financial condition, and results of operations.

Significant merchandise returns or refunds could harm our business.

We allow our customers to return products or offer refunds, subject to our return and refunds policy. If merchandise returns or refunds are significant or higher than anticipated and forecasted, our business, financial condition, and results of operations could be adversely affected. Further, we modify our policies relating to returns or refunds from time to time, and may do so in the future, which may result in customer dissatisfaction and harm to our reputation or brand, or an increase in the number of product returns or the amount of refunds we make.

We may seek to grow our business through acquisitions or investments in new or complementary businesses, technologies, or offerings, or through other strategic transactions, and the failure to manage these acquisitions, investments, or strategic transactions, or to integrate them with our existing business, could have a material adverse effect on us.

We have acquired and invested in a number of businesses, and we may in the future consider opportunities to acquire or make investments in new or complementary businesses, facilities, technologies, offerings, or products, or enter into strategic alliances, that may enhance our capabilities, expand our outsourcing and supplier network, complement our current products and services or expand the breadth of our markets. Acquisitions, investments and other strategic alliances involve numerous risks, including:

- problems integrating the acquired business, facilities, technologies or products, including issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions, investments or strategic alliances;
- losses we may incur as a result of declines in the value of an investment or as a result of incorporating an investee's financial performance into our financial results;
- diversion of management's attention from our existing business;
- adverse effects on existing business relationships with suppliers, outsourced private brand manufacturing partners, retail partners and distribution customers;
- risks associated with entering new markets in which we may have limited or no experience;
- potential loss of key employees of acquired businesses;
- the risks associated with businesses we acquire or invest in, which may differ from or be more significant than the risks our other businesses face;
- potential unknown liabilities associated with a business we acquire or in which we invest; and
- increased legal and accounting compliance costs.

Our ability to successfully grow through strategic transactions depends upon our ability to identify, negotiate, complete and integrate suitable target businesses, facilities, technologies and products and to obtain any necessary financing. These efforts could be expensive and time-consuming and may disrupt our ongoing business and prevent management from focusing on our operations. As a result of future strategic transactions, we might need to issue additional equity securities, spend our cash, or incur debt (which may only be available on unfavorable terms, if at all), contingent liabilities, impairment charges, or amortization expenses related to intangible assets, any of which could reduce our profitability and harm our business. If we are unable to identify suitable acquisitions, investments or strategic relationships, or if we are unable to integrate any acquired businesses, facilities, technologies, offerings and products effectively, our business, financial condition, and results of operations could be materially and adversely affected. Also, while we employ several different methodologies to assess potential business opportunities, the new businesses or investments may not meet or exceed our expectations or desired objectives.

Our business results could be adversely affected if our new offerings are unsuccessful.

We have expanded our business into new markets and into new product and service categories and we may continue such expansion. As a new entrant, we expect to face many competitive challenges including competing successfully with incumbent providers who may have longer operating histories, large customer bases, high brand recognition and greater financial, technical, marketing and other resources than we do. To compete effectively, we may need to invest significant resources to create brand awareness and build our reputation in these markets and categories, and our efforts at building, maintaining and enhancing our reputation could fail. There can be no assurance that we will be able to maintain or enhance our reputation, and failure to do so could materially adversely affect our business, financial condition, and results of operations. If we are unable to maintain or enhance consumer awareness of our brand cost-effectively, our business, results of operations and financial condition could be materially adversely affected.

Regulation of the sale of insurance for pets is subject to change and future regulations could harm our business, operating results, and financial condition.

The laws and regulations governing the offer, sale and purchase of insurance for pets are subject to change and future changes may be adverse to our business. For example, if a jurisdiction were to alter the requirements for obtaining or maintaining an agent's license in connection with the enrollment of a member, it could have an adverse effect on our operations. Some states in the U.S. have adopted, and others are expected to adopt, new laws and regulations related to the pet insurance industry. Although model laws are available to guide individual states and business, it is difficult to predict how these or any other new laws and regulations will impact our business, but, in some cases, changes in insurance laws, regulations and guidelines may be incompatible with various aspects of our business and require that we make significant modifications to our existing technology or practices, which may be costly and time-consuming to implement and could also harm our business, operating results and financial condition.

If we cannot successfully manage the unique challenges presented by international markets, we may not be successful in expanding our operations outside the U.S. and Canada.

Our strategy may include the continued expansion of our operations to international markets. Although some of our executive officers have experience in international business from prior positions, we have minimal experience with operations outside the U.S. Our ability to successfully execute this strategy is affected by many of the same operational risks we face in expanding our operations. In addition, our international expansion may be adversely affected by: our ability to identify and gain access to local suppliers; our ability to staff, develop, and manage foreign operations as a result of distance, language, and cultural differences; our ability to obtain and protect relevant trademarks, domain names, and other intellectual property; and local laws and customs, legal and regulatory constraints, political and economic conditions and currency regulations of the countries or regions in which we operate or intend to operate in the future, including limitations on the repatriation and investment of funds and foreign currency exchange restrictions. Risks inherent in expanding our operations internationally also include, among others, the costs and difficulties of managing international operations, adverse tax consequences, domestic and international tariffs and other barriers to trade. Further, the extent and impact of any sanctions imposed in connection with the escalation of hostilities between Russia and Ukraine, or other geopolitical events, may cause additional financial market volatility and impact the global economy and also impact our strategy of expansion into international markets.

Risks Related to Our Industry

Competition in the pet products and services health and retail industries, especially Internet-based competition, is strong and presents an ongoing threat to the success of our business.

The pet products and services health and retail industries are very competitive. We compete with pet product retail stores, supermarkets, warehouse clubs and other mass and general retail and online merchandisers, including e-tailers, many of which are larger than us and have significantly greater capital resources than we do. We also compete with a number of specialty pet supply stores and independent pet stores, catalog retailers and other specialty e-tailers.

Many of our current competitors have, and potential competitors may have, longer operating histories, greater brand recognition, larger fulfillment infrastructures, greater technical capabilities, significantly greater financial, marketing and other resources and larger customer bases than we do. These factors may allow our competitors to derive greater net sales and profits from their existing customer base, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in consumer preferences or habits. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies (including but not limited to predatory pricing policies and the provision of substantial discounts), which may allow them to build larger customer bases or generate net sales from their customer bases more effectively than we do.

We have been able to compete successfully by differentiating ourselves from our competitors by providing a large selection of high-quality pet food, treats and supplies, competitive pricing, convenience and exceptional customer service. If changes in consumer preferences decrease the competitive advantage attributable to these factors, or if we fail to otherwise positively differentiate our product offering or customer experience from our competitors, our business, financial condition, and results of operations could be materially and adversely affected. In particular, a key component of our business strategy is to rely on our reputation for exceptional customer service. This is done, in part, by recruiting, hiring, training, and retaining employees who share our core values of delivering superior service to our customers and caring about the needs of pet parents and partners. If our reputation is negatively affected by the actions of our employees, by our inability to conduct our operations in a manner that is appealing to current or prospective customers, or otherwise, our business, financial condition, and results of operations may be materially and adversely affected. In addition, if we are unable to maintain our current levels of customer service and our reputation for customer service as we grow or otherwise, our net sales may not continue to grow or may decline, and our business, financial condition, and results of operations may be materially and adversely affected.

We compete directly and indirectly with veterinarians for the sale of pet medications and other pet health products and services. Veterinarians hold a competitive advantage over us because many pet parents may find it more convenient or preferable to purchase these products directly from their veterinarians at the time of an office visit. We also compete directly and indirectly with both online and traditional pet pharmacies. Both online and traditional pet pharmacies may hold a competitive advantage over us because of longer operating histories, established brand names, greater resources, and/or an established customer base. Online pet pharmacies may have a competitive advantage over us because of established affiliate relationships that drive traffic to their website. Traditional pet pharmacies may hold a competitive advantage over us because pet parents may prefer to purchase these products from a store instead of online. In addition, we face growing competition from online and multichannel pet pharmacies, some of whom may have a lower cost structure than ours, as customers now routinely use computers, tablets, smartphones, and other mobile devices and mobile applications to shop online and compare prices and products in real time. In

order to effectively compete in the future, we may be required to offer promotions and other incentives, which may result in lower operating margins and in turn adversely affect our results of operations. We also face a significant challenge from our competitors forming alliances with each other, such as those between online and traditional pet pharmacies. These relationships may enable both their retail and online stores to negotiate better pricing and better terms from suppliers by aggregating the demand for products and negotiating volume discounts, which could be a competitive disadvantage to us.

We expect competition in the pet products and services health and retail industries, in particular Internet-based competition, generally to continue to increase. If we fail to compete successfully, our business, financial condition, and results of operations could be materially and adversely affected.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could harm our business, financial condition, and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future regulations and laws could impede the growth of the Internet, e-commerce or mobile commerce, which could adversely affect our growth. As we grow our business outside of the U.S., we may be exposed to different and more comprehensive regulations and laws that apply to our business. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection and Internet neutrality. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities, customers, suppliers or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our websites and mobile applications by consumers and suppliers and may result in the imposition of monetary liabilities. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. As a result, adverse developments with respect to these laws and regulations could harm our business, financial condition, and results of operations.

Changes in tax treatment of companies engaged in e-commerce may adversely affect the commercial use of our websites and mobile applications and our financial results.

On June 21, 2018, the Supreme Court of the United States (the "Supreme Court") overturned a prior decision under which e-tailers had not been required to collect sales tax unless they had a physical presence in the buyer's state. As a result, a state may now enforce or adopt laws requiring e-tailers to collect and remit sales tax even if the e-tailer has no physical presence within the taxing state provided certain conditions are met. In response, an increasing number of states have adopted or are considering adopting laws or administrative practices, with or without notice, that impose sales or similar value added or consumption taxes on e-commerce activity, as well as taxes on all or a portion of gross revenue or other similar amounts earned by an e-tailer from sales to customers in the state. Since October 28, 2018, we have collected sales tax on sales and remitted such tax to the extent required in the states to which we ship. If any state were to assert that we have any liability for sales tax for prior periods and seek to collect such tax in arrears and/or impose penalties for past non-payment of taxes, it could have an adverse effect on us.

New laws or regulations, the application of laws and regulations from jurisdictions, including other countries whose laws do not currently apply to our business, or the application of existing laws and regulations to the Internet and commercial online services could similarly result in significant additional taxes on our business. These taxes or tax collection obligations could have an adverse effect on us, including by way of creating additional administrative burdens on us. For instance, the Supreme Court's decision and the enactment and enforcement of laws resulting therefrom could also impact where we are required to file state income taxes. As a result, our effective income tax rate as well as the cost and growth of our business could be materially and adversely affected, which could in turn have a material adverse effect on our financial condition and results of operations. New or revised taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Furthermore, there is a possibility that we may be subject to significant fines or other payments for any past failures to comply with these requirements.

We are also subject to federal and state laws, regulations, and administrative practices that require us to collect information from our customers, vendors, merchants, and other third parties for tax reporting purposes and report such information to various government agencies. The scope of such requirements continues to expand, requiring us to develop and implement new compliance systems. Failure to comply with such laws and regulations could result in significant penalties. We cannot predict the effect of current attempts to impose sales, income or other taxes or fees on e-commerce. Any of these events could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Our Controlling Stockholders

Substantial future sales by affiliates of the BCP Stockholder Parties or others of our common stock, or the perception that such sales may occur, could depress the price of our Class A common stock.

The BCP Stockholder Parties have the ability, should they choose to do so, to sell some or all of their shares of our common stock in a privately negotiated transaction or otherwise. The sale by the BCP Stockholder Parties of a substantial number of shares of our common stock, or the perception that such sales could occur, could significantly reduce the market price of our Class A common stock. If the BCP Stockholder Parties sell their significant equity interest in the Company, we may in the future become subject to the control of a presently unknown third party. Such third party may have conflicts of interest with those of our other stockholders. Further, if the BCP Stockholder Parties sell a controlling interest in the Company to a third party, any outstanding indebtedness may be subject to acceleration and our commercial agreement and relationships could be impacted, all of which may adversely affect our ability to run our business and may have a material adverse effect on our results of operations and financial condition.

In addition, we have granted certain registration rights to the BCP Stockholder Parties, pursuant to which they have the right to demand that we register shares of Class A common stock beneficially owned by them under the Securities Act of 1933, as amended (the "Securities Act"), as well as the right to demand that we include any such shares in any registration statement that we file with the SEC, subject to certain exceptions.

We are unable to predict with certainty whether or when the BCP Stockholder Parties will exercise their registration rights and/or sell a substantial number of shares of our common stock.

There could be potential conflicts of interests between us and affiliates of the BCP Stockholder Parties. In addition, our directors may encounter conflicts of interest involving us and the other entities with which they may be affiliated, including matters that involve corporate opportunities.

The BCP Stockholder Parties and their affiliates may, from time to time, acquire and hold interests in businesses that are engaged in the same or similar business activities as us. Affiliates of the BCP Stockholder Parties may also engage in transactions with us. The BCP Stockholder Parties could pursue business interests or exercise their voting power as stockholders in ways that are detrimental to us, but beneficial to other companies in which they invest or have a relationship with. In addition, our directors may encounter conflicts of interest involving us and the other entities with which they may be affiliated. The presence or appearance of conflicts of interests could have material implications for us.

Additionally, our directors and the BCP Stockholder Parties, in the course of their other business activities, may become aware of, or involved in, investments, business opportunities, or information which may be appropriate for presentation to us as well as to other entities with which they are affiliated. Pursuant to our amended and restated certificate of incorporation, the BCP Stockholder Parties and non-employee directors have no duty, to the fullest extent permitted by law, to refrain from engaging in the same or similar business activities or lines of business in which we are now engaged in or from otherwise competing with us. Our amended and restated certificate of incorporation also provides that, to the fullest extent permitted by law, the BCP Stockholder Parties and our non-employee directors will not be liable to us or our stockholders for breach of any fiduciary duty solely by reason of the fact of their engagement in such activities. Moreover, pursuant to our amended and restated certificate of incorporation, we may be unable to take advantage of corporate opportunities presented to the BCP Stockholder Parties and our non-employee directors. As a result, we may be precluded from pursuing certain advantageous transactions or growth initiatives.

Risks Related to Ownership of Our Class A Common Stock

Our stock price has been, and may continue to be, volatile and may decline regardless of our operating performance.

The market price of our Class A common stock has fluctuated significantly in response to numerous factors and may continue to fluctuate for these and other reasons, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;

- failure of securities analysts to maintain coverage of the Company, changes in financial estimates or ratings by any securities analysts who follow the Company or our failure to meet these estimates or the expectations of investors;
- repurchases of our common stock pursuant to our share repurchase program and any announcement of a termination of the program;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, results of operations or capital commitments;
- changes in operating performance and stock market valuations of other retail or technology companies generally, or those in our industry in particular, including as a result of uncertainties in economic conditions, industry trends, and market conditions;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- trading volume of our Class A common stock;
- the inclusion, exclusion or removal of our Class A common stock from any indices;
- changes in our board of directors or management;
- transactions in our Class A common stock by directors, officers, affiliates and other major investors;
- lawsuits threatened or filed against us;
- changes in laws or regulations applicable to our business;
- changes in our capital structure, such as future issuances of debt or equity securities;
- short sales, hedging and other derivative transactions involving our capital stock;
- general economic conditions, industry trends, and market conditions in the U.S.;
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events; and
- the other factors described in the sections of this report titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

The stock market has recently experienced and may again experience extreme price and volume fluctuations. The market prices of securities of companies have experienced fluctuations that often have been unrelated or disproportionate to their operating results. In the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management's attention and resources, and harm our business, financial condition, and results of operations.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

Since our dual class capital structure limits the voting power of our publicly held shares of Class A common stock, we are currently ineligible for inclusion in all FTSE Russell indices, such as the Russell 2000. As a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. Furthermore, we cannot assure you that other stock indices will not take a similar approach FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of the Company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- provide that a director may be removed only for cause and only by the affirmative vote of the holders of at least 66 2/3% of the votes that all of our stockholders would be entitled to cast in an annual election of directors after the date on which the outstanding shares of Class B common stock represent less than 50% of the combined voting power of our Class A common stock and Class B common stock;
- require the affirmative vote of at least 75% of the voting power of the Company's outstanding shares of Class A common stock and Class B common stock in order to amend (i) certain provisions in our amended and restated certificate of incorporation and (ii) our amended and restated bylaws, in each case, after the date on which the outstanding shares of Class B common stock represent less than 50% of the combined voting power of our Class A common stock and Class B common stock;
- eliminate the ability of our stockholders to call special meetings of stockholders after the date on which the outstanding shares of Class B common stock represent less than 50% of the combined voting power of our Class A common stock and Class B common stock;
- prohibit stockholder action by written consent, instead requiring stockholder actions to be taken at a meeting of our stockholders, when the outstanding shares of our Class B common stock represent less than 50% of the combined voting power of our Class A common stock and Class B common stock;
- permit our board of directors, without further action by our stockholders, to fix the rights, preferences, privileges and restrictions of preferred stock, the rights of which may be greater than the rights of our Class A common stock;
- restrict the forum for certain litigation against us;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings; and
- provide for a staggered board.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. As a result, these provisions may adversely affect the market price and market for our Class A common stock if they are viewed as limiting the liquidity of our stock or as discouraging takeover attempts in the future.

Our amended and restated certificate of incorporation includes exclusive forum provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that, subject to certain exceptions, the Court of Chancery of the State of Delaware is the exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a breach of fiduciary duty owed by any director, officer, or other employee or stockholder of the Company to the Company or the Company's stockholders, creditors or other constituents; (iii) any action asserting a claim against the Company or any director or officer of the Company arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (iv) any action asserting a claim against the Company or any director or officer of the Company that is governed by the internal affairs doctrine. In addition, our amended and restated certificate of incorporation provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. Due to the concurrent jurisdiction for federal and state courts created by Section 22 of the Securities Act over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce this exclusive forum provision. These exclusive forum provision also may not apply to suits brought to enforce a duty or liability vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, such as those created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits and make our securities less attractive for investors. Alternatively, if a court were to find the exclusive forum provisions contained in our amended and restated 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 materially and adversely affect our business, financial condition, and results of operations.

The BCP Stockholder Parties control the direction of our business and the concentrated ownership of our common stock will prevent other stockholders from influencing significant decisions.

As of May 22, 2024, the BCP Stockholder Parties beneficially owned more than 50% of our outstanding shares of common stock and, together with its affiliates, exercised control over more than 95% of the voting power of our outstanding common stock. So long as the BCP Stockholder Parties remain our controlling stockholder they will be able to control, directly or indirectly, and subject to applicable law, all matters affecting us, including:

- any determination with respect to our business direction and policies, including the appointment and removal of officers and directors;
- any determinations with respect to mergers, business combinations or disposition of assets;
- compensation and benefit programs and other human resources policy decisions;
- the payment of dividends on our common stock; and
- determinations with respect to tax matters.

Because the BCP Stockholder Parties' interests may differ from ours or from those of our other stockholders, actions that the BCP Stockholder Parties take with respect to us, as our controlling stockholders, may not be favorable to us or our other stockholders, including holders of our Class A common stock. In addition, even if the BCP Stockholder Parties were to control less than a majority of the voting power of our outstanding common stock, they may be able to influence the outcome of such matters so long as they own a significant portion of our common stock.

We are a "controlled company" within the meaning of the rules of NYSE and rely on exemptions from certain corporate governance requirements.

As of May 22, 2024, the BCP Stockholder Parties control a majority of the voting power of our outstanding common stock. As a result, we are considered a "controlled company" within the meaning of the corporate governance standards of the NYSE. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors;
- the requirement that our compensation committee be composed entirely of independent directors; and
- the requirement for an annual performance evaluation of our corporate governance and compensation committees.

While the BCP Stockholder Parties control a majority of the voting power of our outstanding common stock, we intend to rely on these exemptions and, as a result, will not have a majority of independent directors on our board of directors, and our nominating and corporate governance and compensation committees will also not consist entirely of independent directors. Accordingly, holders of our Class A common stock do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Restrictions in our revolving credit facility could adversely affect our operating flexibility.

Our revolving credit facility limits our ability to, among other things:

- incur or guarantee additional debt;
- make certain investments and acquisitions;
- pay dividends or make distributions;
- repurchase or redeem stock;
- incur certain liens or permit them to exist;
- enter into certain types of transactions with affiliates;
- merge or consolidate with another company; and
- transfer, sell or otherwise dispose of assets.

Our revolving credit facility also contains covenants requiring us to maintain certain financial ratios. The provisions of our revolving credit facility may affect our ability to obtain future financing and to pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. As a result, restrictions in our revolving

credit facility could adversely affect our business, financial condition, and results of operations. In addition, a failure to comply with the provisions of our revolving credit facility could result in a default or an event of default that could enable our lenders to declare the outstanding principal of that debt, together with accrued and unpaid interest, to be immediately due and payable. If the payment of outstanding amounts under our revolving credit facility is accelerated, our assets may be insufficient to repay such amounts in full, and our stockholders could experience a partial or total loss of their investment.

The terms of our revolving credit facility may restrict our ability to pay dividends.

We currently intend to retain any future earnings to finance the operation and expansion of our business, as well as fund our share repurchase program, and we do not expect to declare or pay any dividends in the foreseeable future. Moreover, the terms of our revolving credit facility may restrict our ability to pay dividends, and any additional debt we may incur in the future may include similar restrictions. As a result, and for the foreseeable future, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves.

Although our board of directors has authorized a share repurchase program, the program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of common stock. The actual timing and amount of any share repurchases remains subject to a variety of factors, including stock price, trading volume, market conditions, compliance with applicable legal requirements, and other general business considerations. In addition, the terms of our credit facility impose certain limitations on our ability to repurchase shares of common stock. The share repurchase program has no expiration date but it may be modified, suspended or terminated at any time, and we cannot guarantee that the share purchase program will be fully consummated or that it will enhance long-term stockholder value. The failure to repurchase common stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively affect our stock price. Furthermore, our execution of the share repurchase program could affect the trading price of our common stock and increase volatility, and any announcement of a termination of the share repurchase program may result in a decrease in the trading price of our common stock. In addition, the share repurchase program could diminish our cash reserves.

General Risk Factors

Future litigation could have a material adverse effect on our business, financial condition, and results of operations.

Lawsuits and other administrative or legal proceedings that may arise in the course of our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. In addition, lawsuits and other legal proceedings may be time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. Although we generally maintain insurance to mitigate certain costs, there can be no assurance that costs associated with lawsuits or other legal proceedings will not exceed the limits of insurance policies. Moreover, we may be unable to continue to maintain our existing insurance at a reasonable cost, if at all, or to secure additional coverage, which may result in costs associated with lawsuits and other legal proceedings being uninsured. Our business, financial condition, and results of operations could be adversely affected if a judgment, penalty or fine is not fully covered by insurance.

Our ability to raise capital in the future may be limited and our failure to raise capital when needed could prevent us from growing.

In the future, we could be required to raise capital through public or private financing or other arrangements. Such financing may not be acceptable or available due to factors beyond our control, such as rising interest rates, uncertainty in financial markets, or economic instability, and our failure to raise capital when needed could harm our business. We may sell Class A common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors in our Class A common stock may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock. Debt financing, if available, may involve restrictive covenants and could reduce our operational flexibility or profitability. If we cannot raise funds on acceptable terms, we may be forced to raise funds on undesirable terms, or our business may contract or we may be unable to grow our business or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition, and results of operations.

We may experience fluctuations in our tax obligations and effective tax rate, which could materially and adversely affect our results of operations.

We are subject to federal, U.S. state income taxes, Canadian federal and provincial income tax, Chinese income taxes, and may be subject to additional income tax depending on our operations. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Such changes may have a material impact on us.

On August 16, 2022, legislation commonly known as the Inflation Reduction Act (the "IRA") was signed into law. Among other things, the IRA includes a 1% excise tax on corporate stock repurchases, applicable to repurchases after December 31, 2022, and also a new minimum tax based on book income. Any change in current federal, state, local or non-U.S. tax law, facts or any significant variance of our current interpretation of current legislation or future legislation from any future regulations or interpretive guidance could result in a change to the presentation of our financial condition and results of operations and could materially and adversely affect our business, financial condition, and results of operations.

We entered into certain transactions (the "Transactions") with affiliates of BC Partners pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), which closed on October 30, 2023. The Transactions were entered into for valid business purposes and it is anticipated that the Transactions will not have a material impact on our financial condition. As a part of the Merger Agreement, we assumed certain filing responsibilities and tax obligations from the Transactions. We have been paid for the cost of the assumed filings and all taxes payable on those filings. We are also indemnified for any future tax exposure up to \$196 million. Any tax exposure in excess of \$196 million would be our responsibility.

There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structures.

If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may be unable to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

We are subject to the internal control and financial reporting requirements that are required of a publicly-traded company, including the requirements of The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Sarbanes-Oxley Act requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluation, document our controls and perform testing of our key controls over financial reporting to allow management and our independent public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our testing, or the subsequent testing by our independent public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. If we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock would likely decline and we could be subject to lawsuits, sanctions or investigations by regulatory authorities, which would require additional financial and management resources.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and any rules promulgated thereunder, as well as the rules of NYSE. The requirements of these rules and regulations increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight are required, and, as a result, management's attention may be diverted from other business concerns. These rules and regulations can also make it more difficult for us to attract and retain qualified independent members of our board of directors and make it more difficult and more expensive for us to obtain director and officer liability insurance. We may be required to accept reduced coverage or incur higher costs to obtain coverage. 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.

Item 5. Other Information

Rule 10b5-1 Plan Elections

During the thirteen weeks ended **October 29, 2023** **April 28, 2024**, none of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement", as such terms are defined under Item 408 of Regulation S-K.

31

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporation by Reference				
		Form	File No.	Exhibit No.	Filing Date	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of October 30, 2023, by and among Chewy, Inc., Chewy Kentucky Holding, LLC, Buddy Chester Sub Parent Holdco, Inc. and, solely for the purposes of certain articles identified therein, Buddy Chester Sub LLC.	8-K	001-38936	2.1	October 30, 2023	
10.1	Amended and Restated Investor Rights Agreement, dated as of October 30, 2023, by and among Chewy, Inc. and certain holders identified therein.	8-K	001-38936	10.1	October 30, 2023	
10.2	*Director Deferred Compensation Plan					X
10.3	*Executive Deferred Compensation Plan					X
31.1	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X

101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X

* Denotes management contract or compensatory plan or arrangement required to be filed as an exhibit hereto

Exhibit No.	Exhibit Description
10.1	*Form of Performance-Based Restricted Stock Unit Agreement
10.2	*Form of Restricted Stock Unit Agreement
31.1	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Denotes management contract or compensatory plan or arrangement required to be filed as an exhibit hereto

32

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

CHEWY, INC.

Date: **December 6, 2023** May 29, 2024

By: /s/ **Stacy Bowman** David Reeder

Stacy Bowman David Reeder

Interim Chief Financial Officer and Chief Accounting Officer

33

55

Exhibit 10.2 EXHIBIT 10.1

AWARD NOTICE

RELATING TO

THE PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

CHEWY, DEFERRED COMPENSATION INC.

2022 OMNIBUS INCENTIVE PLAN

FOR NON-EMPLOYEE DIRECTORS

Effective January 1, 2024

Page 1

Exhibit 10.2

CERTIFICATE

I, Heather Smedstad, Chief Human Resources Officer of Chewy, Inc., hereby certify that The Participant has been granted Performance-Based Restricted Stock Units with the attached document is a true and correct copy of the Chewy Deferred Compensation Plan for Non-Employee Directors, originally effective as of January 1, 2024.

Dated this 28 day of November, 2023

Page 2

Exhibit 10.2

CHEWY DEFERRED COMPENSATION PLAN

FOR NON-EMPLOYEE DIRECTORS

Effective January 1, 2024

Effective January 1, 2024, Chewy, Inc. has created this Chewy Deferred Compensation Plan for Non-Employee Directors for the purpose of enhancing the motivational value of the fees paid to non-employee directors, who contribute materially to the development and future business success of the Company, by providing them the opportunity to defer cash compensation. The Plan is intended to aid the Company in attracting and retaining non-employee directors and provide an incentive for their service.

The Company maintains this Plan pursuant to Election Notices completed by Eligible Directors (as that term is defined in the Plan) in advance of each Plan Year. The Plan is intended to be, and shall be administered as, an unfunded plan maintained for the purpose of providing deferred compensation for the Company's Eligible Directors.

ARTICLE I

DEFINITIONS

The following terms shall have the meanings hereinafter set forth.

"Beneficiary" shall have the meaning set forth in Section 8.5 of the Plan.

"Board of Directors" means the Board of Directors of the Company.

"Change in Control" means:

(a) any one "Person" (as such term is used in Section 13(d) of this Award Notice, and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), including any "group" within the meaning of Section 13(d)(3) under the Exchange Act, or more than one Person acting as a group (as defined under Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than the Company, any employee benefit plan sponsored by the Company or BC Partners LLP or any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified Person, becomes the Beneficial Owner (within the meaning of Rule 13d-3 under the Exchange Act) of stock of the Company that, together with stock held by such Person or group, constitutes more than fifty percent (50%) of the total Voting Power of the stock of the Company;

(b) a majority of members of the Board of Directors is comprised of directors whose appointment or election is (i) not endorsed by a majority of the members of the Board of Directors before the date of each appointment or election or (ii) approved in connection with any actual or threatened contest for election to positions on the Board of Directors;

(c) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Company of all or substantially all of the Company's assets, other than the sale or other disposition by the Company of all or substantially all of the Company's assets to a Person, at least 50% of the total Voting Power of the outstanding Voting Securities of which are Beneficially Owned by

Page 3

Exhibit 10.2

the holders of the Voting Securities of the Company immediately prior to such sale or other disposition; or

(d) a merger, consolidation, reorganization or similar transaction with or into the Company or in which securities of the Company are issued, as a result of which the holders of Voting Securities of the Company immediately before such event own, directly or indirectly, immediately after such event less than 50% of the combined Voting Power of the outstanding Voting Securities of the surviving company or parent corporation resulting from, or issuing its Voting Securities as part of, such event.

Notwithstanding the foregoing, (i) an event described herein shall be considered a "Change in Control" for distribution or payment purposes only if it constitutes a "change in control event" under Section 409A of the Code, to the extent necessary to avoid adverse tax consequences thereunder and (ii) a "Change in Control" shall be deemed not to have occurred as a result of any transaction or series of integrated transactions following which BC Partners LLP or any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, BC Partners LLP possesses, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise, the power to elect a majority of the Board of Directors or the board of directors or similar body governing the affairs of any successor to the Company.

"Claimant" means any Participant or Beneficiary of a deceased Participant who makes a claim under the Plan.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings issued thereunder.

"Committee" means Chewy 401(k) Plan Administrative Committee, which the Company has appointed to serve as the administrator of the Plan.

"Company" means Chewy, Inc., and its successors and assigns.

"Deferrable Compensation" shall mean all retainer fees, including committee and chair fees, if applicable, paid in cash to the Eligible Director in consideration for his/her service as an Eligible Director during a Plan Year.

"Deferral Account" means the recordkeeping account maintained for a Participant that reflects the Elective Deferrals credited to such Participant under the Plan, including deemed investment earnings or losses thereon. This account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant under this Plan.

"Election Notice" means the annual notice delivered by an Eligible Director to the Company in accordance with Article II of the Plan, which shall be in such form and substance satisfactory to and prescribed by the Committee. Each Election Notice shall become irrevocable as of the December 31 immediately preceding the Plan Year to which the Election Notice relates.

"Elective Deferral" means that portion of a Participant's annual Deferrable Compensation paid during a Plan Year which is subject to a deferral election under the Participant's Election Notice for such Plan Year.

"Eligible Director" means a member of the Board of Directors who is not employed by the Company or by any member of the Company's controlled group of corporations.

"Participant" for any Plan Year means any Eligible Director who commences participation in accordance with Article II.

Page 4

Exhibit 10.2

"Plan Entry Date" means January 1 of each Plan Year.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations and rulings issued thereunder.

"Participant" means an Eligible Director who is receiving credits to a Deferral Account under the Plan pursuant to Article III or Eligible Director or former Eligible Director not receiving such credits for whom a Deferral Account has been established under the Plan that remains unpaid in full.

"Participant Deferral" means the amount credited to a Participant's Deferral Account under the Plan pursuant to Section 3.1.

"Plan" means this Chewy Deferred Compensation Plan for Non-Employee Directors, as amended from time to time, including any successor plan.

"Plan Year" means the calendar year.

"Termination of Service." A Participant will be considered to have a Termination of Service upon cessation of membership on the Board for any reason. The determination of whether a Participant has incurred a Termination of Service shall be based on the facts and circumstances and determined in accordance with Section 409A of the Code.

"Unforeseeable Emergency" means a severe financial hardship to a Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), 152(b)(2), and 152(d)(1)(B) thereof); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in accordance with Section 409A(a)(2)(B)(ii) of the Code and Treasury Regulation Section 1.409A-3(i)(3).

"Voting Power" means the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of Voting Securities upon any matter submitted to shareholders where the holders of all Voting Securities vote together as a single class) by the holders of Voting Securities.

"Voting Securities" means any securities or other ownership interests of an entity entitled, or which may be entitled, to vote on the election of the Board of Directors, or securities or other ownership interests which are convertible into, or exercisable in exchange for, such Voting Securities, whether or not subject to the passage of time or any contingency.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.1. Eligibility. Participation in the Plan shall be limited to Eligible Directors.

2.2. Enrollment Requirement. The Committee shall establish from time to time such enrollment requirements as it determines in its sole discretion are necessary, subject to the following:

Page 5

(a) An Eligible Director may elect to participate in the Plan by filing an Election Notice with the Committee by a date set by the Committee, which date can be any date prior to the start of the Plan Year with respect to which it is made.

(b) Each Election Notice will indicate the amount elected by the Eligible Director to be deferred under the Plan as a percentage of Eligible Compensation in whole percentages not to exceed one hundred percent (100%).

(c) An Election Notice filed by a Participant shall be effective only with respect to the Plan Year to which it relates. An Eligible Director shall be required to file a new Election Notice with the Committee in accordance with this Section of the Plan for each subsequent Plan Year during which the Eligible Director wishes to participate.

2.3. Commencement of Participation. Provided an Eligible Director has met all enrollment requirements as set forth by the Committee, the Eligible Director may commence participation in the Plan on the Plan Entry Date that immediately follows the Eligible Director's election to participate in the Plan.

ARTICLE III

CONTRIBUTIONS

3.1. Participant Deferrals. Each Participant's Deferrable Compensation for a Plan Year shall be reduced on a pre-tax basis by the amount of Participant Deferrals credited to such Participant under the Plan for the Plan Year. The amount of Elective Deferrals that shall be credited to a Participant's Deferral Account for any Plan Year shall be equal to the Deferrable Compensation amounts elected by such Participant pursuant to Section 2.2 of the Plan. Each Elective Deferral is intended to be an elective compensatory reduction amount which shall be deducted from a Participant's Deferrable Compensation otherwise payable for a Plan Year.

3.2. Vesting. A Participant shall be fully vested at all times in all Elective Deferrals credited to the Participant's Deferral Account under the Plan.

ARTICLE IV

VALUATION AND INVESTMENT OF CONTRIBUTIONS

4.1. Crediting of Contributions. Elective Deferrals shall be credited to a Participant's Deferral Account as soon as is reasonably practicable after the payment of Deferrable Compensation to which the Elective Deferral relates. Deferrable Compensation is paid quarterly, in arrears. Consequently, and for the avoidance of doubt, Deferrable Compensation payable with respect to the quarter ending December 31 of a given Plan Year will be subject to deferral based on the Participant's Election Notice in effect for that Plan Year, even if the Deferrable Compensation itself is actually paid after the end of that Plan Year.

4.2. Investment of Participant Deferral Accounts. In accordance with procedures established by the Committee, each Participant shall elect, as part of the initial election process, and each Participant may elect at any time, one or more investment funds that shall be designated by the Committee and that shall be used to measure income, gains, and losses. Participants shall earn a deemed rate of return, credited daily, on their Deferral Accounts under the Plan equal to the rate of return as so determined by the investment fund(s) so elected. The Committee reserves the right to

change such means of crediting a deemed rate of return and such administrative rules and procedures at any time. The Committee may, on a uniform and non-discriminatory basis from time to time, set or change the advance notice requirement for making investment directions, may limit the number of investment direction changes made in a Plan Year, may limit investment directions, if any, which can be made by telephone, electronically or through the internet, may impose blackout periods for changes, may temporarily or permanently suspend the offering of an investment fund, and generally may change any of the investment direction procedures or options from time to time and at any time.

4.3. Valuation. A Participant's Deferral Account under the Plan shall be valued daily.

4.4. Expenses Charged to Deferral Accounts. Notwithstanding any other provision of the Plan to the contrary, expenses incurred in the administration of the Plan and any rabbi trust may be charged to Deferral Accounts on either a pro rata basis or a per capita basis, and/or may be charged to the Deferral Account of the affected Participant(s) and Beneficiary(ies) (which term is intended to include any alternate payee(s)) on a usage basis (rather than to all Deferral Accounts), as directed by the Committee. Without limiting the foregoing, some or all of the reasonable expenses attendant to the determinations needed with respect to and making of withdrawals, the calculation of benefits payable under different Plan distribution options and the distribution of Plan benefits may be charged directly to the Deferral Account of the affected Participant and Beneficiary, and different rules (i.e., pro rata, per capita, or direct charge to Deferral Accounts) may apply to different groupings of Participants and Beneficiaries.

ARTICLE V

PAYMENT EVENTS AND DISTRIBUTIONS

5.1. Payment Events. A Participant's Deferral Account shall become distributable in accordance with Section 5.2 of the Plan (a) upon the earliest to occur of any of the following events while serving as an Eligible Director: (i) the Participant's death, (ii) the Participant's Termination of Service as a member of the Board of Directors, and (iii) a Change in Control, or (b) if elected by the Participant as a scheduled payment as described in Section 5.3 of the Plan.

5.2. General Rules for Distribution. A Participant's Deferral Account shall be paid to such Participant in a single lump-sum distribution or in consecutive annual installments over a period of between two (2) and ten (10) years (inclusive), as elected by the Participant in the Participant's Election Notice as in effect for a given Plan Year, commencing as soon as administratively practicable following the applicable payment event. In the event that a Participant does not designate a form of payment on an Election Notice, such Participant shall be deemed to have elected that the Deferral Account be paid in a single lump-sum distribution.

5.3. Time and Form of Payment. A Participant may elect on an Election Notice to have all or a portion of the Participant's Deferral Account attributable to a given Plan Year's Elective Deferrals distributed as scheduled payments in accordance with this section. The Participant's Election Notice for a specific Plan Year may include the following designations governing the time and form of payment of the portion of the Participant's Account attributable to that Plan Year:

Page 7

Exhibit 10.2

(a) **Timing of Payment.** The Participant may elect whether to commence payment either (1) during a specified calendar year ("Specified Year Election") or (2) upon the Participant's Separation from Service. In the absence of a specific payment timing election, the payment will commence upon the Participant's Separation from Service. With respect to any Specified Year Election, the calendar year of commencement shall be no earlier than two (2) years from the Plan Year to which the Election Notice applies and no later than the calendar year in which the Participant will attain age sixty-five (65).

(b) **Form of Payment.** The Participant may elect whether to receive payment as a single lump sum or in a series of annual installments over a period of between two (2) and ten (10) calendar years. In the absence of a specified form of payment election in the Election Notice, payment will be paid in a single lump sum.

For the avoidance of doubt, if a Participant who made a Specified Year Election has a Separation from Service, the Separation from Service shall not affect the Participant's payments subject to the Specified Year Election, which shall commence at the time, and in the form, elected by the Participant in the applicable Specified Year Election.

5.4. Death. Notwithstanding any other provision of this Plan, including any scheduled payment election under Section 5.3, the Participant's death shall cause payment of the Participant's Deferral Account to be accelerated and paid in lump sum. The deceased Participant's Deferral Account

shall, to the extent remaining unpaid, be paid to such Participant's Beneficiary as designated in a lump sum within sixty (60) days following the Participant's death; and provided further, that the actual payment date shall in no event be subject to the discretion of the Beneficiary.

5.5. Payment Amount.

- (a) The amount of a lump-sum payment to or with respect to a Participant shall be determined by reference to the Deferral Account as of the last valuation date immediately preceding the date of payment.
- (b) The amount of each periodic installment payment shall be the lesser of:
 - (i) The quotient obtained by dividing (A) the amount of such Participant's Deferral Account held in the applicable subdivision, determined as though a lump-sum payment were being made as of the last valuation date of the calendar quarter preceding the date of payment of such installment, by (B) the number of installment payments then remaining to be made; or
 - (ii) The amount of such Deferral Account at such time.

5.6. Tax Withholdings. The Company or trustee, as the case may be, may deduct from payments under the Plan such reasonable amount as it shall deem necessary, based upon information provided by the Committee upon which the payor may rely, to pay any federal, state, or local income, employment, or other taxes attributable to the payment or required to be withheld from the payment.

5.7. Subtractions from Deferral Account. All distributions (including any tax withholdings) and withdrawals shall be subtracted from a Participant's Deferral Account and the applicable subdivision thereof when made.

Page 8

Exhibit 10.2

5.8. Resumption of Service. In the event that a Participant who has begun to receive periodic installment payments because of a Separation from Service again becomes an Eligible Director of the Company (or of a member of the Company's controlled group) or becomes an employee of the Company [(or of a member of the Company's controlled group)], the periodic installments shall continue regardless of whether the Participant is performing services for the Company (whether as a Director or as an employee).

5.9. New Designation. A Participant who has made an election in accordance with Section 5.3 of the Plan may file with the Committee an election to defer the time of a scheduled payment. The new designation may only defer the time of a scheduled payment and may not change payment frequency. Notwithstanding the foregoing, any election to defer a scheduled payment under this section shall be disregarded as if it had never been filed unless the election (a) was filed with the Committee at least twelve (12) months prior to the date on which the scheduled payment is to occur and (b) provides for a deferral for a period which is not less than five (5) years from the date such scheduled payment would otherwise have been paid. A new election shall be made in writing upon forms furnished by the Committee and shall conform to such other procedural and substantive rules as the Committee shall establish.

5.10. Unforeseeable Emergency. A Participant may apply for and receive a distribution from the Participant's Deferral Account if the Committee determines that such distribution is on account of an Unforeseeable Emergency and the amount of the requested distribution does not exceed the amount reasonably necessary to satisfy the Participant's proven Unforeseeable Emergency (including amounts necessary to pay any applicable income taxes or penalties reasonably anticipated to result from the distribution). Whether a Participant has incurred an Unforeseeable Emergency permitting a distribution under this section will be determined by the Committee based on the relevant facts and circumstances, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Elective Deferrals under this Plan. To receive such a distribution, the Participant must file a written request with the Committee and furnish such supporting documentation as the Committee, in its discretion, may require. In the request, the Participant shall specify the basis for the distribution and the dollar amount to be distributed. If such a distribution is approved by the Committee, payment shall be made as soon as practicable following such approval in a single lump-sum distribution. If a Participant receives payment on account of an Unforeseeable Emergency, the Participant may make no more Elective Deferrals for the remainder of the Plan Year.

5.11. Distribution of Benefit When Payee Cannot Be Located. If any payment made under the Plan is returned unclaimed, the payor shall notify the Committee and shall dispose of the payment as the Committee shall direct. The Committee shall make all reasonable attempts to determine the whereabouts of a Participant or Beneficiary entitled to benefits under the Plan, including the mailing by certified mail of a notice to the last known address shown on the Company's or the Committee's records. If the Committee is unable to locate such a Participant or Beneficiary entitled to

benefits hereunder, the Company will issue a payment in the appropriate amount and in the name of the Participant or Beneficiary, and the Company will retain such benefit payment on behalf of the Participant or Beneficiary, without any

Page 9

Exhibit 10.2

adjustment for interest or deemed earnings, subject to any applicable statute of escheats not preempted by ERISA.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.1. Administration of the Plan. The Company has appointed the Committee to act as the Plan's administrator. The Committee shall maintain such procedures and records as will enable it to determine the Participants and their Beneficiaries who are entitled to receive a benefit under the Plan and the amounts thereof.

6.2. General Powers of Administration. The Committee shall have primary responsibility and authority for the administration of the Plan and to consider and decide conclusively in its sole discretion any questions (whether of fact or otherwise) arising in connection with the administration of the Plan or any claim for benefits arising under the Plan, including the exclusive right, power and authority to interpret, in its sole discretion, any and all of the provisions of the Plan, to authorize distributions under the Plan, to establish and enforce such rules and regulations as it shall deem proper for the administration of the Plan, and to determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan. In exercising such powers and authorities, the Committee (or its delegate) shall at all times exercise good faith, apply standards of uniform application and refrain from arbitrary action.

6.3. Delegation of Authority. Except to the extent prohibited by applicable laws, the Committee may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time. The acts of such delegates shall be treated as acts of the Committee, and such delegates shall report regularly to the Plan Administrator regarding the delegated duties and responsibilities.

6.4. Binding Effect of Plan Administrator Decisions. The finding, decision, determination or action of the Committee (or its delegate) with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon any and all persons having any interest in the Plan, subject only to the Plan's claims rules as set forth below in Section 6.5. No findings, decisions or determinations of any kind made by the Committee shall be disturbed unless the Committee has acted in an arbitrary and capricious manner.

6.5. Claims Procedure. All inquiries and claims respecting the Plan shall be in writing directed to the Committee at such address as may be specified from time to time.

(a) In the case of a claim respecting benefits paid or payable to a Participant, former Participant or Beneficiary, a written determination allowing or denying the claim shall be furnished to the Claimant within ninety (90) days of the date on which the claim is filed. If special circumstances require a longer period, the Claimant will be notified in writing, prior to the expiration of the ninety (90)-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond ninety (90) days after expiration of the initial ninety (90)-day period. A denial or partial denial of a claim shall be dated and set forth the following information:

Page 10

Exhibit 10.2

(i) the specific reason or reasons for the denial;

- (ii) reference to the specific Plan provisions on which the denial is based;
- (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (iv) a description of the Plan's appeal procedure and the time limits applicable to such procedure, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following a benefit claim denial on appeal.

(b) If a claim is denied and the Claimant wishes to submit an appeal of the denied claim, the Claimant (or the Claimant's authorized representative) must follow the procedures described below:

- (i) Upon receipt of the denied claim, the Claimant (or the Claimant's authorized representative) may file an appeal in writing with the Committee. This appeal must be filed no later than sixty (60) days after the Claimant has received written notification of the denied claim.
- (ii) The Claimant has the right to submit in writing to the Committee any comments, documents, records, or other information relating to the claim for benefits.
- (iii) A Claimant (or the Claimant's duly authorized representative) has the right to be provided with, upon request and free of charge, reasonable access to and copies of all documents, records, and other information that are relevant to the denied claim.
- (iv) The Committee will take into account all comments, documents, records, and other information that the Claimant submitted relating to the claim, without regard to whether such information was submitted or considered in the initial denial of the claim.

(c) The Committee will provide the Claimant with written notice of its decision within sixty (60) days after the Committee's receipt of the written appeal. There may be special circumstances which require an extension of this sixty (60)-day period. In any such case, the Committee will notify the Claimant in writing within the sixty (60)-day period and the final decision will be made no later than one hundred twenty (120) days after the Committee's receipt of the Claimant's appeal. The Committee's decision on the appeal will be communicated to the Claimant in writing and will state:

- (i) the specific reason or reasons for the denial of the appeal;
- (ii) reference to the specific Plan provisions on which the denial of the appeal is based;
- (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, the Plan

Page 11

Exhibit 10.2

and all documents, records, and other information relevant to the claim for benefits; and

- (iv) a statement describing the Claimant's right to bring an action under Section 502(a) of ERISA no later than one hundred twenty (120) days after the final adverse determination on appeal.

(b) The Committee's decision upon appeal, or the Committee's initial decision if no appeal is taken, shall be final, conclusive, and binding on all parties, subject to review or correction pursuant to a civil action under Section 502(a) of ERISA only to the extent that such decision is shown by clear and convincing evidence to be arbitrary and capricious.

(e) Completion of the claims procedures described in this Section 6.4 is a condition precedent to the commencement of any legal or equitable action in connection with a claim for benefits under the Plan by any current or former Participant or any other person or entity claiming rights in connection with the Plan. After exhaustion of the Plan's claims procedures, any further legal action taken against the Plan for benefits under the Plan shall be filed in a court of law no later than one hundred twenty (120) days after the final adverse determination on appeal. No action at law or in equity shall be brought to recover benefits under this Plan until the appeal rights provided in this Section 6.4 have been exercised and the Plan benefits requested in such appeal have been denied in whole or in part.

6.5. **Indemnification.** No member of the Committee or any designee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan except for any liability arising from their own willful malfeasance, gross negligence, or

reckless disregard of their duties.

ARTICLE VII

AMENDMENT AND TERMINATION

7.1. Amendment and Termination.

(a) The Board of Directors reserves the right to alter, amend, modify, or suspend the Plan in any respect and at any time and may do so pursuant to a written resolution of the Board of Directors; provided however, that no alteration, amendment, modification, or suspension of the Plan shall directly or indirectly reduce the amount credited to any Participant's Deferral Account under the Plan as of the effective date of such action, unless the Participant or Beneficiary so affected consents in writing to the amendment or modification.

(b) Notwithstanding the foregoing to the contrary, the Board of Directors may amend the Plan retroactively to the extent the Board of Directors is of the opinion that such an amendment is required (i) to avoid the imposition of additional tax liabilities on a Participant under Section 409A of the Code or (ii) to avoid the application of Section 409A of the Code to benefits hereunder; or (iii) to conform the Plan to the provisions and requirements of any applicable law, provided that no such amendment may reduce any Participant's Deferral Account. No such amendment shall be considered prejudicial to any interest of a Participant or Beneficiary hereunder.

Page 12

Exhibit 10.2

(c) The Committee may adopt minor amendments to the Plan without prior approval by the Board of Directors that (i) are necessary or advisable for purposes of compliance with applicable laws and regulations, (ii) relate to administrative practices, or (iii) have an insubstantial financial effect on Plan benefits and expenses.

(d) The Board of Directors reserves the right to terminate the Plan at any time, provided such termination is consistent with the applicable requirements of Section 409A of the Code.

7.2. **Effect of Plan Termination.** Upon termination of the Plan, distribution of each Participant's Deferral Account under the Plan shall not be accelerated except as permitted under Section 409A of the Code. No additional contributions shall be credited under the Plan, but deemed investment earnings and losses shall continue to be credited hereunder until the full amount has been distributed to the Participant (or the Participant's Beneficiary).

ARTICLE VIII

GENERAL PROVISIONS

8.1. **Participant's Rights Unsecured and Unfunded.** The Plan at all times shall be entirely unfunded. No assets of the Company shall be segregated or earmarked to represent the liability for accrued benefits under the Plan, provided, that the Company may, in its discretion, set aside assets, in a trust or otherwise, to satisfy its obligations under the Plan. Notwithstanding anything herein to the contrary, the right of a Participant (or the Participant's Beneficiary) to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company. All payments under the Plan shall be made from the Company's general funds.

8.2. **No Guarantee of Benefits.** Nothing contained in the Plan shall constitute a guaranty by the Company or any other person or entity that the assets of the Company will be sufficient to pay any benefit hereunder.

8.3. **No Enlargement of Director Rights.** Participation in the Plan shall not be construed to give any Participant the right to be retained in the service as an Eligible Director or interfere in any way with the right of the Board of Directors, or the Company (or the Company's shareholders) to terminate the Participant's service as a Director at any time with or without notice and with or without cause, subject to the terms and conditions of the Company's Articles of Incorporation Plan and Bylaws, the Performance-Based Restricted Stock Unit Agreement to which this Award Notice is attached. Capitalized terms used and not defined in this Award Notice shall have the meanings set forth in the Performance-Based Restricted Stock Unit Agreement and the Plan, as applicable.

Participant:

8.4. **Date of Grant****Non-Alienation Provision:**

Target PRSUs Granted: No interest of: PRSUs (the "Award")

Vesting Commencement Date:

Vesting Schedule:

The Award is subject to both Performance Conditions and the Service Condition (each, as defined below) and in order for any person or entity in, or right to receive a benefit or distribution under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction portion of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance Award to vest both the Performance Conditions and claims in bankruptcy proceedings; provided, that the foregoing restrictions on alienation shall not apply to the extent required to comply with the terms of a "domestic relations order" (as defined in Section 414(p)(1)(B) of the Code). Service Condition must be met.

Page 13

Exhibit 10.2

8.5. **1. Beneficiary Designation Performance Vesting.**

(a) **Each** The Participant will be eligible to receive between [•] percent ([•]%) and [•] ([•]%) of the Target PRSUs depending on the extent to which the performance-based vesting conditions described in Appendix A (the "Performance Conditions") are satisfied during the Performance Period. PRSUs that do not vest in accordance with the Performance Conditions as of the Certification Date (as defined in Appendix A) shall be **entitled** immediately forfeited for no consideration as of the Certification Date.

2. **Service Vesting**

(a) The Award will be subject to **designate** a **Beneficiary** to receive any unpaid **Deferral Amount** hereunder by filing a designation in writing service-based vesting condition (the "Service Condition") which will be satisfied based on the Participant's continued Service with the Committee Company.

(b) The Service Condition will be satisfied with respect to 100% of the Award on the form provided [•] of the Vesting Commencement Date, subject to the Participant's continued Service with the Company through the vesting date. In all cases, if the number of PRSUs specified above does not result in a whole number, then no fractional PRSUs shall vest.

(c) Upon the Participant's termination of Service, any portion of the Award for such purpose. Any Beneficiary designation which the Service Condition has not been satisfied shall be forfeited.

3. **Change in Control Treatment.** Upon a Change in Control, subject to the Participant's continued Service through the Change in Control, (i) if the Change of Control occurs prior to the Certification Date, then the Performance Condition will be deemed satisfied at 100% and the Service Condition will be deemed satisfied with respect to 100% of the Award or (ii) if the Change of Control occurs on or following the Certification Date, then the Performance Condition will be determined based on the actual results as determined on the Certification Date and the Service Condition will be deemed satisfied with respect to 100% of the Award.

2

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

CHEWY, INC. 2022 OMNIBUS INCENTIVE PLAN

This Performance-Based Restricted Stock Unit Agreement, effective only if signed as of the Date of Grant (as defined below), is between Chewy, Inc., a Delaware corporation ("Chewy"), and dated the Participant (as defined below).

WHEREAS, Chewy has adopted the Chewy, Inc. 2022 Omnibus Incentive Plan (as it may be amended, the "Plan") in order to provide equity-based incentive awards to eligible service providers to encourage them to maintain stockholder value, act consistent with the interest of Chewy's stockholders, deliver outcomes and/or continue in the Service of the Company; and

WHEREAS, the Board of Directors has determined to grant PRSUs (as defined below) to the Participant (as defined below) as provided herein and the Company and the Participant (as defined below) hereby wish to memorialize the terms and conditions applicable to such PRSUs; and

WHEREAS, Participant's participation in the terms of the Plan and this Agreement through acceptance of PRSUs is entirely voluntary, and is not a term and/or condition of employment, and is not compensation for services rendered, but is instead an award granted on a discretionary basis to align Participant's interests with those of Chewy's stockholders and is an award that Participant is free to decline at Participant's discretion.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan. The following terms shall have the following meanings for purposes of this Agreement:

(a) **"Agreement"** shall mean this Performance-Based Restricted Stock Unit Agreement including (unless the context otherwise requires) the Award Notice.

(b) **"Award Notice"** shall mean the notice to the Participant.

(c) **"Cause"** shall have the meaning ascribed to such term in any employment agreement entered into by the Participant and Company and if not so defined, or no such agreement exists, "Cause" shall mean (i) a refusal or failure to follow the lawful and reasonable directions of the Board or individual to whom the Participant reports, which refusal or failure is not cured within thirty (30) days following delivery of written notice of such conduct to the Participant; (ii) conviction of the Participant of any felony involving fraud or act of dishonesty against the Company or any of its affiliates; (iii) conduct by the Participant which, based upon good faith and reasonable factual investigation and determination of the Company, demonstrates gross unfitness to serve; (iv) intentional, material violation by the Participant of any contractual, statutory, or fiduciary duty owed by the Participant to the Company or any of its affiliates; or (v)

willful misconduct causing material economic harm or public disgrace to the Company of any of its subsidiaries or affiliates.

(d) **"Company"** shall mean Chewy and all of its Subsidiaries, collectively.

(e) **"Date of Grant"** shall mean the "Date of Grant" listed in the Award Notice.

(f) **"Detrimental Activities Violation"** shall mean the Participant's breach of a covenant contained in Appendix B to this Agreement or any contractual covenant with the Company regarding confidentiality, competitive activity, solicitation of the Company's vendors, suppliers, customers, or employees, disparagement, or any similar provision applicable to or agreed to by the Participant.

(g) **"Participant"** shall mean the "Participant" listed in the Award Notice.

(h) **"PRSUs"** shall mean that number of Performance-Based Restricted Stock Units listed in the Award Notice as "Target PRSUs Granted."

(i) **"Subsidiary"** shall mean any subsidiary within the meaning of Rule 405 of the Securities Act of 1933, as amended.

2. Grant of Units. The Company hereby grants the PRSUs to the Participant, each of which represents the right to receive one Share upon vesting of such PRSU, subject to and in accordance with the terms, conditions and restrictions set forth in the Plan, the Award Notice, and this Agreement.

3. **PRSU Account.** The Company shall cause an account (the "Unit Account") to be established and maintained on the books of the Company to record the number of PRSUs credited to the Participant under the terms of this Agreement. The Participant's interest in the Unit Account shall be that of a general, unsecured creditor of the Company. Each PRSU shall accrue dividend equivalents ("Dividend Equivalents") with respect to dividends that would otherwise be paid on the Share underlying such PRSU during the period from the Date of Grant to the date such Share is delivered in accordance with Section 4. Dividend Equivalents shall be subject to the same vesting conditions applicable to the PRSU on which such Dividend Equivalents are accrued and shall be paid in cash to the Participant upon delivery of the underlying Share in respect of which the Dividend Equivalents were accrued.

4. **Vesting; Settlement.**

(a) The PRSUs shall become vested after the Performance Conditions and the Service Condition are met, in accordance with the schedule set forth on the Award Notice. The Company shall deliver to the Participant one Share for each PRSU (as adjusted under the Plan) as soon as practicable and no later than twenty (20) business days following the applicable vesting date, subject to Section 5(b) below, and such vested PRSU shall be cancelled upon such delivery.

2

(b) Unless otherwise determined by the Committee, upon settlement pursuant to Section 4(a), the Company shall issue the number of Shares underlying such vested PRSUs to the Participant, free and clear of all restrictions, less a number of Shares equal to or greater in value than the minimum amount necessary to satisfy federal, state, local or foreign withholding tax requirements, if any (but which may in no event be greater than the maximum statutory withholding amounts in the Participant's jurisdiction) required to be withheld by the Company (the "Withholding Taxes") in accordance with Section 13 of the Plan (except to the extent the Participant shall have a written agreement with the Company or any of its Affiliates under which the Company or an Affiliate of the Company is responsible for payment of taxes with respect to the issuance of the Shares, or in the event the Company is not required to withhold any payments in respect of taxes, in which case the full number of Shares shall be issued). To the extent any Withholding Taxes may become due prior to the settlement of any PRSUs, the Committee may accelerate the vesting of a number of PRSUs equal in value to the Withholding Taxes, the Shares delivered in settlement of such PRSUs shall be delivered to the **Committee** Company, and the number of PRSUs so accelerated shall reduce the number of PRSUs which would otherwise become vested on the next applicable vesting date. The number of PRSUs or Shares equal to the Withholding Taxes shall be determined using the closing price per Share on the NYSE (or other principal exchange on which the Shares then trade) on the trading day immediately prior to the **time** date of delivery of the Shares to the Participant or the Company, as applicable, and shall be rounded up to the nearest whole PRSU or Share.

(c) The Company shall pay any costs incurred in connection with issuing the Shares. Upon the issuance of the Shares to the Participant, the Participant's Unit Account shall be eliminated. Notwithstanding anything in this Agreement to the contrary, the Company shall have no obligation to issue or transfer the Shares as contemplated by this Agreement unless and until such issuance or transfer shall comply with all relevant provisions of law and the requirements of any stock exchange on which the Company's shares are listed for trading.

5. **Termination of Service.**

(a) In the event that the Participant's Service with the Company terminates for any reason, any unvested PRSUs shall be forfeited and all of the Participant's **death**. Any **Beneficiary designation** rights hereunder with respect to such unvested PRSUs (and any Dividend Equivalents accrued thereon) shall **remain effective until changed or revoked hereunder**, cease as of the Termination Date (unless otherwise provided for by the Committee in accordance with the Plan).

(b) Any **Beneficiary** The Participant's rights with respect to the PRSUs shall not be affected by any change in the nature of the Participant's Service so long as the Participant continues to be an employee or service provider, as applicable, of the Company. Whether (and the circumstances under which) the Participant's Service has terminated and the determination of the Termination Date for the purposes of this Agreement shall be determined by the Committee (or, with respect to any Participant who is not a director or "officer" as defined under Rule 16a-1(f) of the Exchange Act, its designee, whose good faith determination shall be final, binding and conclusive; provided, that such designee

3

may not make any such determination with respect to the designee's own Service for purposes of the PRSUs).

6. Restrictions on Transfer. The Participant may not assign, alienate, pledge, attach, sell or otherwise transfer or encumber the PRSUs or the Participant's right under the PRSUs to receive Shares, except other than by will or by the laws of descent and distribution and any such attempted or purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any of its Affiliates; provided, that the designation may include multiple, contingent, of a beneficiary (if permitted by the Committee) shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or successive Beneficiaries and may specify encumbrance.

7. Repayment of Proceeds; Clawback Policy.

(a) If the proportionate distribution Participant's Service is terminated by the Company for Cause or the Participant resigns while grounds for Cause exist, a Detrimental Activities Violation occurs, or the Company discovers that after a termination of Service that grounds for a termination with Cause existed at the time thereof, then the Participant shall be required, in addition to each Beneficiary. If multiple Beneficiaries are designated, absent any other provision by remedy available (on a non-exclusive basis), to pay to the Company, within ten (10) business days of the Company's request to the Participant those named therefor, the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the survivor PRSUs or Shares issued in settlement of them the PRSUs. With respect to the scenario where the Company discovers that after a termination of Service that grounds for a termination with Cause existed at the time thereof, then any reference in this Agreement to grounds existing for a termination with Cause shall share equally in be determined without regard to any amounts payable hereunder. cure period or other procedural delay or event required prior to a finding of, or termination with, Cause.

(c) (b) A Beneficiary designation The PRSUs and all proceeds of the PRSUs shall be subject to any right or obligation that the Company may be changed by have (i) under any Company clawback policy, including, without limitation, the Chewy Clawback Policy or other agreement or arrangement with the Participant, at and (ii) under Section 10D of the Exchange Act and any time, or applicable rules and regulations promulgated thereunder from time to time by filing a new designation in writing with the Committee. Securities and Exchange Commission, the listing standards of the NYSE, or any other applicable law.

(d) (c) If a Participant dies without having designated a Beneficiary, or if By acceptance of the Beneficiary so designated has predeceased grant of PRSUs pursuant to this Agreement, the Participant acknowledges and agrees that the Company may cause the cancellation or cannot be located by forfeiture of PRSUs or Shares issuable upon settlement of any PRSU on the Committee, then books and records of the Company or any transfer agent to enforce the provisions of this Section 7.

8. No Right to Continued Service. Neither the Plan nor this Agreement nor the Participant's surviving spouse or, if none, the executor, or the administrator receipt of the PRSUs hereunder shall impose any obligation on the Company to continue the Service of the Participant. Further, the Company may at any time terminate the Service of the Participant, free from any liability or claim under the Plan or this Agreement, except as otherwise expressly provided herein.

9. No Rights as a Stockholder. The Participant's estate interest in the PRSUs shall not entitle the Participant to any rights as a Chewy stockholder. The Participant shall not be deemed to be the Beneficiary, holder of, or have any of the rights and privileges of a Chewy stockholder in respect of, the Shares unless and until such Shares have been issued to the Participant.

(e) 10. If a Beneficiary shall survive the Participant but die before the Participant's remaining benefit under the Plan has been distributed, then, absent any other provision by the Participant, the unpaid balance thereof shall be distributed to such other beneficiary named by the deceased Beneficiary to receive the deceased Beneficiary's interest or, if none, to the estate of the deceased Beneficiary.

8.6. **Applicable Law Adjustments Upon Change in Capitalization.** The Plan shall be construed and administered under terms of this Agreement, including the internal laws of PRSUs, the State of Florida (without reference to conflict of law principles), except to Participant's Unit Account, and/or the extent that such laws are preempted by applicable Federal law.

8.7. **Taxes.** To the extent required by law, amounts credited under the Plan Shares, shall be subject to federal adjustment in accordance with Section 8 of the Plan. This paragraph shall also apply with respect to any extraordinary dividend or other extraordinary distribution in respect of Chewy's common stock (whether in the form of cash or other property).

11. **Award Subject to Plan.** By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The PRSUs granted hereunder are subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

12. **Severability.** Except where otherwise expressly indicated, Participant's obligations under this Agreement are severable and/or subject to reformation or partial enforcement. If a court of competent jurisdiction determines that at the time this Agreement is presented for enforcement any provisions are overly broad or unenforceable, the parties agree that the court shall engage in partial enforcement and/or reform the Agreement to make it enforceable to the maximum extent possible for the protection of the Company's interests and prevention of irreparable harm which is the express intent of the parties. If despite the forgoing, a provision of this Agreement is held by a court or arbitrator of competent jurisdiction (an "Adjudicator") to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

13. **Venue; Personal Jurisdiction; Language.** Subject to any arbitration agreement between Participant and the Company, any suit, action or proceeding with respect to this Agreement (or any provision incorporated by reference) or a judgment entered by an Adjudicator, that can be pursued or enforced in a court of law, shall be brought in the U.S. District Court for the District of Delaware or in another court of competent subject matter jurisdiction located in the State of Delaware. The Participant, the Company, and any transferees who hold PRSUs pursuant to a valid assignment, all hereby submit to the exclusive jurisdiction of the courts of proper subject matter jurisdiction located in Delaware (the "Chosen Venue"), consent to the exercise of personal jurisdiction over them by such courts, and waive (a) any objections which they may now or hereafter have to the laying of the venue of any suit, action, or proceeding arising out of or relating to this Agreement that can be pursued in a court of law in the Chosen Venue; (b) any claim that any such suit, action, or proceeding brought in the Chosen Venue has been brought in any inconvenient forum; and (c) any right to a jury trial in the Chosen Venue (unless such jury waiver would violate controlling law or otherwise make the remainder of the forgoing provisions regarding Chosen Venue unenforceable). Nothing herein shall be construed to waive the arbitration obligations Participant or Company may have as a result of any arbitration agreement between them. If the Participant has received a copy of this Agreement

(or the Plan or any other document related hereto or thereto) translated into a language other than English, such translated copy is qualified in its entirety by reference to the English version thereof, and in the event of any conflict the English version will govern.

14. **Successors in Interest.** Any successor to the Company shall have the benefits of the Company under, and be entitled to enforce, this Agreement. Likewise, the Participant's legal representative shall have the benefits of the Participant under, and be entitled to enforce, this Agreement. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Participant's heirs, executors, administrators and successors.

15. **Data Privacy Consent.**

(a) **General.** The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other PRSU grant materials by and among, as applicable, the Participant's service-recipient or contracting party (the "Service Recipient") and the Company for the exclusive purpose of implementing,

administering and managing the Participant's participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, work location and phone number, date of birth, social security **Medicare** number or other identification number, salary, nationality, job title, hire date, any shares of stock or directorships held in the Company, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and **unemployment taxes** as required by Section 3121(v)(2) managing the Plan ("**Personal Data**").

(b) **Use of Personal Data; Retention.** The Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the **Code Plan**, now or in the future, that these recipients may be located in the Participant's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential recipients of the Personal Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative.

(c) **Withdrawal of Consent.** The Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not

consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's Service and career with the Service Recipient will not be adversely affected; the only consequence of the Participant's refusing or withdrawing the Participant's consent is that the Company would not be able to grant PRSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.

16. **Detrimental Activities.** The Participant acknowledges and recognizes that an important purpose of this Agreement is to align the interests of Participant with those of Chewy's stockholders and to ensure that the Participant does not engage in activity detrimental to the interests of Chewy's stockholders if Participant is going to be allowed the opportunity to participate in the financial rewards that result from the PRSU and their relationship to the value of equity participation in Chewy. In addition, Participant acknowledges that an ancillary purpose consistent with protecting the interests of the stockholders arises with respect to Participant because Participant will be allowed access to confidential and proprietary information (including, but not limited to, trade secrets), as well as access to the prospective and actual customers, suppliers, investors, clients and partners of the Company, and the goodwill associated with the Company. Participant accordingly agrees to comply with the provisions of Appendix B to this Agreement (the "**Commitment to Avoid Detrimental Activities**") as a condition of receipt and retention of the PRSUs provided for in this Agreement and their beneficial value. For the avoidance of doubt, the covenants made by Participant in this Agreement supplement and are in addition to, and not in lieu of, any other restrictive covenants or similar covenants or agreements between the Participant and the Company, nor will they be construed to replace, reduce or otherwise detrimentally impact the applicability or enforceability of any other such restrictive covenants Participant may agree to with the Company. Participant acknowledges and agrees not to contest or dispute the Company's position that the prohibition of detrimental activities provided for in Appendix B is inextricably connected to and part of the Company's governance of its internal affairs and relates directly to the interests of Chewy's stockholders.

17. **Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation.** By accepting this Agreement and the grant of the PRSUs contemplated hereunder, the Participant expressly acknowledges that (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be suspended or terminated by the Company at any time, to the extent permitted by the Plan; (b) the grant of PRSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs, or benefits in lieu of

PRSUs, even if PRSUs have been granted in the past; (c) all determinations with respect to future grants of PRSUs, if any, including the date of grant, the number of Shares granted and the applicable law, vesting terms, will be at the sole discretion of the Company; (d) the Participant's participation in the Plan is voluntary; (e) the value of the PRSUs is an extraordinary item that is outside the scope of the Participant's Services contract, if any, and nothing can or must automatically be inferred from such Services contract or its consequences; (f) grants of PRSUs, and the income and value of same, are not part of normal or expected compensation for any purpose and are not to be used for calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or

retirement benefits or similar payments, the Participant waives any claim on such basis, and for the avoidance of doubt, the PRSUs shall not constitute an "acquired right" under the applicable law of any jurisdiction; and (g) the future value of the underlying Shares is unknown and cannot be predicted with certainty. In addition, the Participant understands, acknowledges and agrees that the Participant will have no rights to compensation or damages related to PRSU proceeds in consequence of the termination of the Participant's Service for any reason whatsoever and whether or not in breach of contract.

18. **Award Administrator.** The Company shall withhold may from any distributions made pursuant time to time designate a third party (an "Award Administrator") to assist the Company in the implementation, administration, and management of the Plan such amounts as may be required and any PRSUs granted thereunder, including by federal, state, or local law, sending award notices on behalf of the Company to Participants, and by facilitating through electronic means acceptance of PRSU Agreements by Participants.

8.8. 19. **Section 409A of the Code.**

(a) It This Agreement is intended to comply with the Company's intent that provisions of Section 409A of the payments Code and benefits provided under the Plan either regulations promulgated thereunder. Without limiting the foregoing, the Committee shall have the right to amend the terms and conditions of this Agreement in any respect as may be exempt from necessary or appropriate to comply with Section 409A of the Code or be provided in a manner that complies with Section 409A any regulations promulgated thereunder, including without limitation by delaying the issuance of the Code, and Shares contemplated hereunder.

(b) Notwithstanding any ambiguity herein shall be interpreted in a manner consistent with the intent other provision of this paragraph. Notwithstanding anything contained herein Agreement to the contrary, if a Participant is a "specified employee" within the meaning of Section 409A of the Code, no payments in respect of any PRSU that is "deferred compensation" subject to Section 409A of the Code and not exempt for Section 409A as a short-term deferral or otherwise and which would otherwise be payable upon the Participant's "separation from service" (as defined in Section 409A of the Code) shall be made to such term Participant prior to the date that is defined six months after the date of the Participant's "separation from service" or, if earlier, the Participant's date of death. Following any applicable six-month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day. The Participant is solely responsible and liable for the time satisfaction of a Separation from Service all taxes and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated recognition of income or additional tax penalties under Section 409A of the Code then the Company will defer the commencement of the payment of any such payments or

benefits hereunder (without any reduction in payments or benefits ultimately paid or provided to the Participant) until the date that is at least six (6) months following the Participant's Separation from Service (or, if earlier, the date of the Participant's death), whereupon the Company will promptly pay the Participant a lump-sum amount equal to the cumulative amounts that would have otherwise been previously paid under the Plan during the period in which such payments or benefits were deferred. Thereafter, payments will resume in accordance with the Plan.

(b) Payment may be delayed for a reasonable period in the event the payment is not administratively practical due to events beyond the recipient's control such as where the recipient is not competent to receive the benefit payment, there is a dispute as to amount due or the proper recipient of such benefit payment, additional time is needed to calculate the payment, or the payment would jeopardize the solvency of the Company.

(c) Payment shall be delayed in the following circumstances:

(i) Where the Committee reasonably anticipates that a delay in payment is necessary to comply with Federal securities laws or other applicable laws; or

(ii) Where the Committee reasonably determines that a delay is permissible for other events or conditions under applicable published guidance of the Internal Revenue Service for Section 409A of the Code;

provided that any payment delayed by operation of this Section 8.8(c) will be made at the earliest date at which the Committee reasonably anticipates that the payment will not be limited or will cease to be so delayed.

(d) If any portion of a Deferral Account is required to be included in income by a Participant or Beneficiary prior to receipt due to a failure of the Plan to comply with the requirements of Section 409A of the Code, the Committee may determine that such Participant or Beneficiary shall receive a distribution from the Plan in an amount equal to the lesser of (i) the portion of the Deferral Account required to be included in income as a result of such failure or (ii) the unpaid Deferral Account.

(e) Notwithstanding the foregoing, in no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on ~~a~~ or in respect of the Participant in connection with this Agreement, and the Company shall not be liable to any Participant for any payment made under this Plan that is determined to result in an additional tax, penalty or interest under Section 409A of the Code, ~~nor for reporting in good faith any damages for failing to comply with~~ payment made under this Agreement as an amount includable in gross income under Section 409A of the Code. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

8.9. 20. Distribution in the Event Book Entry Delivery of Taxation Shares. If, for any reason, all or any portion of a Participant's benefit under ~~Whenever reference in this Plan becomes subject to Federal income taxes prior to receipt, that Participant may petition the Committee for a distribution of assets sufficient to meet the Participant's tax liability (including additions to tax, penalties and interest). Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Committee shall distribute~~ Agreement is made to the Participant immediately available funds ~~issuance or delivery of certificates representing one or more Shares, the Company may elect to issue or deliver such Shares in an amount equal to that Participant's federal, state and local tax liability associated with such event book entry form in lieu of taxation (which amount shall not exceed the value of the Participant's Deferral Account), such tax liability shall be measured by using that certificates.~~

Page 158

Exhibit 10.2

Participant's then current highest federal, state²¹. **Electronic Delivery and local marginal tax rate, plus the rates or amounts for the applicable additions to tax, penalties and interest. If the petition is granted, the tax liability distribution shall be made within ninety (90) days of the date when the Participant's petition is granted. Such a distribution shall reduce the value of the Participant's Deferral Account.**

8.10. Incompetence or Incapacity of a Recipient Acceptance. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee ~~The Company may, direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetency, incapacity or guardianship, as it may deem appropriate and/or such indemnification of the Committee and the Company and security, as it deems appropriate, in its sole discretion, prior~~ decide to ~~distribution~~ deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive

such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

22. Acceptance and Agreement by the Participant. By accepting the PRSUs (including through electronic means), the Participant agrees to be bound by the terms, conditions, and restrictions set forth in the Plan, this Agreement, and the Company's policies, as in effect from time to time, relating to the Plan. The Participant's rights under the PRSUs will lapse forty-five (45) days from the Date of Grant, and the PRSUs will be forfeited on such date if the Participant shall not have accepted this Agreement by such date. For the avoidance of doubt, the Participant's failure to accept this Agreement shall not affect the Participant's continuing obligations under any other agreement between the Company and the Participant.

23. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the benefit. Any payment of a benefit shall be a payment for the account of the underlying Shares. The Participant and is hereby advised to consult with the Participant's Beneficiary, as own personal tax, legal and financial advisors regarding the case may be, Participant's participation in the Plan before taking any action related to the Plan.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the PRSUs and shall be a complete discharge of on any liability Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for such payment amount. legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

8.11. 25. Usage of Terms and Headings Waiver. Words in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified. The Participant acknowledges that a waiver by the context. Any headings used herein are included for ease Company of reference only and are not to be construed in a manner which alters the terms hereof.

8.12. No Warranties. Neither the Company nor the Committee warrants or represents that the value breach of any Participant's Deferral Account will increase. Each Participant assumes the risk in connection with the deemed investment of their Deferral Account.

8.13. Severability. If any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Plan Participant or any other participant in the Plan.

26. Counterparts. This Agreement may be executed in separate counterparts, each of which is held deemed to be invalid, illegal, or unenforceable, whether an original and all of which taken together constitute one in whole or in part, such provision shall be deemed modified to the extent of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected. same agreement.

[Signatures follow]

Page 169

Exhibit 10.2

IN WITNESS WHEREOF, the Company has executed this Plan as of the date set forth below.

CHEWY INC.

By: /s/ Heather Smedstad

Name: **Heather Smedstad**

Title: **Chief Human Resources Officer**

Acknowledge and agree as of the date first written above:

Participant Signature:

Appendix A

1. Performance Metrics. This Appendix A contains the performance vesting conditions and methodology applicable to the PRSUs. Subject to the terms and conditions set forth in the Plan, the Agreement and the Award Notice, the portion of the PRSUs subject to this Award, if any, that become earned during each Performance Period will be determined upon the Committee's certification of achievement of the Performance Conditions in accordance with this Appendix A, which shall occur within seventy five (75) days following the end of each Performance Period (the "Certification Date"). Capitalized terms used but not defined herein shall have the same meaning as is ascribed thereto in the Agreement, the Award Notice or the Plan.

(a) Upon the Certification Date, the Participant's achievement of the Performance Conditions with respect to [•] percent ([•%]) of the Award will be determined in accordance with the table below with linear interpolation between the listed values:

Net Sales (\$)	Percent of Target PRSUs Earned
	[•)%
	[•)%
	[•)%

(b) Upon the Certification Date, the Participant's achievement of the Performance Conditions with respect to [•] percent ([•%]) of the Award will be determined in accordance with the table below with linear interpolation between the listed values:

Adjusted EBITDA Margin (%)	Percent of Target PRSUs Earned
	[•)%
	[•)%
	[•)%

(c) [Upon the Certification Date, the Participant's achievement of the Performance Conditions with respect to [•] percent ([•%]) of the Award will be determined in accordance with the table below with linear interpolation between the listed values:]¹

Free Cash Flow (\$)	Percent of Target PRSUs Earned
	[•)%

¹Omitted from certain individual agreements.

	[•]%
	[•]%

2. **Certain Defined Terms.** For purposes of this Agreement, the following terms will have the following meanings:

- (a) “” means .
- (b) “” means .
- (c) [“” means .]2
- (d) “Performance Period” means fiscal year , which begins on and ends on .

² Omitted from certain individual agreements.

CHEWY DEFERRED COMPENSATION PLAN

Appendix B

Commitment to Avoid Detrimental Activities

Participant acknowledges that as an individual being presented with the opportunity to share in the growth and value of Chewy through PRSUs it is important to avoid certain activities while engaged to provide services to the Company and for a reasonable period of time thereafter that would be detrimental to Chewy's business and its potential value to stockholders. Participant agrees that it is reasonable for the Company to require a commitment from Participant of this nature in order to allow Participant to participate in and retain the benefits of the PRSUs. Accordingly, Participant agrees that any activity or conduct by Participant that violates one of the restrictions or obligations provided for in Parts B-1, B-2, B-3, or B-4 below will be considered a “Detrimental Activities Violation”.

B-1. Avoidance of Competition and Other Detrimental Acts During Engagement.

While employed or otherwise engaged as an individual to provide services to the Company (as an employee, consultant, or otherwise), Participant will comply with each of the restrictions and obligations below.

1. While employed with the Company, Participant will comply at all times with Participant's duty of loyalty to the Company as an employee or agent of the Company placed in a position of special trust and confidence. This duty shall be understood to include, but not be limited to,

(a) an obligation not to engage or participate in the business of a Competitor (as defined below), or become employed with a Competitor as an employee, owner, member, partner, consultant, director or otherwise, without the express written consent of the Company,

(b) an obligation not to interfere with or otherwise knowingly cause harm to the Company's ongoing or prospective business relationship with a Company employee, consultant or individual providing services as an independent contractor, or a supplier, distributor,

vendor, customer, or other person or entity that does business with the Company or that the Company has a reasonable expectation of doing business with, and

(c) an obligation to inform the Company of business opportunities that fall within the Company's line of business and not pursue them for personal gain separate from the Company without the Company's express written consent in advance, or otherwise participate in any conduct or relationship that creates a conflict of interest in violation of Company policies.

2. Participant will not knowingly participate in or pursue activities that harm the value of the Company's intellectual property and will honor all agreements with the Company concerning the ownership and protection of proprietary works and intellectual property. Participant will be responsible for understanding, complying with, and implementing any intellectual property policy or guidelines published by the Company as they apply to the Participant's position and area of accountability at the Company.

3. The "Business" of the Company is providing retail and wholesale pet food, pet pharmacy and compounding, pet health and wellness, pet insurance, and other pet supply products and services (with "pets" as referenced in this Agreement to include, without limitation, in addition to household pets, any domesticated livestock); (ii) the Company is one of the limited number of entities to have developed such a Business; (iii) the Company's Business is national in scope; (iv) the Company directly competes with: e-commerce and mail-order pharmacies and pharmacy compounders; e-commerce retailers and wholesalers of pet food, pet pharmacy and compounding, pet health and wellness, pet insurance and other pet supply services and pet products, including those that exclusively sell pet-related products as well as those offering pet food, pet pharmacy and compounding, pet health and wellness, pet insurance, and/or other pet supply services and pet products as one amongst many product categories available for purchase; and brick-and-mortar retailers and wholesalers whose primary business is the retail or wholesale of pet food, pet pharmacy or compounding, pet health and wellness, and/or other pet supply services and pet products (the entities enumerated above are collectively referred to as "Competitors"); (v) over the course of Participant's career, the Company's business may expand beyond its current Business, and therefore, the definition of Competitors also includes any business engaged in the developing, marketing or selling of any product(s) or service(s) the Company is developing, marketing or selling or has plans to develop, market or sell at the time of Participant's termination of employment, in which Participant had involvement or about which Participant was provided Confidential Information (as defined below) during the Look Back Period (as defined below).

B-2. Avoidance of Competition and Other Detrimental Acts After Engagement.

Participant will comply with the following restrictions for a period of two (2) years after Participant's employment or other services engagement with the Company ends:

1. Noncompete. Participant will not, within the Participant's Territory, directly or through the direction or control of others, acting individually or as an owner, shareholder, partner, employee, contractor, agent or otherwise, on behalf of a Competitor: (a) provide, supervise or manage services that are the same as or similar in function or purpose to the services Participant provided to the Company during the last two years of employment or such shorter period of time as Participant was actually employed or engaged to provide personal services to the Company (the "Look Back Period") (b) assist in the development or improvement of a competing product or service, or (c) provide services that are otherwise likely or probable to result in the use or disclosure of Confidential Information to a Competitor. "Territory" means the geographic territory(ies) assigned to Participant by Company during the Look Back Period (by state, county, or other recognized geographic boundary used in the Company's Business); and, if Participant has no such specifically assigned geographic territory then: (i) those states and counties in which Participant participated in the Company's Business and/or about which Participant was provided access to Confidential Information during the Look Back Period; and, (ii) the state and county where Participant resides. If Participant is employed by the Company in a research and development capacity and/or if Participant is employed in a senior management position (such as Director, Senior Director, Vice President and above, Board Member, or Officer) then Participant is presumed to have participated in the Company's Business and/or had Confidential Information about the Company's Business throughout the United States (including state and state-

equivalents and county and county-equivalents therein), as the Company and Participant agree that the Company's Business is e-commerce, is conducted nationwide and competes nationwide.

2. **Worker Nonsolicit.** Participant will not, directly or indirectly through providing assistance to others, knowingly participate in soliciting or communicating (verbally, electronically, or in other written form) with a Covered Worker for the purpose of persuading the Covered Worker to go to work for a Competitor or to end or modify the Covered Worker's relationship with the Company or assist a Competitor in efforts to hire a Covered Worker away from the Company. A "Covered Worker" means an employee or individual worker engaged as an independent contractor of the Company that Participant works with, gains knowledge of or is provided Confidential Information about in the Look Back Period. A worker who resigns will continue to be considered a Covered Worker for a period of six months after the workers employment or other engagement with the Company ends except where it would make this restriction unenforceable.

3. **Customer Nonsolicit.** Participant will not, working alone or in conjunction with one or more other persons or entities, whether for compensation or not, on behalf of (or for the benefit of) a Competitor: (i) solicit, assist in soliciting, or facilitate the solicitation of, competing business from a customer of the Company that Participant had material contact or involvement with or was provided Confidential Information about during the Look Back Period ("Covered Customer"); or (ii) interfere with the Company's business relationship with any such Covered Customer.

4. **Business Relationship Interference.** Participant will not, directly or indirectly through providing assistance to others, knowingly interfere with the Company's ongoing or prospective business relationship with a supplier, distributor, or vendor that the Company has a reasonable expectation of doing business with, and that Participant had material contact or involvement with or gained knowledge of through Participant's role with the Company in the Look Back Period, by soliciting, inducing or otherwise encouraging the supplier, distributor, or vendor to cease or reduce doing business with the Company or to give a valuable business opportunity to a Competitor.

B-3. Avoidance of Unauthorized Confidential Information Use or Disclosure.

1. Participant will honor all agreements with the Company regarding maintaining the confidentiality of information that qualifies as contractually protected Confidential Information, protect and preserve the value of the Company's trade secrets and proprietary information to the Company (irrespective of whether same is also covered by contractual definition of Confidential Information), and comply with Company policies and directives regarding the handling of Company records, files, computer system access, materials and property at all times. To the extent Participant is not otherwise subject to another contractual agreement with the Company covering Confidential Information, Participant agrees that until such time as the Confidential Information is readily-available publicly (other than as a result of disclosure by Participant), Participant shall not disclose to any person or use, copy, download, upload or transfer any Confidential Information, whether or not created in whole or in part by the efforts of Participant, and regardless of whether Participant is still employed by the Company. Participant will only

disclose or use, copy, download, upload or transfer such Confidential Information as is required by law or as necessary in the performance of Participant's duties on behalf of the Company.

2. If Participant is subject to another contractual agreement that defines what constitutes the Company's "Confidential Information", that definition shall control. Absent such a controlling definition, it is understood that "Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the business of the Company that the Company has not made public or authorized public disclosure of, and that is not generally known to the public through proper means. Participant acknowledges that, in Participant's position with the Company, Participant will obtain and/or have access to Confidential Information regarding the Company's business, including, but not limited to: business plans and forecasts, market analysis, marketing plans and strategies, branding strategies, pricing-related variables and strategy, the actual and anticipated research and development activities of the Company, unpatented inventions, technical data, knowledge, information and materials about trade secrets, mailing/e-mailing lists, methods of operation, customer or client lists, consumer preferences and buying histories,

services, proprietary know-how, non-public information about financial performance, human resources information such as that obtained from a confidential personnel file, other proprietary matters relating to the Company, and information that is entrusted to the Company in confidence by third parties with whom the Company does business or is negotiating to do business, all of which constitute valuable assets of the Company which this Agreement is designed to protect. Nothing herein restricts or prevents an employee from sharing information about their own compensation with other employees nor prevents other employees from making inquiries about the compensation earned or paid to co-workers.

3. Participant agrees that, upon the termination of Participant's employment or personal services relationship with the Company for any reason whatsoever, Participant shall return all copies, in whatever form or media, including hard copies and electronic copies, of Confidential Information to the Company, and Participant shall delete any copy of the Confidential Information on any computer file or database maintained by Participant and, upon request by the Company, Participant shall certify in writing that this has process has been completed and no copies of Confidential Information are retained.

B-4. Avoidance of Disparagement.

Participant agrees to avoid making comments that are disparaging, false, misleading, defamatory or cast in a negative light the Company, or the Company's current or former directors, officers, or employees. And, Participant agrees not to, in any respect, make any disparaging or defamatory comments concerning any aspect of the Participant's relationship with the Company or any comments concerning the conduct or events which precipitated any termination of the Participant's employment from the Company. However, the Participant's obligations under this covenant shall not prevent Participant from exercising the right to (1) communicate with a law enforcement officer acting within the line and scope of the officer's law enforcement duties that a violation of the law has occurred or is occurring; (2) communicate with a government regulator acting within the line and scope of the regulator's regulatory duties that a violation of the law has occurred or is occurring; (3) respond to a lawfully served judicial, grand jury, or other lawful

subpoena; (4) testify in a judicial or administrative proceeding in response to a lawfully served subpoena or an order of a court of competent jurisdiction; (5) confer with the obligated party's attorney for the purpose of obtaining legal advice or representation; (6) respond to lawful discovery in a judicial or administrative action; provided the disparaging statement is either ordered by a court of competent jurisdiction or made in compliance with a protective order entered by the same court; (7) prosecute or defend a civil action between or among parties to a covered contract; provided the party making the disparaging statement attempts to and, if permitted by law, does file the disparaging statement and any related pleading under seal or in compliance with a protective order entered by a court of competent jurisdiction in the civil action; or (8) exercise federally protected statutory rights, including, but not limited to, the exercise of rights under the National Labor Relations Act or the Civil Rights Act of 1964, as amended.

B-5. Enforcement.

As Amended 1. In the event the Committee has reason to believe Participant has engaged in a Detrimental Activities Violation or is pursuing a course of conduct that threatens such a violation, Company shall have the right to suspend the vesting schedule with respect to any unvested PRSUs until it determines that a violation has occurred and/or that any threatened violation has been resolved so as to longer be a threat. In the event of a Detrimental Activities Violation, Section 7 (Repayment of Proceeds; Clawback Policy) may be applied as determined appropriate by the Committee in the exercise of the full degree of discretion allowed under the Plan. The type of harm to the Company caused by a Detrimental Activities Violation cannot be fully measured and **Restated** remedied through monetary damages and would be irreparable in nature. Accordingly, in addition to the forgoing, the Company shall retain all rights and remedies available in law or equity to enforce the restrictions and obligations that Participant has committed to in Appendix B.

2. Participant's Commitment to Avoid Detrimental Activities and the terms of this Agreement awarding PRSUs to Participant are mutually dependent, material terms. Accordingly, in the event the enforceability of any portion of the Commitment to Avoid Detrimental Activities is challenged by Participant and found by an Adjudicator to be void or unenforceable in any part deemed material by the Company, then the Company shall have the right to demand and receive from Participant within ten (10) business days of the Company's request to the Participant, the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim

of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the PRSUs or Shares issued in settlement of the PRSUs.

3. If Participant violates one of the restrictions in Section B-2, the period of the breached restriction will be extended for an additional period of time equal to the time that elapses from commencement of the breach to the later of (a) the definitive termination of such breach or (b) the final resolution of any litigation arising from such breach; provided, however, that this extension of time shall be capped so that the extension of time itself does not exceed the length of time originally proscribed for the restriction, and if this extension would make the restriction unenforceable under controlling law it will not be enforced.

Effective January 1, 2024

B-6. Limitations.

1. Exceptions to Restrictions. Notwithstanding anything in this Agreement to the contrary, nothing herein prohibits Participant from owning a non-controlling interest consisting of two percent (2%) or less of any class of securities in any publicly traded company or passive investments through an independently controlled fund such as a mutual fund, provided that Participant is not a controlling person of, or a member of a group that controls, a business that is a Competitor, and further provided that Participant does not otherwise participate in any conduct prohibited under this Agreement. In addition, nothing herein shall be construed to prohibit Participant's employment in a separately operated subsidiary or other business unit of a company that would not be a Competitor but for common ownership with a Competitor so long as Participant provides written assurances regarding the non-competitive nature of Participants position that are satisfactory to the Company and Participant remains employed solely in such non-competitive entity or unit during the pendency of the restrictions in Section B-2. Nothing herein is intended to be or is to be construed as a prohibition against general generic advertising of a company's products, services, or job openings to the public such as "help wanted" ads that are not targeted at the Company. The parties acknowledge that some states prohibit or place limitations on the use of covenants not to compete or noncompete covenants with an employee considered to be a low wage worker based on the employee's rate of compensation or overtime exemption status under the Fair Labor Standards Act (a "Low Wage Worker Protection" law, or "LWWP law"). It is the parties' intent not to create any restriction that would violate any controlling state LWWP law. Where the controlling state's law includes an LWWP law, it is the parties' intent that this Agreement's obligations be construed so as to fit within any applicable exclusion for duty of loyalty obligations, nonsolicitation covenants, confidential information protection covenants, and intellectual property assignment agreements recognized under the LWWP law at issue, and that it does not create a prohibited covenant not to compete.

2. Protected Conduct. Nothing in this Agreement prohibits Participant from opposing or reporting to the relevant law-enforcement agency (such as the Securities and Exchange Commission, Equal Employment Commission, or Department of Labor) an event that Participant reasonably and in good faith believes is a violation of law, requires notice to or approval from Company before doing so, or prohibits Participant from cooperating in an investigation conducted by such a government agency, nor does it prohibit Participant from disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Participant has reason to believe is unlawful. Participant acknowledges notice that the Defend Trade Secrets Act provides that no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret that: (a) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. It also provides that an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may in pursuing such lawsuit disclose trade secrets to his/her attorney and use trade secrets in court submissions so long as documents containing the trade secret are filed under seal and do not disclose trade secrets except as permitted by court order. Nothing in this Agreement prohibits Participant from using information acquired through lawful means regarding the wages,

benefits, or other terms and conditions of employment of individuals employed by Company for any purpose protected under the National Labor Relations Act (such as the right of employees to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection), unless the information is entrusted to Participant in confidence by Company as part of Participant's job duties or Participant is employed in a supervisor or management level position. Conduct of the above-described nature is referred to herein as "Protected Conduct." Nothing in this paragraph shall be construed to protect, invite, permit, or limit liability for, otherwise illegal activity such as breaking and entering, illegal computer access (hacking) or theft of the Company's property.

3. **State-Specific Modifications.** It is the intent of the Company to apply Appendix B in a manner that does not violate any law that is deemed to be the controlling law for the parties with respect to the obligations in the Agreement. If Participant resides in California and when Participant last worked for the Company Participant primarily resided and worked in California, then Section B-2 shall not apply except to the extent Participant's conduct also involves the use or disclosure of trade secrets of the Company. If Participant resides in Washington and when you last worked for the Company Participant was a Washington-based employee, then Section B-2 (Noncompete) and B-2 (Business Relationship Interference) shall not apply and Sections B-2 (Worker Nonsolicit) and B-2 (Customer Nonsolicit) shall be limited so that they only apply to prohibit Participant's solicitation of an employee of the Company to leave such employment, and solicitation of a customer of the Company to cease or reduce the extent to which it is doing business with the Company. If the Company is deemed to operate in the District of Columbia and when Participant last worked for the Company Participant worked for it in the District of Columbia, then nothing in Appendix B will be applied to prohibit Participant from being simultaneously or subsequently employed by another person, performing work or providing services for pay for another person, or operating Participant's own business. However, conduct involving disclosure of confidential, proprietary, or sensitive information, client lists, customer lists, or a trade secret (as defined in the Uniform Trade Secrets Act) will remain prohibited.

Exhibit 10.3 EXHIBIT 10.2

AWARD NOTICE

RELATING TO

CERTIFICATE THE RESTRICTED STOCK UNIT AGREEMENT

I, Heather Smedstad, Chief Human Resources Officer of Chewy, Inc., hereby certify that the attached document is a true and correct copy of the Chewy Deferred Compensation Plan, amended and restated effective January 1, 2024.

Dated this 28 day of November, 2023

Exhibit 10.3

Senior Leadership Award

CHEWY, DEFERRED COMPENSATION INC.

2022 OMNIBUS INCENTIVE PLAN

As Amended The Participant has been granted Restricted Stock Units with the terms set forth in this Award Notice, and Restated Effective January 1, 2024

Effective January 1, 2023, Chewy, Inc. initially created this Chewy Deferred Compensation Plan (the "Plan") for subject to the purpose of enabling employees of the Employing Companies to defer receipt of base salary terms and incentive compensation which would otherwise be paid to such employees. This document reflects the amendment and restatement conditions of the Plan effective for and the Restricted Stock Unit Agreement to which this Award Notice is attached. Capitalized terms used and not defined in this Award Notice shall have the meanings set forth in the Restricted Stock Unit Agreement and the Plan, Years commencing as applicable.

Participant:

Date of Grant:

Restricted Stock Units Granted: Restricted Stock Units (the "Award")

Vesting Commencement Date:

Vesting Schedule:

1. Regular Vesting.

(a) The Award will be subject to a service-based vesting condition (the "Service Condition"), which will be satisfied based on and after January 1, 2024 and, as such, it applies only the Participant's continued Service with the Company.

(b) The Service Condition will be satisfied , subject to the portions Participant's continued Service with the Company through the applicable vesting date. In all cases, if the number of Accounts attributable RSUs specified above does not result in a whole number, then no fractional units shall vest and the installments shall be as equal as possible over the applicable vesting period with the smaller installments vesting first.

(c) Upon the Participant's termination of Service, any portion of the Award for which the Service Condition has not been satisfied shall be forfeited.

2. **Change in Control Treatment.** Upon a Change in Control, subject to Employee Deferrals made on Compensation earned after December 31, 2023. For the avoidance of doubt, Participant's continued Service through the time and form of distribution of Plan Accounts attributable to Employee Deferrals made Change in Control, the Service Condition will be deemed satisfied with respect to the Plan Year ending December 31, 2023 will continue to be governed by Article V 100% of the prior version of this Plan document. The Plan is intended to be, and shall be administered as, an unfunded plan maintained for the purpose of providing deferred Compensation for a select group of management or highly compensated employees (within the meaning of and for purposes of Title I of ERISA). Award.

ARTICLE I

DEFINITIONS* **

RESTRICTED STOCK UNIT AGREEMENT

CHEWY, INC.

2022 OMNIBUS INCENTIVE PLAN

This Restricted Stock Unit Agreement, effective as of the Date of Grant (as defined below), is between Chewy, Inc., a Delaware corporation ("Chewy"), and the Participant (as defined below).

WHEREAS, Chewy has adopted the Chewy, Inc. 2022 Omnibus Incentive Plan (as it may be amended, the "Plan") in order to provide equity-based incentive awards to eligible service providers to encourage them to maintain stockholder value, act consistent with the interest of Chewy's stockholders, deliver outcomes and/or continue in the Service of the Company; and

WHEREAS, the Board of Directors has determined to grant RSUs (as defined below) to the Participant (as defined below) as provided herein and the Company and the Participant (as defined below) hereby wish to memorialize the terms and conditions applicable to such RSUs; and

WHEREAS, Participant's participation in the terms of the Plan and this Agreement (as defined below) through acceptance of RSUs is entirely voluntary, and is not a term and/or condition of employment, and is not compensation for services rendered, but is instead an award granted on a discretionary basis to align Participant's interests with those of Chewy's stockholders and is an award that Participant is free to decline at Participant's discretion.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan. The following terms shall have the following meanings hereinafter set forth, for purposes of this Agreement:

(a) **"Affiliate Agreement"** means, for any Plan Year, a corporation which for any part of such year is a member of a controlled group of corporations (as defined in Section 1563(a) of the Code) shall mean this Restricted Stock Unit Agreement including (unless the Code, disregarding Sections 1563(a)(4) and 1563(e)(3)(C) of context otherwise requires) the Code of which the Company is a member, any trade or business, whether incorporated or not, which for any part of such year is considered to be under common control with the Company under regulations prescribed by the Secretary of the Treasury pursuant to Section 414(c) of the Code, any organization which for any part of such year is considered under regulations prescribed by the Secretary of the Treasury pursuant to Section 414(m) of the Code to be a member of an affiliated service group of which the Company is a member, and any other entity required to be aggregated with the Company under regulations prescribed by the Secretary of the Treasury pursuant to Section 414(o) of the Code. Any such entity shall be treated as an Affiliate only for the period while it is a member of such controlled group or considered to be in such common control group. Award Notice.

(b) **"Annual Incentive Award Notice"** means compensation earned by an Eligible Employee under shall mean the Chewy Corporate Short-Term Incentive (STI) plan, as amended from time to time, the Participant.

(c) **"Base Salary"** means an Eligible Employee's annual base salary for a Plan Year paid by the Employing Company, including short term disability payments and that portion of such compensation which is electively deferred under this Plan or any other plan of the Company or its Affiliates, including a Code 401(k) plan for such Plan Year or pursuant to a salary reduction election permitted under Section 125 of the Code, but "Base Salary" shall not include any Annual Incentive, commissions, allowances, expense reimbursements, and benefits not normally paid in cash to an Eligible Employee and shall exclude any such compensation deferred from a prior period.

Exhibit 10.3

"Beneficiary/Cause" shall have the meaning set forth in Section 8.5 of the Plan. **"Board of Directors"** means the Board of Directors of the Company.

"Change in Control" means:

(a) any one "Person" (ascribed to such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), including any "group" within the meaning of Section 13(d)(3) under the Exchange Act, or more than one Person acting as a group (as defined under Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than the Company, any employee benefit plan sponsored employment agreement entered into by the Participant and Company and if not so defined, or BC Partners LLP no such agreement exists, "Cause" shall mean (i) a refusal or any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, failure to follow the specified Person, becomes the Beneficial Owner (within the meaning of Rule 13d-3 under the Exchange Act) of stock of the Company that, together with stock held by such Person or group, constitutes more than fifty percent (50%) of the total Voting Power of the stock of the Company;

(b) a majority of members of the Board of Directors is comprised of directors whose appointment or election is (i) not endorsed by a majority of the members of the Board of Directors before the date of each appointment or election or (ii) approved in connection with any actual or threatened contest for election to positions on the Board of Directors;

(c) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Company of all or substantially all of the Company's assets, other than the sale or other disposition by the Company of all or substantially all of the

Company's assets to a Person, at least 50% of the total Voting Power of the outstanding Voting Securities of which are Beneficially Owned by the holders of the Voting Securities of the Company immediately prior to such sale or other disposition; or

(d) a merger, consolidation, reorganization or similar transaction with or into the Company or in which securities of the Company are issued, as a result of which the holders of Voting Securities of the Company immediately before such event own, directly or indirectly, immediately after such event less than 50% of the combined Voting Power of the outstanding Voting Securities of the surviving company or parent corporation resulting from, or issuing its Voting Securities as part of, such event.

Notwithstanding the foregoing, (i) an event described herein shall be considered a "Change in Control" for distribution or payment purposes only if it constitutes a "change in control event" under Section 409A of the Code, to the extent necessary to avoid adverse tax consequences thereunder lawful and (ii) a "Change in Control" shall be deemed not to have occurred as a result of any transaction or series of integrated transactions following which BC Partners LLP or any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, BC Partners LLP possesses, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise, the power to elect a majority reasonable directions of the Board of Directors or individual to whom the board Participant reports, which refusal or failure is not cured within thirty (30) days following delivery of directors or similar body governing written notice of such conduct to the affairs Participant; (ii) conviction of the Participant of any successor felony involving fraud or act of dishonesty against the Company or any of its affiliates; (iii) conduct by the Participant which, based upon good faith and reasonable factual investigation and determination of the Company, demonstrates gross unfitness to serve;

(iv) intentional, material violation by the Participant of any contractual, statutory, or fiduciary duty owed by the Participant to the Company.

Exhibit 10.3

"Claimant" means Company or any Participant of its affiliates; or Beneficiary of a deceased Participant who makes a claim under the Plan.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings issued thereunder.

"Committee" means Chewy 401(k) Plan Administrative Committee, which (v) willful misconduct causing material economic harm or public disgrace to the Company has appointed to serve as the Plan Administrator of any of its subsidiaries or affiliates.

(d) "Company" means shall mean Chewy Inc., and all of its successors and assigns. Subsidiaries, collectively.

(e) "Compensation Date of Grant" means a Participant's Base Salary and Annual Incentive amounts paid during a Plan Year. shall mean the "Date of Grant" listed in the Award Notice.

(f) "Deferral Detrimental Activities Violation" shall mean the Participant's breach of a covenant contained in Appendix A to this Agreement or any contractual covenant with the Company regarding confidentiality, competitive activity, solicitation of the Company's vendors, suppliers, customers, or employees, disparagement, or any similar provision applicable to or agreed to by the Participant.

(g) "Participant" shall mean the "Participant" listed in the Award Notice.

(h) "RSUs" shall mean that number of Restricted Stock Units listed in the Award Notice as "Restricted Stock Units Granted."

(i) "Subsidiary" shall mean any subsidiary within the meaning of Rule 405 of the Securities Act of 1933, as amended.

2. **Grant of Units.** The Company hereby grants the RSUs to the Participant, each of which represents the right to receive one Share upon vesting of such RSU, subject to and in accordance with the terms, conditions and restrictions set forth in the Plan, the Award Notice, and this Agreement.

3. **RSU Account.** The Company shall cause an account (the "Unit Account" means) to be established and maintained on the recordkeeping account maintained for a Participant that reflects books of the amount Company to record the number of Employee Deferrals RSUs credited to such the Participant under the Plan, including deemed investment earnings or losses thereon.

"Disability" means terms of this Agreement. The Participant's interest in the Unit Account shall be that of a Participant (i) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees general, unsecured creditor of the Employing Company; or (ii) is determined Company. Each RSU shall accrue dividend equivalents ("Dividend Equivalents") with respect to dividends that would otherwise be totally disabled by paid on the Social Security Administration.

"Election Notice" means Share underlying such RSU during the annual notice delivered by an Eligible Employee period from the Date of Grant to the Employing Company date such Share is delivered in accordance with Article II Section 4 below. Dividend Equivalents shall be subject to the same vesting conditions applicable to the RSU on which such Dividend Equivalents are accrued and shall be paid in cash to the Participant upon delivery of the underlying Share in respect of which the Dividend Equivalents were accrued.

4. **Vesting; Settlement.**

(a) The RSUs shall become vested in accordance with the schedule set forth on the Award Notice. The Company shall deliver to the Participant one Share for each RSU (as adjusted under the Plan) as soon as practicable and no later than twenty (20)

2

business days following the applicable vesting date, subject to Section 5(b) below, and such vested RSU shall be cancelled upon such delivery.

(b) Unless otherwise determined by the Committee, upon settlement pursuant to Section 4(a), the Company shall issue the number of Shares underlying such vested RSUs to the Participant, free and clear of all restrictions, less a number of Shares equal to or greater in value than the minimum amount necessary to satisfy federal, state, local or foreign withholding tax requirements, if any (but which may in no event be greater than the maximum statutory withholding amounts in the Participant's jurisdiction) required to be withheld by the Company (the "Withholding Taxes") in accordance with Section 15 of the Plan which (except to the extent the Participant shall be in such form and substance satisfactory to and prescribed by the Committee. Each Election Notice shall be irrevocable as of the last day of the periods described in Section 2.2 of the Plan.

"Eligible Employee" means an individual employed as a common law employee of an Employing Company who meets the requirements of Section 2.1 of the Plan.

"Deferral" means the amount credited to a Participant's Deferral Account under the Plan pursuant to Section 3.1 herein.

"Employing Company" means the Company or an Affiliate which has been designated by the Company as eligible to participate in this Plan.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations and rulings issued thereunder.

"Participant" means an Eligible Employee who is receiving credits to a Deferral Account under the Plan pursuant to Article III or an Eligible Employee or former Eligible Employee not receiving such credits for whom a Deferral Account has been established under the Plan that remains unpaid in full.

"Plan" means this Chewy Deferred Compensation Plan, as amended from time to time, including any successor plan.

"Plan Administrator" has the meaning prescribed to such term under Section 3(16) of ERISA.

"Plan Year" means the calendar year.

"Separation from Service." A Participant will be considered to have a Separation from Service if the Participant dies, retires, or otherwise has a termination of employment with the Company and its Affiliates, subject to the following:

Exhibit 10.3

A Separation from Service is deemed to occur on the date that a Participant's level of services performed after such date (whether as an employee or independent contractor) permanently decreases to no more than 20% of the average level of services performed (whether as an employee or independent contractor) during the immediately preceding 36-month period.

For purposes of determining whether a Separation from Service has occurred, the employment relationship is treated as continuing intact while the individual is on military leave, sick leave, or other bona fide leave of absence (such as temporary employment by the government) if the period of such leave does not exceed six (6) months, or if longer, so long as the individual's right to reemployment is provided either by statute or written agreement with the Company or any of its Affiliates under which the Company or an Affiliate of the Company is responsible for payment of taxes with respect to the issuance of the Shares, or by contract. If in the period event the Company is not required to withhold any payments in respect of leave exceeds six (6) months taxes, in which case the full number of Shares shall be issued). To the extent any Withholding Taxes may become due prior to the settlement of any RSUs, the Committee may accelerate the vesting of a number of RSUs equal in value to the Withholding Taxes, the Shares delivered in settlement of such RSUs shall be delivered to the Company, and the individual's right to reemployment is not provided either by statute or by contract, number of RSUs so accelerated shall reduce the employment relationship is deemed to terminate number of RSUs which would otherwise become vested on the first date immediately following such six-month period.

(c) next applicable vesting date. The determination number of whether a Participant has incurred a Separation from Service RSUs or Shares equal to the Withholding Taxes shall be based determined using the closing price per Share on the facts and circumstances and determined in accordance with Section 409A NYSE (or other principal exchange on which the Shares then trade) on the trading day immediately prior to the date of delivery of the Code. Shares to the Participant or the Company, as applicable, and shall be rounded up to the nearest whole RSU or Share.

"(c) Unforeseeable Emergency" means a severe financial hardship. The Company shall pay any costs incurred in connection with issuing the Shares. Upon the issuance of the Shares to a Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), 152(b)(2), and 152(d)(1)(B) thereof); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in accordance with Section 409A(a)(2)(B)(ii) of the Code and Treasury Regulation Section 1.409A-3(i)(3).

"Voting Power" means the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of Voting Securities upon any matter submitted to shareholders where the holders of all Voting Securities vote together as a single class) by the holders of Voting Securities.

"Voting Securities" means any securities or other ownership interests of an entity entitled, or which may be entitled, to vote on the election of the Board of Directors, or securities or other ownership interests which are convertible into, or exercisable in exchange for, such Voting Securities, whether or not subject to the passage of time or any contingency.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.1. **Eligibility.** The Committee shall, in its sole discretion, select such employees of an Employing Company whose management level is C08 or above to become Eligible Employees as of such dates as determined by the Committee; provided, however, in order to be an Eligible Employee, the employee must be in the "highly compensated group." The term "highly compensated group" means a select group of management or highly compensated employees as described and used in Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Committee shall select such

Exhibit 10.3

employees on a Plan Year by Plan Year basis. An Eligible Employee may elect to become a Participant under the Plan pursuant to the rules under Section 2.2 of the Plan. For the avoidance of doubt, selection for one Plan Year does not entitle an employee to be selected for any subsequent Plan Year, and the Committee may terminate an Eligible Employee's eligibility to participate for a Plan Year, in its sole discretion, upon notice to the Eligible Employee prior to the start of the Plan Year.

2.2. Timing and Effect of Election Notices.

(a) An Eligible Employee may elect to participate in the Plan by filing an Election Notice with the Committee at such time prior to the start of the Plan Year with respect to which it is made as the Committee shall determine; provided, that if an Eligible Employee makes a separate election to participate in the Plan which relates solely to a deferral of Annual Incentive amounts, such election **Unit Account** shall be **made** by filing an Election Notice with the Committee on a date within the Plan Year which is at least six (6) months prior to the end of the Plan Year provided Annual Incentive payments qualify as "performance-based compensation" within the meaning of Section 409A(a)(4)(B)(iii) of the Code. **eliminated**. Notwithstanding the foregoing, an employee who becomes an Eligible Employee after the start of a Plan Year may elect to participate **anything** in the Plan with respect to Compensation to be earned prospectively provided such Eligible Employee files an Election Notice with the Committee within thirty (30) days after first becoming an Eligible Employee, subject to the proviso clause in the preceding sentence.

(b) Each Election Notice will indicate the amount elected by the Eligible Employee to be deferred under the Plan as (i) a percentage of Base Salary in whole percentages not to exceed 50%, and (ii) a percentage of Annual Incentive amounts in whole percentages not to exceed 80%. An Eligible Employee may file separate elections with respect to Base Salary and Annual Incentive amounts.

(c) An Election Notice filed by a Participant shall be effective only with respect to the Plan Year to which it relates and it is irrevocable with respect to that Plan Year. Notwithstanding the foregoing **this Agreement** to the contrary, the **portion** **Company** shall have no obligation to issue or transfer the Shares as contemplated by this Agreement unless and until such issuance or transfer shall comply with all relevant provisions of an Election Notice relating to law and the deferral requirements of Compensation for a given Plan Year is revocable upon either (i) a Participant's Disability or (ii) a Participant's Unforeseeable Emergency. If a deferral election is revoked pursuant to the previous sentence, to again participate in the Plan, the Participant must submit a new Election Notice, which Election Notice cannot take effect until the Plan Year following the Plan Year in any stock exchange on which the deferral election was revoked. An Eligible Employee **Company**'s shares are listed for trading.

5. Termination of Service.

(a) In the event that the Participant's Service with the Company terminates for any reason, any unvested RSUs shall be required forfeited and all of the Participant's rights hereunder with respect to file a new Election Notice with such unvested RSUs (and any Dividend Equivalents accrued thereon) shall cease as of the Termination Date (unless otherwise provided for by the Committee in accordance with Section 2.2 the Plan).

(b) The Participant's rights with respect to the RSUs shall not be affected by any change in the nature of the Plan Participant's Service so long as the Participant continues to be an employee or service provider, as applicable, of the Company. Whether (and the circumstances under which) the Participant's Service has terminated and the determination of the Termination Date for each subsequent Plan Year. A Participant **the purposes of this Agreement** shall have no unilateral right to change or terminate an Election Notice once the annual filing deadline(s) established be

determined by the Committee have passed, which deadlines shall be no later than the dates prescribed in Section 2.2(a) of the Plan.

ARTICLE III

CONTRIBUTIONS

3.1. **Employee Deferrals.** Each Participant's Compensation for a Plan Year shall be reduced on a pre-tax basis by the amount of the Employee Deferrals credited to such Participant under the Plan for the Plan Year. The amount of Employee Deferrals that shall be credited to a Participant's Deferral Account for any Plan Year shall be equal to the Base Salary and Annual Incentive amounts elected by such Participant pursuant to Section 2.2 of the Plan. Each Employee Deferral is intended to be an elective salary

reduction amount which shall be deducted from a Participant's Compensation otherwise payable for a Plan Year, with Base Salary withheld on a pro rata basis throughout the Plan Year (or, remainder of the Plan Year, in the case of an Eligible Employee who first becomes a Participant after the first day of the Plan Year).

3.2. Vesting. A Participant shall be fully vested at all times in all Employee Deferrals credited to the Participant's Deferral Account under the Plan.

ARTICLE IV

VALUATION AND INVESTMENT OF CONTRIBUTIONS

4.1. Crediting of Contributions. Employee Deferrals shall be credited to a Participant's Deferral Account as soon as is reasonably practicable after the end of each payroll period.

4.2. Investment of Participant Deferral Accounts. In accordance with procedures established by the Committee, each Participant shall elect, as part of the initial election process, and each Participant may elect at any time, one or more investment funds that shall be designated by the Committee and that shall be used to measure income, gains, and losses. Participants shall earn a deemed rate of return, credited daily, on their Deferral Accounts under the Plan equal to the rate of return as so determined by the investment fund(s) so elected. The Company reserves the right to change such means of crediting a deemed rate of return and such administrative rules and procedures at any time. The Committee may, on a uniform and non-discriminatory basis from time to time, set or change the advance notice requirement for making investment directions, may limit the number of investment direction changes made in a Plan Year, may limit investment directions, if any, which can be made by telephone, electronically or through the internet, may impose blackout periods for changes, may temporarily or permanently suspend the offering of an investment fund, and generally may change any of the investment direction procedures or options from time to time and at any time.

4.3. Valuation. A Participant's Deferral Account under the Plan shall be valued daily.

4.4. Expenses Charged to Deferral Accounts. Notwithstanding any other provision of the Plan to the contrary, expenses incurred in the administration of the Plan and any rabbi trust may be charged to Deferral Accounts on either a pro rata basis or a per capita basis, and/or may be charged to the Deferral Account of the affected Participant(s) and Beneficiary(ies) (which term is intended to include any alternate payee(s)) on a usage basis (rather than to all Deferral Accounts), as directed by the Committee. Without limiting the foregoing, some or all of the reasonable expenses attendant to the determinations needed with respect to and making of withdrawals, the calculation of benefits payable any Participant who is not a director or "officer" as defined under different Plan distribution options and the distribution of Plan benefits may be charged directly to the Deferral Account Rule 16a-1(f) of the affected Participant and Beneficiary, and different rules (i.e., pro rata, per capita, or direct charge to Deferral Accounts) may apply to different groupings of Participants and Beneficiaries.

Exhibit 10.3

ARTICLE V

PAYMENT EVENTS AND DISTRIBUTIONS

5.1. Payment Events. With respect to Employee Deferrals attributable to Plan Years beginning on and after January 1, 2024, a Participant's Deferral Account shall become distributable in accordance with Section 5.2 of the Plan (a) upon the earliest to occur of any of the following events while in the employment of an Employing Company: (i) the Participant's death, (ii) the Participant's Disability, (iii) the Participant's Separation from Service, and (iv) a Change in Control, or (b) if elected by the Participant, as a scheduled payment as described in Section 5.3 of the Plan.

5.2. General Rules for Distribution. A Participant's Deferral Account Exchange Act, its designee, whose good faith determination shall be paid to final, binding and conclusive; provided, that such Participant in a single lump-sum distribution or in consecutive annual installments over a

period of between two (2) and ten (10) years, as elected by the Participant in an Election Notice as in effect for a given Plan Year, commencing as soon as administratively practicable following the applicable payment event. In the event that a Participant does not make any time or form of payment elections such determination with respect to the designee's own Service for a given Plan Year, the Deferral Account established for that Plan Year shall be paid in a single sum distribution upon the Participant's Separation from Service..

5.3. Time and Form of Payment. A Participant may elect on an Election Notice to have all or a portion of the Participant's Deferral Account attributable to a given Plan Year's Employee Deferrals distributed as scheduled payments in accordance with this section. The Participant's Election Notice for a given Plan Year may include the designations set forth below governing the time and form of payment of the portion of the Participant's Account attributable to that Plan Year. Each Plan Year, a Participant may make different time and form of payment elections to be applied to the Participant's Employee Deferrals of Base Salary and for the Participant's Employee Deferrals of Annual Incentive compensation.RSUs).

(a) **6. Timing of Payment Restrictions on Transfer.** The Participant may elect whether to commence payment either (1) during a specified calendar year (a "Specified Year Election") not assign, alienate, pledge, attach, sell or (2) upon otherwise transfer or encumber the Participant's Separation from Service. In the absence of a specific payment timing election, the payment will commence upon the Participant's Separation from Service. With respect to any Specified Year Election, the calendar year of commencement shall be no earlier than two (2) calendar years from the Plan Year to which the Election Notice applies and no later than the calendar year in which the Participant will attain age sixty-five (65).1

(b) **Form of Payment.** The Participant may elect whether to receive payment as a single lump sum or in a series of annual installments over a period of between two (2) and ten (10) calendar years. In the absence of a specified form of payment election in the Election Notice, payment will be paid in a single lump sum. The Election Notice can provide for a different form of payment to apply depending on whether the payment commences on account of a Specified Year Election RSUs or the Participant's Separation from Service.

For right under the avoidance of doubt, if a Participant who made a Specified Year Election has a Separation from Service, the Separation from Service shall not affect the Participant's

Exhibit 10.3

payments subject RSUs to the Specified Year Election, which shall commence at the time, and in the form, elected receive Shares, except other than by will or by the Participant in the applicable Election Notice.

5.4. Death laws of descent and distribution and any such attempted or Disability. Notwithstanding any other provision of this Plan, including any scheduled payment election under Section 5.3, the Participant's Disability shall cause payment of the Participant's Deferral Account to be accelerated and paid in lump sum. Similarly, notwithstanding any other provision of this Plan, including any scheduled payment election under Section 5.3, upon the death of a Participant, the Participant's Deferral Account shall, to the extent remaining unpaid, be paid to such Participant's Beneficiary as designated in a lump sum within sixty (60) days following the Participant's death; and provided further, that the actual payment date shall in no event be subject to the discretion of the Beneficiary.

5.5. Payment Amount.

(a) The amount of a lump-sum payment to purported assignment, alienation, pledge, attachment, sale, transfer or with respect to a Participant encumbrance shall be determined by reference to the Deferral Account as of the last valuation date immediately preceding the date of payment.

(b) The amount of each periodic installment payment shall be the lesser of:

(i) The quotient obtained by dividing (A) the amount of such Participant's Deferral Account held in the applicable subdivision, determined as though a lump-sum payment were being made as of the last valuation date of the calendar quarter preceding the date of payment of such installment, by (B) the number of installment payments then remaining to be made; or

(ii) The amount of such Deferral Account at such time.

5.6. Tax Withholdings. The Company or trustee, as the case may be, may deduct from payments under the Plan such reasonable amount as it shall deem necessary, based upon information provided by the Committee upon which the payor may rely, to pay any federal, state, or local income, employment, or other taxes attributable to the payment or required to be withheld from the payment.

5.7. **Subtractions from Deferral Account.** All distributions (including any tax withholdings) void and withdrawals shall be subtracted from a Participant's Deferral Account and the applicable subdivision thereof when made.

5.8. **Reemployment.** In the event that a Participant who has begun to receive periodic installment payments again becomes an employee of unenforceable against the Company or any of its Affiliates, Affiliates; provided, that the periodic installments designation of a beneficiary (if permitted by the Committee) shall continue regardless of return to employment. not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

5.9. 7. **New Designation Repayment of Proceeds; Clawback Policy.**

(a) If the Participant's Service is terminated by the Company for Cause or the Participant resigns while grounds for Cause exist, a Detrimental Activities Violation occurs, or the Company discovers that after a termination of Service that grounds for a termination with Cause existed at the time thereof, then the Participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company, within ten (10) business days of the Company's request to the Participant therefor, the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the RSUs or Shares issued in settlement of the RSUs. With respect to the scenario where the Company discovers that after a termination of Service that grounds for a termination with Cause existed at the time thereof, then any reference in this Agreement to grounds existing for a termination with Cause shall be determined without regard to any cure period or other procedural delay or event required prior to a finding of, or termination with, Cause.

(b) The RSUs and all proceeds of the RSUs shall be subject to any right or obligation that the Company may have (i) under any Company clawback policy, including, without limitation, the Chewy Clawback Policy or other agreement or arrangement with the Participant, and (ii) under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the Securities and Exchange Commission, the listing standards of the NYSE, or any other applicable law.

(c) By acceptance of the grant of RSUs pursuant to this Agreement, the Participant acknowledges and agrees that the Company may cause the cancellation or forfeiture of RSUs or Shares issuable upon settlement of any RSU on the books and records of the Company or any transfer agent to enforce the provisions of this Section 7.

8. **No Right to Continued Service.** Neither the Plan nor this Agreement nor the Participant's receipt of the RSUs hereunder shall impose any obligation on the Company to continue the Service of the Participant. Further, the Company may at any time terminate the Service of the Participant, who has made an election free from any liability or claim under the Plan or this Agreement, except as otherwise expressly provided herein.

9. **No Rights as a Stockholder.** The Participant's interest in the RSUs shall not entitle the Participant to any rights as a Chewy stockholder. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a Chewy stockholder in respect of, the Shares unless and until such Shares have been issued to the Participant.

10. **Adjustments Upon Change in Capitalization.** The terms of this Agreement, including the RSUs, the Participant's Unit Account, and/or the Shares, shall be subject to adjustment in accordance with Section 5.39 of the Plan. This paragraph shall also apply with respect to any extraordinary dividend or other extraordinary distribution in respect of Chewy's common stock (whether in the form of cash or other property).

11. **Award Subject to Plan.** By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The RSUs granted hereunder are subject to the Plan. The terms and provisions of the Plan, as it may file with be amended from time to time, are hereby incorporated herein by reference. In the Committee an election event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

12. **Severability.** Except where otherwise expressly indicated, Participant's obligations under this Agreement are severable and/or subject to defer reformation or partial enforcement. If a court of competent jurisdiction determines that at the time this Agreement is presented for enforcement any provisions are overly broad or unenforceable, the parties agree that the court shall engage in partial enforcement and/or reform the Agreement to make it enforceable to the maximum extent possible for the protection of the Company's interests and prevention of irreparable harm which is the express intent of the parties. If despite the forgoing, a scheduled payment. The new designation may only defer provision of this Agreement is held by

a court or arbitrator of competent jurisdiction (an "Adjudicator") to be unenforceable or invalid for any reason, the time remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

13. Venue; Personal Jurisdiction; Language. Subject to any arbitration agreement between Participant and the Company, any suit, action or proceeding with respect to this Agreement (or any provision incorporated by reference) or a scheduled payment and may not change payment frequency. Notwithstanding the foregoing, any election to defer judgment entered by an Adjudicator, that can be pursued or enforced in a scheduled payment under this section court of law, shall be disregarded as if it had never been filed unless brought in the election (a) was filed with U.S. District Court for the Committee at least twelve (12) months prior District of Delaware or in another court of competent subject matter jurisdiction located in the State of Delaware. The Participant, the Company, and any transferees who hold RSUs pursuant to a valid assignment, all hereby submit to the date on exclusive jurisdiction of the courts of proper subject matter jurisdiction located in Delaware (the "Chosen Venue"), consent to the exercise of personal jurisdiction over them by such courts, and waive (a) any objections which they may now or hereafter have to the scheduled payment is to occur and (b) provides for a deferral for a period which is not less than five (5) years from laying of the date such scheduled payment would otherwise have been paid. A new election shall be venue of any suit, action, or

Exhibit 10.3

made proceeding arising out of or relating to this Agreement that can be pursued in writing upon forms furnished by a court of law in the Committee and shall conform to Chosen Venue; (b) any claim that any such other procedural and substantive rules as suit, action, or proceeding brought in the Committee shall establish.

5.10. Unforeseeable Emergency. A Participant may apply for and receive a distribution from the Participant's Deferral Account if the Committee determines that such distribution is on account of an Unforeseeable Emergency and the amount of the requested distribution does not exceed the amount reasonably necessary to satisfy the Participant's proven Unforeseeable Emergency (including amounts necessary to pay any applicable income taxes or penalties reasonably anticipated to result from the distribution). Whether a Participant Chosen Venue has incurred an Unforeseeable Emergency permitting a distribution under this section will be determined by the Committee based on the relevant facts and circumstances, but, been brought in any case, inconvenient forum; and (c) any right to a distribution on account of Unforeseeable Emergency may not be made to jury trial in the extent that Chosen Venue (unless such emergency is or may be relieved through reimbursement or compensation from insurance) waiver would violate controlling law or otherwise by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Employee Deferrals under this Plan. To receive such a distribution, the Participant must file a written request with the Committee and furnish such supporting documentation as the Committee, in its discretion, may require. In the request, the Participant shall specify the basis for the distribution and the dollar amount to be distributed. If such a distribution is approved by the Committee, payment shall be made as soon as practicable following such approval in a single lump-sum distribution. If a Participant receives payment on account of an Unforeseeable Emergency, the Participant may make no more Employee Deferrals for the remainder of the forgoing provisions regarding Chosen Venue unenforceable). Nothing herein shall be construed to waive the arbitration obligations Participant or Company may have as a result of any arbitration agreement between them. If the Participant has received a copy of this Agreement (or the Plan Year, or any other document related hereto or thereto) translated into a language other than English, such translated copy is qualified in its entirety by reference to the English version thereof, and in the event of any conflict the English version will govern.

14. Successors in Interest. Any successor to the Company shall have the benefits of the Company under, and be entitled to enforce, this Agreement. Likewise, the Participant's legal representative shall have the benefits of the Participant under, and be entitled to enforce, this Agreement. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Participant's heirs, executors, administrators and successors.

5.11. 15. Distribution of Benefit When Payee Cannot Be Located Data Privacy Consent.

(a) General. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Participant's service-recipient or contracting party (the "Service Recipient") and the Company for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, work location and phone number, date of birth, social security number or other identification number, salary, nationality, job title, hire date, any shares

of stock or directorships held in the Company, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data").

(b) **Use of Personal Data; Retention.** The Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Participant's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential recipients of the Personal Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Personal Data will be held only as long as is

necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative.

(c) **Withdrawal of Consent.** The Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's Service and career with the Service Recipient will not be adversely affected; the only consequence of the Participant's refusing or withdrawing the Participant's consent is that the Company would not be able to grant RSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.

16. Detrimental Activities. The Participant acknowledges and recognizes that an important purpose of this Agreement is to align the interests of Participant with those of Chewy's stockholders and to ensure that the Participant does not engage in activity detrimental to the interests of Chewy's stockholders if Participant is going to be allowed the opportunity to participate in the financial rewards that result from the RSU and their relationship to the value of equity participation in Chewy. In addition, Participant acknowledges that an ancillary purpose consistent with protecting the interests of the stockholders arises with respect to Participant because Participant will be allowed access to confidential and proprietary information (including, but not limited to, trade secrets), as well as access to the prospective and actual customers, suppliers, investors, clients and partners of the Company, and the goodwill associated with the Company. Participant accordingly agrees to comply with the provisions of Appendix A to this Agreement (the "Commitment to Avoid Detrimental Activities") as a condition of receipt and retention of the RSUs provided for in this Agreement and their beneficial value. For the avoidance of doubt, the covenants made by Participant in this Agreement supplement and are in addition to, and not in lieu of, any payment made under other restrictive covenants or similar covenants or agreements between the Participant and the Company, nor will they be construed to replace, reduce or otherwise detrimentally impact the applicability or enforceability of any other such restrictive covenants Participant may agree to with the Company. Participant acknowledges and agrees not to contest or dispute the Company's position that the prohibition of detrimental activities provided for in Appendix A is inextricably connected to and part of the Company's governance of its internal affairs and relates directly to the interests of Chewy's stockholders.

17. Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By accepting this Agreement and the grant of the RSUs contemplated hereunder, the Participant expressly acknowledges that (a) the Plan is returned unclaimed, established voluntarily by the payor shall notify Company, it is discretionary in nature and may be suspended or terminated by the Committee Company

at any time, to the extent permitted by the Plan; (b) the grant of RSUs is exceptional, voluntary and shall dispose occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past; (c) all determinations with respect to future grants of RSUs, if any, including the date of grant, the number of Shares granted and the applicable vesting terms, will be at the sole discretion of the payment as Company; (d) the Committee Participant's participation in the Plan is voluntary; (e) the value of the RSUs is an extraordinary item that is outside the scope of the Participant's Services contract, if any, and nothing can or must automatically be inferred from such Services contract or its consequences; (f) grants of RSUs, and the income and value of same, are not part of normal or expected compensation for any purpose and are not to be used for calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, the Participant waives any claim on such basis, and for the avoidance of doubt, the RSUs shall direct. The Committee shall make all reasonable attempts to determine the whereabouts of a Participant or Beneficiary entitled to benefits not constitute an "acquired right" under the Plan, including applicable law of any jurisdiction; and (g) the mailing by certified mail of a notice to the last known address shown on the Employing Employer's or the Committee's records. If the Committee is unable to locate such a Participant or Beneficiary entitled to benefits hereunder, the Company will issue a payment in the appropriate amount and in the name future value of the underlying Shares is unknown and cannot be predicted with certainty. In addition, the Participant understands, acknowledges and agrees that the Participant will have no rights to compensation or Beneficiary, and the Company will retain such benefit payment on behalf damages related to RSU proceeds in consequence of the Participant or Beneficiary, without any adjustment for interest or deemed earnings, subject to any applicable statute of escheats not preempted by ERISA.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.1. Administration termination of the Plan Participant's Service for any reason whatsoever and whether or not in breach of contract.

18. **Award Administrator.** The Company has appointed may from time to time designate a third party as an "Award Administrator" to assist the Committee to act as the Plan Administrator. The Committee shall maintain such procedures and records as will enable it to determine the Participants and their Beneficiaries who are entitled to receive a benefit under the Plan and the amounts thereof.

6.2. **General Powers of Administration.** The Committee shall have primary responsibility and authority for the administration of the Plan and to consider and decide conclusively in its sole discretion any questions (whether of fact or otherwise) arising in connection with the administration of the Plan or any claim for benefits arising under the

Exhibit 10.3

Plan, including the exclusive right, power and authority to interpret, in its sole discretion, any and all of the provisions of the Plan, to authorize distributions under the Plan, to establish and enforce such rules and regulations as it shall deem proper for the administration of the Plan, and to determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan. In exercising such powers and authorities, the Committee shall at all times exercise good faith, apply standards of uniform application and refrain from arbitrary action. Any decision or action of the Committee made Company in the exercise of its discretionary authority hereunder shall be conclusive implementation, administration, and binding on all parties.

6.3. **Delegation of Authority.** Except to the extent prohibited by applicable laws, the Committee may delegate to one or more individuals the day-to-day administration management of the Plan and any RSUs granted thereunder, including by sending award notices on behalf of the functions assigned Company to it in this Plan. Such delegation may be revoked at any time. The acts Participants, and by facilitating through electronic means acceptance of such delegates shall be treated as acts of the Committee, and such delegates shall report regularly to the Committee regarding the delegated duties and responsibilities. RSU Agreements by Participants.

6.4. Binding Effect of Plan Administrator Decisions. The finding, decision, determination or action of the Committee (or its delegate) with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon any and all persons having any interest in the Plan, subject only to the Plan's claims rules as set forth below in Section 6.5. No findings, decisions or determinations of any kind made by the Committee shall be disturbed unless the Committee has acted in an arbitrary and capricious manner.

6.5. Claims Procedure. All inquiries and claims respecting the Plan shall be in writing directed to the Committee at such address as may be specified from time to time.

(a) In the case of a claim respecting benefits paid or payable to a Participant, former Participant or Beneficiary, a written determination allowing or denying the claim shall be furnished to the Claimant within ninety (90) days of the date on which the claim is filed. If special circumstances require a longer period, the Claimant will be notified in writing, prior to the expiration of the ninety (90)-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond ninety (90) days after expiration of the initial ninety (90)-day period. A denial or partial denial of a claim shall be dated and set forth the following information:

- (i) the specific reason or reasons for the denial;**
- (ii) reference to the specific Plan provisions on which the denial is based;**
- (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and**
- (iv) a description of the Plan's appeal procedure and the time limits applicable to such procedure, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following a benefit claim denial on appeal.**

Exhibit 10.3

(b) If a claim is denied and the Claimant wishes to submit an appeal of the denied claim, the Claimant (or the Claimant's authorized representative) must follow the procedures described below:

- (i) Upon receipt of the denied claim, the Claimant (or the Claimant's authorized representative) may file an appeal in writing with the Committee. This appeal must be filed no later than sixty (60) days after the Claimant has received written notification of the denied claim.**
- (ii) The Claimant has the right to submit in writing to the Committee any comments, documents, records, or other information relating to the claim for benefits.**
- (iii) A Claimant (or the Claimant's duly authorized representative) has the right to be provided with, upon request and free of charge, reasonable access to and copies of all documents, records, and other information that are relevant to the denied claim.**
- (iv) The Committee will take into account all comments, documents, records, and other information that the Claimant submitted relating to the claim, without regard to whether such information was submitted or considered in the initial denial of the claim.**

(c) The Committee will provide the Claimant with written notice of its decision within sixty (60) days after the Committee's receipt of the written appeal. There may be special circumstances which require an extension of this sixty (60)-day period. In any such case, the Committee will notify the Claimant in writing within the sixty (60)-day period and the final decision will be made no later than one hundred twenty (120) days after the Committee's receipt of the Claimant's appeal. The Committee's decision on the appeal will be communicated to the Claimant in writing and will state:

- (i) the specific reason or reasons for the denial of the appeal;**
- (ii) reference to the specific Plan provisions on which the denial of the appeal is based;**
- (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, the Plan and all documents, records, and other information relevant to the claim for benefits; and**

- (iv) a statement describing the Claimant's right to bring an action under Section 502(a) of ERISA no later than one hundred twenty (120) days after the final adverse determination on appeal.
- (c) The Committee's decision upon appeal, or the Committee's initial decision if no appeal is taken, shall be final, conclusive, and binding on all parties, subject to review or correction pursuant to a civil action under Section 502(a) of ERISA only to the extent that such decision is shown by clear and convincing evidence to be arbitrary and capricious.
- (e) **Completion of the claims procedures described in this Section 6.5 is a condition precedent to the commencement of any legal or equitable**

Exhibit 10.3

action in connection with a claim for benefits under the Plan by any current or former Participant or any other person or entity claiming rights in connection with the Plan. After exhaustion of the Plan's claims procedures, any further legal action taken against the Plan for benefits under the Plan shall be filed in a court of law no later than one hundred twenty (120) days after the final adverse determination on appeal. No action at law or in equity shall be brought to recover benefits under this Plan until the appeal rights provided in this Section 6.54 have been exercised and the Plan benefits requested in such appeal have been denied in whole or in part.

6.6. Indemnification. No member of the Committee or any designee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan except for any liability arising from their own willful malfeasance, gross negligence, or reckless disregard of their duties.

ARTICLE VII

AMENDMENT AND TERMINATION

7.1. Amendment and Termination.

(a) The Company reserves the right to alter, amend, modify, or suspend the Plan in any respect and at any time and may do so pursuant to a written resolution of the Compensation Committee of the Board of Directors; provided however, that no alteration, amendment, modification, or suspension of the Plan shall directly or indirectly reduce the amount credited to any Participant's Deferral Account under the Plan as of the effective date of such action, although deemed investment earnings and losses may continue to be adjusted after such alteration, amendment, modification, or suspension.

(b) Notwithstanding the foregoing to the contrary, the Company may amend the Plan retroactively to the extent the Company is of the opinion that such an amendment is required (i) to avoid the imposition of additional tax liabilities on a Participant under Section 409A of the Code or (ii) to avoid the application of Section 409A of the Code to benefits hereunder; or (iii) to conform the Plan to the provisions and requirements of any applicable law, provided that no such amendment may reduce any Participant's Deferral Account. No such amendment shall be considered prejudicial to any interest of a Participant or Beneficiary hereunder.

(c) The Committee may adopt minor amendments to the Plan without prior approval by the Compensation Committee of the Board of Directors that (i) are necessary or advisable for purposes of compliance with applicable laws and regulations, (ii) relate to administrative practices, or (iii) have an insubstantial financial effect on Plan benefits and expenses.

(d) The Company reserves the right to terminate the Plan at any time, provided such termination is consistent with the applicable requirements of Section 409A of the Code.

7.2. Effect of Plan Termination. Upon termination of the Plan, distribution of each Participant's Deferral Account under the Plan shall not be accelerated except as permitted under Section 409A of the Code. No additional contributions shall be credited under the Plan, but deemed investment earnings and losses shall continue to be

credited hereunder until the full amount has been distributed to the Participant (or the Participant's Beneficiary).

ARTICLE VIII

GENERAL PROVISIONS

8.1. Participant's Rights Unsecured and Unfunded. The Plan at all times shall be entirely unfunded. No assets of any Employing Company shall be segregated or earmarked to represent the liability for accrued benefits under the Plan, provided, that the Company may, in its discretion, set aside assets, in a trust or otherwise, to satisfy its obligations under the Plan. Notwithstanding anything herein to the contrary, the right of a Participant (or the Participant's Beneficiary) to receive a distribution hereunder shall be an unsecured claim against the general assets of the Employing Company employing, or which previously employed, such Participant. All payments under the Plan shall be made from the general funds of such Employing Company.

8.2. No Guarantee of Benefits. Nothing contained in the Plan shall constitute a guaranty by any Employing Company or any other person or entity that the assets of such Employing Company will be sufficient to pay any benefit hereunder.

8.3. No Enlargement of Employee Rights. Participation in the Plan shall not be construed to give any Participant the right to be retained in the service of any Employing Company or interfere in any way with the right of the Employing Company to terminate the Participant's employment or service at any time with or without notice and with or without cause.

8.4. Non-Alienation Provision. No interest of any person or entity in, or right to receive a benefit or distribution under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance and claims in bankruptcy proceedings; provided, that the foregoing restrictions on alienation shall not apply to the extent required to comply with the terms of a "domestic relations order" (as defined in Section 414(p)(1)(B) of the Code).

8.5. Beneficiary Designation.

(a) Each Participant shall be entitled to designate a Beneficiary to receive any unpaid Deferral Amount hereunder by filing a designation in writing with the Committee on the form provided for such purpose. Any Beneficiary designation shall be effective only if signed and dated by the Participant and delivered to the Committee prior to the time of the Participant's death. Any Beneficiary designation shall remain effective until changed or revoked hereunder.

(b) Any Beneficiary designation may include multiple, contingent, or successive Beneficiaries and may specify the proportionate distribution to each Beneficiary. If multiple Beneficiaries are designated, absent any other provision by the Participant, those named or the survivor of them shall share equally in any amounts payable hereunder.

(c) A Beneficiary designation may be changed by the Participant at any time, or from time to time, by filing a new designation in writing with the Committee.

(d) If a Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant or cannot be located by the Committee, then the Participant's surviving spouse or, if none, the executor, or the administrator of the Participant's estate shall be deemed to be the Beneficiary.

(e) If a Beneficiary shall survive the Participant but die before the Participant's remaining benefit under the Plan has been distributed, then, absent any other provision by the Participant, the unpaid balance thereof shall be distributed to such other beneficiary named by the deceased Beneficiary to receive the deceased Beneficiary's interest or, if none, to the estate of the deceased Beneficiary.

8.6. **Applicable Law.** The Plan shall be construed and administered under the internal laws of the State of Florida (without reference to conflict of law principles), except to the extent that such laws are preempted by applicable Federal law.

8.7. **Taxes.** To the extent required by law, amounts credited under the Plan shall be subject to federal social security, Medicare, and unemployment taxes as required by Section 3121(v)(2) of the Code or other applicable law. The Company shall withhold from any distributions made pursuant to the Plan such amounts as may be required by federal, state, or local law.

8.8. 19. **Section 409A of the Code.**

(a) It This Agreement is intended to comply with the Company's intent that provisions of Section 409A of the payments Code and benefits provided under the Plan either regulations promulgated thereunder. Without limiting the foregoing, the Committee shall have the right to amend the terms and conditions of this Agreement in any respect as may be necessary or appropriate to comply with Section 409A of the Code or be provided in a manner that complies with Section 409A any regulations promulgated thereunder, including without limitation by delaying the issuance of the Code, and Shares contemplated hereunder.

(b) Notwithstanding any ambiguity herein shall be interpreted in a manner consistent with the intent other provision of this paragraph. Notwithstanding anything contained herein Agreement to the contrary, if a Participant is a "specified employee" within the meaning of Section 409A of the Code, no payments in respect of any RSU that is "deferred compensation" subject to Section 409A of the Code and not exempt for Section 409A as a short-term deferral or otherwise and which would otherwise be payable upon the Participant's "separation from service" (as defined in Section 409A of the Code) shall be made to such term Participant prior to the date that is defined six (6) months after the date of the Participant's "separation from service" or, if earlier, the Participant's date of death. Following any applicable six (6)-month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A of the Code at that is also a business day. The Participant is solely responsible and liable for the time satisfaction of a Separation from Service all taxes and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated recognition of income or additional tax penalties

under Section 409A of the Code then that may be imposed on or in respect of the Participant in connection with this Agreement, and the Company will defer the commencement shall not be liable to any Participant for any payment made under this Plan that is determined to result in an additional tax, penalty or interest under Section 409A of the Code, nor for reporting in good faith any payment made under this Agreement as an amount includable in gross income under Section 409A of any such the Code. Each payment in a series of payments or benefits hereunder (without any reduction shall be deemed to be a separate payment for purposes of Section 409A of the Code.

20. **Book Entry Delivery of Shares.** Whenever reference in payments or benefits ultimately paid or provided this Agreement is made to the Participant) until issuance or delivery of certificates representing one or more Shares, the Company may elect to issue or deliver such Shares in book entry form in lieu of certificates.

21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

22. **Acceptance and Agreement by the Participant.** By accepting the RSUs (including through electronic means), the Participant agrees to be bound by the terms, conditions, and restrictions set forth in the Plan, this Agreement, and the Company's policies, as in effect from time to time, relating to the Plan. The Participant's rights under the RSUs will lapse forty-five (45) days from the Date of Grant, and the RSUs will be forfeited on such date that is at least six (6) months following if the Participant shall not have accepted this Agreement by such date. For the avoidance of doubt, the Participant's Separation from Service (or, if earlier, failure to accept this Agreement shall not affect the date Participant's continuing obligations under any other agreement between the Company and the Participant.

23. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant

is hereby advised to consult with the Participant's death), whereupon own personal tax, legal and financial advisors regarding the Company will promptly pay Participant's participation in the Participant a lump-sum amount equal Plan before taking any action related to the cumulative amounts that would have otherwise been previously paid Plan.

24. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, during to the period extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. **Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant in the Plan.

9

26. **Counterparts.** This Agreement may be executed in separate counterparts, each of which such payments or benefits were deferred. Thereafter, payments will resume is deemed to be an original and all of which taken together constitute one in accordance the same agreement.

[Signatures follow]

10

CHEWY INC.

By:

Acknowledge and agreed as of the date first written above:

Participant Signature:

Appendix A

Commitment to Avoid Detrimental Activities

Participant acknowledges that as an individual being presented with the Plan.

(b) Payment may be delayed opportunity to share in the growth and value of Chewy through RSUs it is important to avoid certain activities while engaged to provide services to the Company and for a reasonable period of time thereafter that would be detrimental to Chewy's business and its potential value to stockholders. Participant agrees that it is reasonable for the Company to require a commitment from Participant of this nature in order to allow Participant to participate in and retain the benefits of the RSUs. Accordingly, Participant agrees that any activity or conduct by Participant that violates one of the restrictions or obligations provided for in Parts A-1, A-2, A-3, or A-4 below will be considered a "Detrimental Activities Violation".

A-1. Avoidance of Competition and Other Detrimental Acts During Engagement.

While employed or otherwise engaged as an individual to provide services to the Company (as an employee, consultant, or otherwise), Participant will comply with each of the restrictions and obligations below.

1. While employed with the Company, Participant will comply at all times with Participant's duty of loyalty to the Company as an employee or agent of the Company placed in a position of special trust and confidence. This duty shall be understood to include, but not be limited to,

(a) an obligation not to engage or participate in the event business of a Competitor (as defined below), or become employed with a Competitor as an employee, owner, member, partner, consultant, director or otherwise, without the payment is express written consent of the Company,

(b) an obligation not administratively practical due to events beyond interfere with or otherwise knowingly cause harm to the recipient's control such Company's ongoing or prospective business relationship with a Company employee, consultant or individual providing services as where an independent contractor, or a supplier, distributor, vendor, customer, or other person or entity that does business with the recipient is Company or that the Company has a reasonable expectation of doing business with, and

(c) an obligation to inform the Company of business opportunities that fall within the Company's line of business and not competent pursue them for personal gain separate from the Company without the Company's express written consent in advance, or otherwise participate in any conduct or relationship that creates a conflict of interest in violation of Company policies.

2. Participant will not knowingly participate in or pursue activities that harm the value of the Company's intellectual property and will honor all agreements with the Company concerning the ownership and protection of proprietary works and intellectual property. Participant will be responsible for understanding, complying with, and implementing any intellectual property policy or guidelines published by the Company as they apply to receive the benefit payment, there is a dispute as to amount due or the proper recipient Participant's position and area of such benefit payment, additional time is needed to calculate the payment, or the payment would jeopardize the solvency of accountability at the Company.

Exhibit 10.3

(c) **Payment shall be delayed**3. The "Business" of the Company is providing retail and wholesale pet food, pet pharmacy and compounding, pet health and wellness, pet insurance, and other pet supply products and services (with "pets" as referenced in this Agreement to include, without limitation, in addition to household pets, any domesticated livestock); (ii) the Company is one of the limited number of entities to have developed such a Business; (iii) the Company's Business is national in scope; (iv) the Company directly competes with: e-commerce and mail-order pharmacies and pharmacy compounders; e-commerce retailers and wholesalers of pet food, pet pharmacy and compounding, pet health and wellness, pet insurance and other pet supply services and pet products, including those that exclusively sell pet-related products as well as those offering pet food, pet pharmacy and compounding, pet health and wellness, pet insurance, and/or other pet supply services and pet products as one amongst many product categories available for purchase; and brick-and-mortar retailers and wholesalers whose primary business is the retail or wholesale of pet food, pet pharmacy or compounding, pet health and wellness, and/or other pet supply services and pet products (the entities enumerated above are collectively referred to as "Competitors"); (v) over the course of Participant's career, the Company's business may expand beyond its current Business, and therefore, the definition of Competitors also includes any business engaged in the following circumstances:

(i) Where developing, marketing or selling of any product(s) or service(s) the Committee reasonably anticipates that a delay Company is developing, marketing or selling or has plans to develop, market or sell at the time of Participant's termination of employment, in payment is necessary to comply with Federal securities laws which Participant had involvement or other applicable laws; or about which Participant was provided Confidential Information (as defined below) during the Look Back Period (as defined below).

(ii) Where the Committee reasonably determines that a delay is permissible for other events or conditions under applicable published guidance A-2. **Avoidance of the Internal Revenue Service for Section 409A of the Code; Competition and Other Detrimental Acts After Engagement.**

provided that any payment delayed by operation of this Section 8.8(c) Participant will be made at the earliest date at which the Committee reasonably anticipates that the payment will not be limited or will cease to be so delayed.

(d) If any portion of a Deferral Account is required to be included in income by a Participant or Beneficiary prior to receipt due to a failure of the Plan to comply with the requirements following restrictions for a period of Section 409A two (2) years after Participant's employment or other services engagement with the Company ends:

1. **Noncompete.** Participant will not, within Participant's Territory (as defined below), directly or through the direction or control of others, acting individually or as an owner, shareholder, partner, employee, contractor, agent or otherwise, on behalf of a Competitor: (a) provide, supervise or manage services that are the Code, the Committee may determine that such Participant same as or Beneficiary shall receive a distribution from the Plan similar in an amount equal function or purpose to the lesser services Participant provided to the Company during the last two (2) years of employment or such shorter period of time as Participant was actually employed or engaged to provide personal services to the Company (the "Look Back Period") (b) assist in the development or improvement of a competing product or service, or (c) provide services that are otherwise likely or probable to result in the use or disclosure of Confidential Information to a Competitor. "Territory" means the geographic territory(ies) assigned to Participant by Company during the Look Back Period (by state, county, or other recognized geographic boundary used in the Company's Business); and, if Participant has no such specifically assigned geographic territory then: (i) those states and counties in which Participant participated in the portion of Company's Business and/or about which Participant was provided access to Confidential Information during the Deferral Account required to be included in income as a result of such failure or Look Back Period; and, (ii) the unpaid Deferral Account.

(e) Notwithstanding the foregoing, in no event whatsoever shall state and county where Participant resides. If Participant is employed by the Company be liable for any additional tax, interest in a research and development capacity and/or penalty that may be imposed on if Participant is employed in a senior management position (such as Director, Senior Director, Vice President and above, Board Member, or Officer) then Participant under Section 409A of the Code or any damages for failing is presumed to comply with Section 409A of the Code.

8.9. Distribution have participated in the Event of Taxation. If, for any reason, all or any portion of a Participant's benefit under this Plan becomes subject to Federal income taxes prior to receipt, that Participant may petition the Committee for a distribution of assets sufficient to meet the Participant's tax liability (including additions to tax, penalties and interest). Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Committee shall distribute to the Participant immediately available funds in an amount equal to that Participant's federal, state and local tax liability associated with such event of taxation (which amount shall not exceed the value of the Participant's Deferral Account), such tax liability shall be measured by using that Participant's then current highest federal, state and local marginal tax rate, plus the rates or amounts for the applicable additions to tax, penalties and interest. If the petition is granted, the tax liability distribution shall be made within ninety (90) days of the date when the Participant's petition is granted. Such a distribution shall reduce the value of the Participant's Deferral Account.

8.10. Incompetence or Incapacity of a Recipient. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetency, incapacity or guardianship, as it may deem appropriate Company's Business and/or such indemnification of the Committee and the Company and security, as it deems appropriate, in its sole discretion, prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case had

Exhibit 10.3

may be, Confidential Information about the Company's Business throughout the United States (including state and shall be a complete discharge of any liability under state-equivalents and county and county-equivalents therein), as the Plan for such payment amount. Company and Participant agree that the Company's Business is e-commerce, is conducted nationwide and competes nationwide.

8.11.2. Usage of Terms and Headings **Worker Nonsolicit.** Words Participant will not, directly or indirectly through providing assistance to others, knowingly participate in soliciting or communicating (verbally, electronically, or in other written form) with a Covered Worker (as defined below) for the purpose of persuading the Covered Worker to go to work for a Competitor or to end or modify the Covered Worker's relationship with the Company or assist a Competitor in efforts to hire a Covered Worker away from the Company. A "Covered Worker" means an employee or individual worker engaged as an independent contractor of the Company that Participant works with, gains knowledge of or is provided Confidential Information about in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified by the context. Any headings used herein are included for ease of reference only and are not Look Back Period. A worker who resigns will continue to be construed in considered a manner which alters Covered Worker for a period of six (6) months after the terms hereof. workers employment or other engagement with the Company ends except where it would make this restriction unenforceable.

8.12. 3. Customer Nonsolicit/No Warranties. Participant will not, working alone or in conjunction with one or more other persons or entities, whether for compensation or not, on behalf of (or for the benefit of) a Competitor: (a) solicit, assist in soliciting, or facilitate the solicitation of, competing business from a customer of the Company that Participant had material contact or involvement with or was provided Confidential Information about during the Look Back Period ("Covered Customer"); or (b) interfere with the Company's business relationship with any such Covered Customer.

4. Business Relationship Interference. Neither Participant will not, directly or indirectly through providing assistance to others, knowingly interfere with the Employing Company's ongoing or prospective business relationship with a supplier, distributor, or vendor that the Company nor has a reasonable expectation of doing business with, and that Participant had material contact or involvement with or gained knowledge of through Participant's role with the Committee warrants Company in the Look Back Period, by soliciting, inducing or represents otherwise encouraging the supplier, distributor, or vendor to cease or reduce doing business with the Company or to give a valuable business opportunity to a Competitor.

A-3. Avoidance of Unauthorized Confidential Information Use or Disclosure.

1. Participant will honor all agreements with the Company regarding maintaining the confidentiality of information that qualifies as contractually protected Confidential Information, protect and preserve the value of any Participant's Deferral Account will increase. Each the Company's trade secrets and proprietary information to the Company (irrespective of whether same is also covered by contractual definition of Confidential Information), and comply with Company policies and directives regarding the handling of Company records, files, computer system access, materials and property at all times. To the extent Participant assumes the risk in connection is not otherwise subject to another contractual agreement with the deemed investment Company covering Confidential Information, Participant agrees that until such time as the Confidential Information is readily-available publicly (other than as a result of their Deferral Account disclosure by Participant), Participant shall not disclose to any person or use, copy, download, upload or transfer any

8.13. Severability. If any provision of the Plan is held to be invalid, illegal,

Confidential Information, whether or unenforceable, whether not created in whole or in part by the efforts of Participant, and regardless of whether Participant is still employed by the Company. Participant will only disclose or use, copy, download, upload or transfer such provision Confidential Information as is required by law or as necessary in the performance of Participant's duties on behalf of the Company.

2. If Participant is subject to another contractual agreement that defines what constitutes the Company's "Confidential Information", that definition shall control. Absent such a controlling definition, it is understood that "Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the business of the Company that the Company has not made public or authorized public disclosure of, and that is not generally known to the public through proper means. Participant acknowledges that, in Participant's position with the Company, Participant will obtain and/or have access to Confidential Information regarding the Company's business, including, but not limited to: business plans and forecasts, market analysis, marketing plans and strategies, branding strategies, pricing-related variables and strategy, the actual and anticipated research and development activities of the Company, unpatented inventions, technical data, knowledge, information and materials about trade secrets, mailing/e-mailing lists, methods of operation, customer or client lists, consumer preferences and buying histories, services, proprietary know-how, non-public information about financial performance, human resources information such as that obtained from a confidential personnel file, other proprietary matters relating to the Company, and information that is entrusted to the Company in confidence by third parties with whom the Company does business or is negotiating to do business, all of which constitute valuable assets of the Company which this Agreement is designed to protect. Nothing herein restricts or prevents an employee from sharing information about their own compensation with other employees nor prevents other employees from making inquiries about the compensation earned or paid to co-workers.

3. Participant agrees that, upon the termination of Participant's employment or personal services relationship with the Company for any reason whatsoever, Participant shall return all copies, in whatever form or media, including hard copies and electronic copies, of Confidential Information to the Company, and Participant shall delete any copy of the Confidential Information on any computer file or database maintained by Participant and, upon request by the Company, Participant shall certify in writing that this has process has been completed and no copies of Confidential Information are retained.

A-4. Avoidance of Disparagement.

Participant agrees to avoid making comments that are disparaging, false, misleading, defamatory or cast in a negative light the Company, or the Company's current or former directors, officers, or employees. And, Participant agrees not to, in any respect, make any disparaging or defamatory comments concerning any aspect of Participant's relationship with the Company or any comments concerning the conduct or events which precipitated any termination of Participant's employment from the Company. However, Participant's obligations under this covenant shall not prevent Participant from exercising the right to (1) communicate with a law enforcement officer acting within the line and scope of the officer's law enforcement duties that a violation of

the law has occurred or is occurring; (2) communicate with a government regulator acting within the line and scope of the regulator's regulatory duties that a violation of the law has occurred or is occurring; (3) respond to a lawfully served judicial, grand jury, or other lawful subpoena; (4) testify in a judicial or administrative proceeding in response to a lawfully served subpoena or an order of a court of competent jurisdiction; (5) confer with the obligated party's attorney for the purpose of obtaining legal advice or representation; (6) respond to lawful discovery in a judicial or administrative action; provided the disparaging statement is either ordered by a court of competent jurisdiction or made in compliance with a protective order entered by the same court; (7) prosecute or defend a civil action between or among parties to a covered contract; provided the party making the disparaging statement attempts to and, if permitted by law, does file the disparaging statement and any related pleading under seal or in compliance with a protective order entered by a court of competent jurisdiction in the civil action; or (8) exercise federally protected statutory rights, including, but not limited to, the exercise of rights under the National Labor Relations Act or the Civil Rights Act of 1964, as amended.

A-5. Enforcement.

1. In the event the Committee has reason to believe Participant has engaged in a Detrimental Activities Violation or is pursuing a course of conduct that threatens such a violation, the Company shall have the right to suspend the vesting schedule with respect to any unvested RSUs until it determines that a violation has occurred and/or that any threatened violation has been resolved so as to longer be a threat. In the event of a Detrimental Activities Violation, Section 7 (Repayment of Proceeds; Clawback Policy) of the Agreement may be applied as determined appropriate by the Committee in the exercise of the full degree of discretion allowed under the Plan. The type of harm to the Company caused by a Detrimental Activities Violation cannot be fully measured and remedied through monetary damages and would be irreparable in nature. Accordingly, in addition to the forgoing, the Company shall retain all rights and remedies available in law or equity to enforce the restrictions and obligations that Participant has committed to in Appendix A.
2. Participant's Commitment to Avoid Detrimental Activities and the terms of this Agreement awarding RSUs to Participant are mutually dependent, material terms. Accordingly, in the event the enforceability of any portion of the Commitment to Avoid Detrimental Activities is challenged by Participant and found by an Adjudicator to be void or unenforceable in any part deemed material by the Company, then the Company shall have the right to demand and receive from Participant within ten (10) business days of the Company's request to Participant, the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) Participant received upon the sale or other disposition of, or distributions in respect of, the RSUs or Shares issued in settlement of the RSUs.
3. If Participant violates one of the restrictions in Section A-2, the period of the breached restriction will be extended for an additional period of time equal to the time that elapses from commencement of the breach to the later of (a) the definitive termination of such breach or (b) the final resolution of any litigation arising from such breach; provided, however, that this

extension of time shall be capped so that the extension of time itself does not exceed the length of time originally proscribed for the restriction, and if this extension would make the restriction unenforceable under controlling law it will not be enforced.

A-6. Limitations.

1. Exceptions to Restrictions. Notwithstanding anything in this Agreement to the contrary, nothing herein prohibits Participant from owning a non-controlling interest consisting of two percent (2%) or less of any class of securities in any publicly traded company or passive investments through an independently controlled fund such as a mutual fund, provided that Participant is not a controlling person of, or a member of a group that controls, a business that is a Competitor, and further provided that Participant does not otherwise participate in any conduct prohibited under this Agreement. In addition, nothing herein shall be construed to prohibit Participant's employment in a separately operated subsidiary or other business unit of a company that would not be a Competitor but for common ownership with a Competitor so long as Participant provides written assurances regarding the non-competitive nature of Participants position that are satisfactory to the Company and Participant remains employed solely in such non-competitive entity or unit during the pendency of the restrictions in Section A-2. Nothing herein is intended to be or is to be construed as a prohibition against general generic advertising of a company's products, services, or job openings to the public such as "help wanted" ads that are not targeted at the Company. The parties acknowledge that some states prohibit or place limitations on the use of covenants not to compete or noncompete covenants with an employee considered to be a low wage worker based on the employee's rate of compensation or overtime exemption status under the Fair Labor Standards Act (a "Low Wage Worker Protection" law, or "LWWP law"). It is the parties' intent not to create any restriction that would violate any controlling state LWWP law. Where the controlling state's law includes an LWWP law, it is the parties' intent that this Agreement's obligations be construed so as to fit within any applicable exclusion for duty of loyalty obligations, nonsolicitation covenants, confidential information protection covenants, and intellectual property assignment agreements recognized under the LWWP law at issue, and that it does not create a prohibited covenant not to compete.
2. Protected Conduct. Nothing in this Agreement prohibits Participant from opposing or reporting to the relevant law-enforcement agency (such as the Securities and Exchange Commission, Equal Employment Commission, or Department of Labor) an event that Participant reasonably and in good faith believes is a violation of law, requires notice to or approval from Company before doing so, or prohibits Participant from cooperating in an investigation conducted by such a government agency, nor does it prohibit Participant from disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Participant has reason to believe is unlawful. Participant acknowledges notice that the Defend Trade Secrets Act provides that no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret that: (a) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. It also provides that an individual

who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may in pursuing such lawsuit disclose trade secrets to his/her attorney and use trade secrets in court submissions so long as documents containing the trade secret are filed under seal and do not disclose trade secrets except as permitted by court order. Nothing in this Agreement prohibits Participant from using information acquired through lawful means regarding the wages, benefits, or other terms and conditions of employment of individuals employed by Company for any purpose protected under the National Labor Relations Act (such as the right of employees to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection), unless the information is entrusted to Participant in confidence by Company as part of Participant's job duties or Participant is employed in a supervisor or management level position. Conduct of the above-described nature is referred to herein as "Protected Conduct." Nothing in this paragraph shall be construed to protect, invite, permit, or limit liability for, otherwise illegal activity such as breaking and entering, illegal computer access (hacking) or theft of the Company's property.

3. State-Specific Modifications. It is the intent of the Company to apply Appendix A in a manner that does not violate any law that is deemed modified to be the controlling law for the parties with respect to the obligations in the Agreement. If Participant resides in California and when Participant last worked for the Company Participant primarily resided and worked in California, then Section A-2 shall not apply except to the extent Participant's conduct also involves the use or disclosure of such invalidity, illegality or unenforceability trade secrets of the Company. If Participant resides in Washington and when Participant last worked for the remaining provisions Company Participant was a Washington-based employee, then

Section A-2 (Noncompete) and A-2 (Business Relationship Interference) shall not apply and Sections A-2 (Worker Nonsolicit) and A-2 (Customer Nonsolicit) shall be affected.

IN WITNESS WHEREOF, limited so that they only apply to prohibit Participant's solicitation of an employee of the Company ~~has executed this Amended to leave such employment, and Restated Plan as~~ solicitation of a customer of the ~~date set forth below~~ Company to cease or reduce the extent to which it is doing business with the Company. If the Company is deemed to operate in the District of Columbia and when Participant last worked for the Company Participant worked for it in the District of Columbia, then nothing in Appendix A will be applied to prohibit Participant from being simultaneously or subsequently employed by another person, performing work or providing services for pay for another person, or operating Participant's own business. However, conduct involving disclosure of confidential, proprietary, or sensitive information, client lists, customer lists, or a trade secret (as defined in the Uniform Trade Secrets Act) will remain prohibited.

CHEWY, INC.

By: /s/ Heather Smedstad

Name: Heather Smedstad

Title: Chief Human Resources Officer

Date: November 28, 2023

EXHIBIT 31.1

Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sumit Singh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Chewy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **December 6, 2023** May 29, 2024

/s/ Sumit Singh

Sumit Singh
Chief Executive Officer
(*Principal Executive Officer*)

EXHIBIT 31.2

Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, **Stacy Bowman, David Reeder**, certify that:

- I have reviewed this Quarterly Report on Form 10-Q of Chewy, Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 6, 2023 May 29, 2024

/s/ Stacy Bowman David Reeder

Stacy Bowman David Reeder

Interim Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Chewy, Inc. (the "Company") on Form 10-Q for the period ended October 29, 2023 April 28, 2024, as filed with the Securities and Exchange Commission (the "Periodic Report"), we, Sumit Singh, Chief Executive Officer of the Company, and Stacy Bowman, Interim David Reeder, Chief Financial Officer and Chief Accounting Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

1. The Periodic Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 6, 2023 May 29, 2024

/s/ Sumit Singh

Sumit Singh

Chief Executive Officer

(Principal Executive Officer)

/s/ Stacy Bowman David Reeder

Stacy Bowman David Reeder

Interim Chief Financial Officer and Chief Accounting Officer

(Principal Financial Officer and Principal Accounting Officer)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.