# NERDWALLET, INC.

**Exhibits 99.3 and 99.4 to the Company's 8-K/A filed August 17, 2022**

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information presents the combination of the historical consolidated financial statements of NerdWallet, Inc. and its subsidiaries (the Company) and the historical financial statements of On the Barrelhead, Inc. (OTB) after giving effect to the Company's acquisition of all equity interests in OTB pursuant to a merger agreement, as further described in Note 1 – Description of the Transaction.

The unaudited pro forma condensed combined balance sheet assumes the acquisition, including the related debt financing, was completed on March 31, 2022, and combines the Company's unaudited condensed consolidated balance sheet as of March 31, 2022 with OTB's unaudited balance sheet as of March 31, 2022.

The unaudited pro forma condensed combined statements of comprehensive income (loss) for the year ended December 31, 2021 combines the Company's historical audited consolidated statements of operations and of comprehensive loss with OTB's audited statement of income. The unaudited pro forma condensed combined statements of comprehensive income (loss) for the three months ended March 31, 2022 combines the Company's unaudited historical condensed consolidated statements of operations and of comprehensive loss with OTB's unaudited statement of income. The unaudited pro forma condensed combined statements of comprehensive income (loss) assume the acquisition, including the related debt financing, was completed on January 1, 2021, the first day of the Company's fiscal year ending December 31, 2021.

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial statements.

***Basis for Historical Information***

The unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the Company's and OTB's historical financial statements referenced below:

- The Company's audited consolidated financial statements and related notes thereto as of and for the year ended December 31, 2021, contained in its Annual Report on Form 10-K for the year ended December 31, 2021;
- The Company's unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2022 and related notes thereto, contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022; and
- OTB's audited financial statements and related notes thereto as of and for the year ended December 31, 2021 included as Exhibit 99.1 to this Amendment to the Current Report on Form 8-K/A, and OTB's unaudited financial statements as of March 31, 2022 and for the three months ended March 31, 2022 included as Exhibit 99.2 to this Amendment to the Current Report on Form 8-K/A.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to present or be indicative of what the results of operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results of operations or financial position for any future period or as of any future date. The actual results of the Company may differ significantly from the results reflected in the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the Transaction.

**NERDWALLET, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
**AS OF MARCH 31, 2022**

| *(in millions, except share amounts which are in thousands and per share amounts)* | Historical | | Transaction Accounting Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| | NW | OTB | | | |
| **Assets** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 161.6 | $ 3.9 | $ (5.7) | 4(A) | $ 159.8 |
| Accounts receivable | 72.5 | 11.6 | — | | 84.1 |
| Prepaid expenses and other current assets | 19.2 | — | — | | 19.2 |
| Total current assets | 253.3 | 15.5 | (5.7) | | 263.1 |
| Property, equipment and software — net | 39.6 | — | — | | 39.6 |
| Goodwill | 43.6 | — | 70.0 | 4(B) | 113.6 |
| Intangibles — net | 25.5 | — | 50.1 | 4(C) | 75.6 |
| Right-of-use assets | 13.3 | — | — | | 13.3 |
| Other assets | 0.8 | — | — | | 0.8 |
| **Total Assets** | **$ 376.1** | **$ 15.5** | **$ 114.4** | | **$ 506.0** |
| **Liabilities and Stockholders' Equity** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ 5.2 | $ 5.1 | $ — | | $ 10.3 |
| Accrued expenses and other current liabilities | 41.5 | 0.2 | 2.2 | 4(D) | 43.9 |
| Contingent consideration — current | 30.5 | — | — | | 30.5 |
| Total current liabilities | 77.2 | 5.3 | 2.2 | | 84.7 |
| Contingent consideration — noncurrent | 28.1 | — | — | | 28.1 |
| Debt — noncurrent | — | — | 70.0 | 4(E) | 70.0 |
| Deferred tax liability — noncurrent | 1.1 | 1.6 | (1.6) | 4(F) | 1.1 |
| Other liabilities — noncurrent | 14.3 | — | — | | 14.3 |
| Total liabilities | 120.7 | 6.9 | 70.6 | | 198.2 |
| Commitments and contingencies | | | | | |
| Stockholders' equity: | | | | | |
| Preferred stock — $0.0001 par value per share — 5,000 shares authorized; zero shares issued and outstanding as of March 31, 2022 | — | — | — | | — |
| Common stock — $0.0001 par value per share — 296,686 shares authorized as of March 31, 2022; 67,138 shares issued and outstanding as of March 31, 2022; 72,073 shares issued and outstanding pro forma combined | — | — | — | | — |
| Additional paid-in capital | 340.2 | 0.3 | 42.9 | 4(G) | 383.4 |
| Accumulated other comprehensive income | 0.2 | — | — | | 0.2 |
| Retained earnings (accumulated deficit) | (85.0) | 8.3 | 0.9 | 4(H) | (75.8) |
| Total stockholders' equity | 255.4 | 8.6 | 43.8 | | 307.8 |
| **Total Liabilities and Stockholders' Equity** | **$ 376.1** | **$ 15.5** | **$ 114.4** | | **$ 506.0** |

See notes to unaudited pro forma condensed combined financial information.

**NERDWALLET, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT**
**OF COMPREHENSIVE INCOME (LOSS)**
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

| *(in millions, except per share amounts)* | Historical NW | Historical OTB | Transaction Accounting Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| **Revenue** | **$ 129.1** | **$ 18.6** | **$ —** | | **$ 147.7** |
| **Costs and Expenses:** | | | | | |
| Cost of revenue | 7.7 | 0.9 | 2.4 | 5(A) | 11.0 |
| Research and development | 17.4 | — | 0.9 | 5(B,C) | 18.3 |
| Sales and marketing | 96.1 | 13.9 | 1.6 | 5(A,B,C) | 111.6 |
| General and administrative | 13.1 | 1.7 | — | | 14.8 |
| Change in fair value of contingent consideration related to earnouts | 3.9 | — | — | | 3.9 |
| Total costs and expenses | 138.2 | 16.5 | 4.9 | | 159.6 |
| **Income (Loss) From Operations** | (9.1) | 2.1 | (4.9) | | (11.9) |
| Other expense: | | | | | |
| Interest expense | (0.2) | — | (0.8) | 5(D) | (1.0) |
| Other gains, net | — | — | — | | — |
| Total other expense | (0.2) | — | (0.8) | | (1.0) |
| Income (loss) before income taxes | (9.3) | 2.1 | (5.7) | | (12.9) |
| Income tax provision | 1.2 | 0.5 | (1.2) | 5(G) | 0.5 |
| **Net Income (Loss)** | **(10.5)** | **1.6** | **(4.5)** | | **(13.4)** |
| **Other Comprehensive Loss:** | | | | | |
| Change in foreign currency translation | (0.3) | — | — | | (0.3) |
| **Comprehensive Income (Loss)** | **$ (10.8)** | **$ 1.6** | **$ (4.5)** | | **$ (13.7)** |
| **Net Income (Loss) Per Share Attributable to Common Stockholders** | | | | | |
| Basic | $ (0.16) | | | | $ (0.19) |
| Diluted | $ (0.16) | | | | $ (0.19) |
| **Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders** | | | | | |
| Basic | 66.9 | | | | 71.8 |
| Diluted | 66.9 | | | | 71.8 |

See notes to unaudited pro forma condensed combined financial information.

## NERDWALLET, INC. AND SUBSIDIARIES
## UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
## FOR THE YEAR ENDED DECEMBER 31, 2021

| *(in millions, except per share amounts)* | Historical NW | Historical OTB | Transaction Accounting Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| **Revenue** | **$ 379.6** | **$ 38.1** | **$ —** | | **$ 417.7** |
| **Costs and Expenses:** | | | | | |
| Cost of revenue | 28.5 | 0.9 | 9.8 | 5(A) | 39.2 |
| Research and development | 62.2 | — | 4.4 | 5(B,C,E) | 66.6 |
| Sales and marketing | 271.3 | 25.5 | 8.1 | 5(A,B,C,E) | 304.9 |
| General and administrative | 38.5 | 6.3 | 1.2 | 5(E,F) | 46.0 |
| Change in fair value of contingent consideration related to earnouts | 18.1 | — | — | | 18.1 |
| Total costs and expenses | 418.6 | 32.7 | 23.5 | | 474.8 |
| **Income (Loss) From Operations** | (39.0) | 5.4 | (23.5) | | (57.1) |
| Other income (expense): | | | | | |
| Interest expense | (1.3) | — | (3.4) | 5(D) | (4.7) |
| Other gains, net | 2.6 | 0.5 | — | | 3.1 |
| Total other income (expense) | 1.3 | 0.5 | (3.4) | | (1.6) |
| Income (loss) before income taxes | (37.7) | 5.9 | (26.9) | | (58.7) |
| Income tax provision (benefit) | 4.8 | 1.3 | (11.2) | 5(G) | (5.1) |
| **Net Income (Loss)** | **(42.5)** | **4.6** | **(15.7)** | | **(53.6)** |
| **Other Comprehensive Loss:** | | | | | |
| Change in foreign currency translation | (0.1) | — | — | | (0.1) |
| **Comprehensive Income (Loss)** | **$ (42.6)** | **$ 4.6** | **$ (15.7)** | | **$ (53.7)** |
| **Net Income (Loss) Per Share Attributable to Common Stockholders** | | | | | |
| Basic | $ (0.82) | | | | $ (0.94) |
| Diluted | $ (0.82) | | | | $ (0.94) |
| **Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders** | | | | | |
| Basic | 51.9 | | | | 56.8 |
| Diluted | 51.9 | | | | 56.8 |

See notes to unaudited pro forma condensed combined financial information.

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

### 1. Description of the Transaction

On June 23, 2022, NerdWallet, Inc., a Delaware corporation (the Company), entered into an Agreement and Plan of Merger and Reorganization (the Merger Agreement) with On the Barrelhead, Inc., a Delaware corporation (OTB), a data-driven platform that provides consumers and small- and medium-sized businesses with credit-driven product recommendations.

*Closing of the Acquisition*

On July 11, 2022, the Company completed the acquisition of OTB, pursuant to the Merger Agreement. Pursuant to the terms of the Merger Agreement, the Company acquired all of the equity interests in OTB at the closing of the acquisition (the Closing), for a preliminary purchase consideration consisting of $75.7 million in cash (the Cash Consideration) and 4.9 million shares of the Company's Class A common stock (the Stock Consideration), subject to customary post-Closing purchase price adjustments. The Cash Consideration includes $12.2 million of cash which is held in escrow for the settlement of claims for breaches, if any, of certain representations, warranties, agreements and covenants. The aggregate fair value of the Stock Consideration was $43.2 million based on the closing price of the Company's Class A common stock on the Closing. Half of the Stock Consideration is subject to a lockup arrangement whereby such shares may not be sold or otherwise transferred prior to expiration of the 24-month period following the Closing. The final Purchase Price will be subject to customary closing adjustments, including for transaction expenses, indebtedness, cash and working capital.

*Debt Financing of Cash Consideration*

The Cash Consideration at the Closing was financed with a borrowing of $70.0 million on July 7, 2022 under the Company's existing credit facility with Silicon Valley Bank, as administrative agent. Interest on the borrowing is incurred at the Eurodollar Rate, which is defined as LIBOR (or any successor thereto), plus a margin of either 2.75% or 3.00% depending on usage, which equated to 4.54% as of Closing.

*Retention Agreements and Inducement Awards*

Concurrently with the Closing, the Company provided employment offer letters to OTB's employees, including compensatory retention agreements with the co-founders and certain other employees of OTB. Compensatory retention agreements with the co-founders of OTB could result in up to $15.0 million of cash awards, with such cash awards payable in equal installments on the first, second and third anniversary dates of the Closing. Compensatory retention agreements with certain other employees of OTB could result in up to $0.6 million of cash awards, with such cash awards payable in equal installments on the six-month and one-year anniversary dates of the Closing.

Also concurrently with the Closing, the Compensation Committee of the Company's Board of Directors granted RSU awards under the NerdWallet, Inc. 2022 Inducement Equity Incentive Plan (the Inducement Plan) to employees of OTB who were offered employment with the Company, which RSU awards had an aggregate grant date fair value on the acquisition date of $17.5 million, including $12.8 million of RSU awards to the co-founders of OTB, $2.3 million of RSU awards to six non-management employees of OTB and $2.4 million of RSU awards to all fourteen employees of OTB. The $12.8 million of RSU awards to the co-founders of OTB will generally vest in full upon the third anniversary of the Closing. The $2.3 million of RSU awards to non-management employees of OTB will vest annually over four years, with 20% of the RSUs subject to vest on each of the first, second and third annual vesting dates and the remaining 40% of the RSUs subject to vest on the fourth annual vesting date. The $2.4 million of RSU awards granted to all employees of OTB will generally vest over four years subject to a one-year cliff and quarterly vesting thereafter. RSU awards under the Inducement Plan are subject to the conditions of the Inducement Plan and the terms and conditions of the grant agreements covering such awards.

Compensation expenses under these employment offer letters and vesting of awards under these retention agreements and Inducement Plan are generally subject to the employees' continued employment with the Company, and the fair value of such compensation and awards are excluded from the Purchase Price and accounted for separately from the business combination. The value of cash awards under these retention agreements will be recognized as compensation expense, and the value of RSU awards under the Inducement Plan will be recognized as stock-based compensation, ratably over the respective vesting terms of the awards. Compensation expense, including stock based compensation, are classified in the unaudited pro forma condensed combined statements of comprehensive income (loss) based on the award recipients' job functions.

**2. Basis of Presentation**

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements have been adjusted to include acquisition accounting adjustments, which reflect the application of the accounting required by U.S. GAAP, including the effects of the acquisition as further described in Note 1.

The Company accounted for the acquisition of OTB using the acquisition method of accounting in accordance with *Accounting Standards Codification 805, Business Combinations*, ("ASC 805"), under U.S. GAAP. The Company is treated as the acquirer for accounting purposes and OTB as the acquiree. The Company recorded the assets acquired, including identifiable intangible assets, and the liabilities assumed from OTB at their respective estimated fair values at the Closing. Any excess of the fair value of the purchase consideration transferred over the net fair value of such assets acquired and liabilities assumed is recorded as goodwill.

The valuations of the assets acquired and liabilities assumed are preliminary and have not yet been finalized as of the date of this filing. The purchase price allocation is preliminary and subject to change, including the valuation of intangible assets, income taxes and goodwill, among other items. The final purchase price allocation may be materially different than the preliminary purchase consideration allocation presented in the unaudited pro forma condensed combined financial information. Any changes in the fair values of the net assets or total purchase consideration as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the total purchase price allocated to goodwill and other assets and liabilities and may impact the combined company's balance sheet and statement of comprehensive income (loss). As a result of the foregoing, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information.

The pro forma adjustments are based upon currently available information and certain assumptions that the Company's management believes are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial information. Additionally, the Company conducted an initial review of the accounting policies of OTB to determine material differences in accounting policies or presentation between the Company and OTB that may require recasting or reclassification to conform to the Company's accounting policies and presentations. The assessment of differences is based on the Company management's best estimates which remain subject to change as additional information becomes available.

## 3. Preliminary Purchase Price Allocation

The preliminary calculation of the purchase consideration is as follows:

| *(in millions)* | Total |
|---|---|
| Cash consideration[1] | $ 75.7 |
| Stock consideration[2] | 43.2 |
| Total consideration | 118.9 |
| Less: amounts considered separate from the business combination and attributable to post-combination expense[3] | (0.7) |
| **Preliminary Purchase Consideration** | **$ 118.2** |

(1) Includes $12.2 million of cash which is held in escrow for the settlement of breaches, if any, of certain representations, warranties, agreements and covenants.
(2) Represents the aggregate fair value of the 4.9 million shares issued of the Company's Class A common stock based on the closing price of the stock on the acquisition date of July 11, 2022, which was $8.75 per share.
(3) Primarily comprised of the additional fair value of unvested OTB option awards discretionally accelerated by the Company and attributable to post-combination expense.

Half of the Stock Consideration is subject to a lockup arrangement whereby such shares may not be sold or otherwise transferred prior to expiration of the 24-month period following the acquisition date. The final Purchase Price will be subject to customary closing adjustments, including for transaction expenses, indebtedness, cash and working capital.

The acquisition of OTB has been accounted for as a business combination. The preliminary purchase consideration calculated in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed of OTB based on their estimated fair values as if the acquisition had been completed on March 31, 2022, which is the assumed acquisition date for purposes of the unaudited pro forma condensed combined balance sheet. Goodwill represents the excess of acquisition consideration over the fair value of the underlying net assets acquired. Goodwill recorded in the acquisition is not expected to be deductible for tax purposes.

The preliminary calculation of assets acquired and liabilities assumed for purposes of these unaudited pro forma condensed combined financial statements as of March 31, 2022 is as follows:

| *(in millions)* | Fair Value |
|---|---|
| **Preliminary Purchase Consideration** | **$ 118.2** |
| **Fair Value of Assets Acquired** | |
| Cash and cash equivalents | 3.9 |
| Accounts receivable | 11.6 |
| Intangible assets | 50.1 |
| Total assets | 65.6 |
| **Fair Value of Liabilities Assumed** | |
| Accounts payable | 5.1 |
| Accrued expenses and other current liabilities | 0.2 |
| Deferred tax liability | 12.1 |
| Total liabilities | 17.4 |
| **Less: Net Assets Acquired** | **48.2** |
| **Goodwill** | **$ 70.0** |

## 4. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2022

(A) Represents adjustments to cash and cash equivalents as follows:

| *(in millions)* | Amount |
|---|---|
| Cash proceeds from drawdown on credit facility | $ 70.0 |
| Cash consideration | (75.7) |
| Net pro forma adjustment to cash and cash equivalents | $ (5.7) |

(B) Represents goodwill recognized of $70.0 million.

(C) Represents preliminary definite-lived intangible assets recognized, with preliminary weighted-average estimated useful lives, as follows:

| *(dollars in millions)* | Weighted Average Useful Life (Years) | Amount |
|---|---|---|
| Developed technology | 5.0 | $ 48.9 |
| Customer relationships | 1.0 | 1.2 |
| Net pro forma adjustment to intangible assets, net | | $ 50.1 |

(D) Represents accrual for transaction expenses of $2.2 million which are not reflected in the historical financial statements.

(E) Represents debt drawdown on credit facility of $70.0 million.

(F) Represents adjustments to deferred tax liability as follows:

| *(in millions)* | Amount |
|---|---|
| Recognition of deferred tax liability[1] | $ 12.1 |
| Reduction in deferred tax liability related to the change in existing valuation allowance on deferred tax assets | (12.1) |
| Elimination of historical OTB deferred tax liability | (1.6) |
| Net pro forma adjustment to deferred tax liability | $ (1.6) |

(1) Primarily relates to identified intangible assets.

(G) Represents adjustments to additional paid-in capital as follows:

| *(in millions)* | Amount |
|---|---|
| Stock consideration | $ 43.2 |
| Elimination of historical OTB additional paid-in-capital | (0.3) |
| Net pro forma adjustment to additional paid-in capital | $ 42.9 |

(H) Represents adjustments to accumulated deficit as follows:

| *(in millions)* | Amount |
|---|---|
| Elimination of historical OTB retained earnings | $ (8.3) |
| Estimated transaction expenses[1] | (2.2) |
| Expense for transactions considered separate from the business combination | (0.7) |
| Tax benefit related to the change in existing valuation allowance on deferred tax assets | 12.1 |
| Net pro forma adjustment to accumulated deficit | $ 0.9 |

(1) Represents nonrecurring transaction expenses which are directly attributable to the acquisition, nonrecurring and not reflected in the historical financial statements.

## 5. Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Operations for the Three Months Ended March 31, 2022 and Year Ended December 31, 2021

(A) Represents amortization of definite-lived intangible assets as follows:

| *(in millions)* | Classification Within Statement of Comprehensive Income (Loss) | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|---|
| Developed technology | Cost of revenue | $ 2.4 | $ 9.8 |
| Customer relationships | Sales and marketing expense | — | 1.2 |
| Net pro forma adjustment for amortization of definite-lived intangible assets | | $ 2.4 | $ 11.0 |

Pro forma amortization is preliminary and based on the use of straight-line amortization. Actual amortization of definite-lived intangible assets may differ significantly from pro forma amounts based upon the final valuations of definite-lived intangible assets, and respective useful lives and amortization methodologies utilized. For pro forma purposes, a hypothetical 10% increase or decrease in the valuation of definite-lived intangible assets would result in a corresponding increase or decrease in amortization expense of approximately $0.2 million and $1.1 million for the three months ended March 31, 2022 and the year ended December 31, 2021, respectively.

(B) Represents stock-based compensation related to inducement awards as follows:

| *(in millions)* | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|
| Research and development | $ 0.5 | $ 2.1 |
| Sales and marketing | 0.8 | 3.2 |
| Net pro forma adjustment for stock-based compensation related to inducement grants | $ 1.3 | $ 5.3 |

(C) Represents compensation expense related to retention agreements as follows:

| *(in millions)* | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|
| Research and development | $ 0.4 | $ 2.1 |
| Sales and marketing | 0.8 | 3.5 |
| Net pro forma adjustment for compensation expense related to retention agreements | $ 1.2 | $ 5.6 |

(D) Represents interest expense related to the debt drawdown on the Company's existing credit facility to finance the Cash Consideration of $0.8 million and $3.4 million for the three months ended March 31, 2022 and year ended December 31, 2021, respectively. For pro forma purposes, the base LIBOR rate in effect at the Closing was held constant, with the margin adjusted based on usage, for the pro forma periods presented. A hypothetical 1/8th of a percentage point increase or decrease in the base LIBOR rate would result in a $0.1 million increase or decrease in interest expense for the year ended December 31, 2021, and an immaterial increase or decrease in interest expense for the three months ended March 31, 2022.

(E) Represents expense related to transactions considered separate from the business combination as follows:

| *(in millions)* | Year Ended December 31, 2021 |
|---|---|
| Research and development | $ 0.2 |
| Sales and marketing | 0.2 |
| General and administrative | 0.3 |
| Net pro forma adjustment for transactions considered separate from the business combination | $ 0.7 |

(F) Represents estimated transaction expenses of $0.9 million for the year ended December 31, 2021 which are attributable to post-combination expense. These estimated transaction expenses are directly attributable to the acquisition, nonrecurring and are not reflected in the historical financial statements.

(G) Represents the income tax effect of the pro forma adjustments, including a tax benefit related to the change in the Company's existing valuation allowance on deferred tax assets. Such pro forma tax adjustments utilizes assumptions for the combined company, including the recognition of and changes in deferred tax attributes and any associated release of the Company's existing valuation allowance on deferred tax assets. The actual future tax impacts and effective tax rate of the combined company may be affected by various factors, including tax planning, and therefore may differ materially.

## 6. Net Loss Per Basic and Diluted Share

The pro forma basic and diluted weighted average shares outstanding are a combination of historical Company common stock outstanding and the Stock Consideration issued as part of the acquisition.

| *(in millions, except per share amounts)* | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|
| **Numerator:** | | |
| Pro forma net loss attributable to common stockholders — basic and diluted | $ (13.4) | $ (53.6) |
| **Denominator:** | | |
| Historical weighted-average shares of common stock — basic and diluted | 66.9 | 51.9 |
| Common stock issued for the Stock Consideration | 4.9 | 4.9 |
| Pro forma weighted-average shares of common stock — basic and diluted | 71.8 | 56.8 |
| **Pro Forma Loss per Share Attributable to Common Stockholders:** | | |
| Basic — pro forma | $ (0.19) | $ (0.94) |
| Diluted — pro forma | $ (0.19) | $ (0.94) |

The following pro forma common stock equivalents were excluded from the computation of pro forma diluted loss per share because including them would have been antidilutive:

| *(in millions)* | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|
| Shares subject to outstanding stock options and restricted stock units | 7.5 | 5.0 |
| Employee stock purchase plan | 1.5 | 0.6 |

# UNAUDITED SUPPLEMENTAL NON-GAAP PRO FORMA FINANCIAL MEASURE

## Summary of Transaction

On July 11, 2022, NerdWallet, Inc. and its subsidiaries (the Company) completed the acquisition of On the Barrelhead, Inc. (OTB), pursuant to an Agreement and Plan of Merger and Reorganization (the Merger Agreement). The Company accounted for the acquisition of OTB using the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations, (ASC 805), under U.S. GAAP.

## Pro Forma Financial Information

The Company has provided unaudited pro forma condensed combined financial statements prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

The unaudited pro forma condensed combined statements of comprehensive income (loss) for the year ended December 31, 2021 and the three months ended March 31, 2022 combine the Company's historical condensed consolidated statements of operations and of comprehensive loss with OTB's unaudited statements of income, and assumes the acquisition was completed on January 1, 2021, the first day of the Company's fiscal year ended December 31, 2021.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to present or be indicative of what the results of operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results of operations or financial position for any future period or as of any future date. The actual results of the Company may differ significantly from the results reflected in the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the acquisition.

## Unaudited Supplemental Non-GAAP Pro Forma Financial Measure

### *Adjusted EBITDA*

The Company uses Adjusted EBITDA in conjunction with GAAP measures as part of the overall assessment of the Company's performance, including the preparation of the Company's annual operating budget and quarterly forecasts, to evaluate the effectiveness of the Company's business strategies, and to communicate with the Company's Board of Directors concerning the Company's financial performance.

The Company defines Adjusted EBITDA as net income (loss) from continuing operations adjusted to exclude depreciation and amortization, interest expense, net, provision (benefit) for income taxes, and further exclude (1) loss (gain) on impairment and on disposal of assets, (2) remeasurement of the embedded derivative in its previously outstanding long-term debt, (3) change in fair value of contingent consideration related to earnouts, (4) deferred compensation related to earnouts, (5) stock-based compensation, and (6) acquisition-related costs.

The above items are excluded from the Company's Adjusted EBITDA measure because these items are non-cash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating the Company's operating results and in comparing operating results across periods. Moreover, the Company has included Adjusted EBITDA in this supplemental pro forma disclosure because it is a key measurement used by the Company's management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, the use of this non-GAAP measure has certain limitations because it does not reflect all items of income and expense that affect the Company's operations. Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA does not reflect interest income (expense) and other gains (losses), net, which include unrealized and realized gains and losses on foreign currency exchange, as well as certain nonrecurring gains (losses);
- Adjusted EBITDA excludes certain recurring, non-cash charges, such as amortization of intangible assets, depreciation of property and equipment, and impairments of assets previously acquired. Although these are non-cash charges, the assets being amortized and depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation, including for acquisition-related inducement awards, which has been, and will continue to be for the foreseeable future, a significant recurring expense in the Company's business and an important part of its compensation strategy; and
- Adjusted EBITDA excludes acquisition-related costs, including acquisition-related retention compensation under compensatory retention agreements with certain key employees, acquisition-related transaction expenses, contingent consideration fair value adjustments related to earnouts, and deferred compensation related to earnouts.

In addition, Adjusted EBITDA as the Company defines it may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and the Company's other GAAP results.

The Company compensates for these limitations by reconciling pro forma Adjusted EBITDA to pro forma net loss, the most comparable GAAP financial measure, as follows:

| | For the Three Months Ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Historical | | Transaction Accounting Adjustments | Notes | Pro Forma Combined |
| *(in millions)* | NW | OTB | | | |
| Pro forma net income (loss) | $ (10.5) | $ 1.6 | $ (4.5) | (A) | $ (13.4) |
| Amortization and depreciation | 7.2 | — | 2.4 | (B) | 9.6 |
| Stock-based compensation | 6.5 | — | 1.3 | (C) | 7.8 |
| Acquisition-related retention | — | — | 1.2 | (D) | 1.2 |
| Deferred compensation related to earnouts | 0.4 | — | — | | 0.4 |
| Change in fair value of contingent consideration related to earnouts | 3.9 | — | — | | 3.9 |
| Interest expense, net | 0.2 | — | 0.8 | (E) | 1.0 |
| Income tax provision (benefit) | 1.2 | 0.5 | (1.2) | (F) | 0.5 |
| Pro forma Adjusted EBITDA | $ 8.9 | $ 2.1 | $ — | | $ 11.0 |
| | | | | | |
| Pro forma net income (loss) margin | (8%) | 9% | | | (9%) |
| Pro forma Adjusted EBITDA margin[1] | 7% | 11% | | | 7% |

| | For the Year Ended December 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Historical | | Transaction Accounting Adjustments | Notes | Pro Forma Combined |
| *(in millions)* | NW | OTB | | | |
| Pro forma net income (loss) | $ (42.5) | $ 4.6 | $ (15.7) | (A) | $ (53.6) |
| Amortization and depreciation | 27.1 | — | 11.0 | (B) | 38.1 |
| Stock-based compensation | 17.9 | 0.1 | 5.3 | (C) | 23.3 |
| Acquisition-related retention | — | — | 5.6 | (D) | 5.6 |
| Deferred compensation related to earnouts | 2.1 | — | — | | 2.1 |
| Acquisition-related expenses | 0.1 | — | 1.6 | (G) | 1.7 |
| Change in fair value of contingent consideration related to earnouts | 18.1 | — | — | | 18.1 |
| Loss on impairment and on disposal of assets | 0.8 | — | — | | 0.8 |
| Interest expense, net | 1.3 | — | 3.4 | (E) | 4.7 |
| Other gains, net | (2.6) | (0.5) | — | | (3.1) |
| Income tax provision (benefit) | 4.8 | 1.3 | (11.2) | (F) | (5.1) |
| Pro forma Adjusted EBITDA | $ 27.1 | $ 5.5 | $ — | | $ 32.6 |
| | | | | | |
| Pro forma net income (loss) margin | (11%) | 12% | | | (13%) |
| Pro forma Adjusted EBITDA margin[1] | 7% | 14% | | | 8% |

(1) Represents pro forma Adjusted EBITDA as a percentage of pro forma revenue.

(A) Represents transaction accounting adjustments to reflect the Company's acquisition of OTB assuming the acquisition was completed on January 1, 2021, the first day of the Company's fiscal year ended December 31, 2021. For further discussion, see Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(B) Represents amortization of definite-lived intangible assets recognized as part of the acquisition of OTB.

(C) Represents stock-based compensation related to inducement awards granted to employees of OTB who were offered employment with the Company, with the majority of the stock-based compensation related to awards granted to the co-founders of OTB. For further discussion on inducement awards, see Note 1 – Description of the Transaction – Retention Agreements and Inducement Awards in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(D) Represents compensation expense related to retention agreements with the co-founders and certain other employees of OTB. For further discussion on retention agreements, see Note 1 – Description of the Transaction – Retention Agreements and Inducement Awards in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(E) Represents interest expense related to the debt drawdown on the Company's existing credit facility to finance the cash portion of the purchase consideration.

(F) Represents the income tax effect of the pro forma adjustments, including a tax benefit related to the change in the Company's existing valuation allowance on deferred tax assets.

(G) Represents estimated transaction expenses, including for transactions considered separate from the business combination, which are attributable to post-combination expense. These estimated transaction expenses are directly attributable to the acquisition, nonrecurring and are not reflected in the historical financial statements.

**Financial Outlook**

The Company is not updating financial outlook for the third quarter or full year of 2022, which was published in the earnings press release dated August 4, 2022. The Company is herein providing context for the estimated contribution of the acquisition of OTB and its anticipated impacts on the Company's third quarter 2022 financial outlook. The Company:

- expects the contribution of the OTB acquisition to be approximately 8-10 points to its overall year-over-year revenue growth during the third quarter of 2022;
- does not expect the OTB acquisition to be accretive to Adjusted EBITDA during the third quarter of 2022 as the Company is ramping integration efforts, and therefore expects that the accretive contribution of the acquisition to its 2022 financial results would occur during the fourth quarter; and
- reiterates that, given the extensive nature of the integration of OTB to the Company's business following closing of the acquisition, the Company does not anticipate that it will be able to prospectively quantify the acquisition's contribution to the Company's revenue and operating income.

**Forward-Looking Statements**

This Exhibit contains forward-looking statements about the Company and its industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Exhibit are forward-looking statements, including, but not limited to, the statements in the section titled "Financial Outlook." In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the Company's:

- ability to navigate macroeconomic challenges such as market volatility, inflation and an increasing interest rate environment;
- expectations regarding the benefits of the acquisition of OTB, including expected accretive contributions to the Company's revenue and adjusted EBITDA;
- ability to successfully integrate OTB and achieve expected synergies from this acquisition;
- expectations regarding future financial performance, including total revenue, cost of revenue, Adjusted EBITDA and MUUs;
- ability to grow traffic and engagement on its platform;
- expected returns on marketing investments and brand campaigns;
- expectations about consumer demand for the products on its platform in 2022;
- ability to convert users into Registered Users and improve repeat user rates;
- ability to convert consumers into matches with financial services partners;
- ability to grow within existing and new verticals, including its ability to expand SMB product marketplaces;
- ability to expand geographically;
- ability to build efficient and scalable technical capabilities to deliver personalized guidance and nudge users;
- ability to maintain and enhance its brand awareness and consumer trust;
- ability to generate high quality, engaging consumer resources;
- ability to adapt to the evolving financial interests of consumers;
- ability to compete with existing and new competitors in existing and new market verticals;
- ability to maintain the security and availability of its platform;
- ability to maintain, protect and enhance its intellectual property;
- sufficiency of cash, cash equivalents, and investments to meet its liquidity needs; and
- ability to successfully identify, manage, and integrate any existing and potential acquisitions.

You should not rely on forward-looking statements as predictions or guarantees of future events. The Company has based the forward-looking statements contained in this Exhibit primarily on its current expectations and projections about future events and trends that it believes may affect its business, financial condition and operating results. These forward-looking statements are subject to risks, uncertainties and other factors that may cause actual results or outcomes to be materially different from any future results expressed or implied by these forward-looking statements, including those factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and in other filings the Company makes with the SEC from time to time.

The forward-looking statements made in this Exhibit are made only as of the date hereof. The Company undertakes no obligation to update any forward-looking statements made in this Exhibit to reflect events or circumstances after the date of this Exhibit or to reflect new information or the occurrence of unanticipated events, except as required by law.