Risk Factors Comparison 2024-04-05 to 2023-03-31 Form: 10-K

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

Risks Related to our Business and Industry a. Dependence on key individuals; b. Our limited operating history; c. Our ability to identify, recruit, and retain skilled personnel; d. Our ability to implement our strategy; e. Our ability to successfully implement our Profit Enhancement Plan (the " PEP "); f. Growth of adoption and retention rates; g. Our ability to manage growth effectively; h. Assumptions related to our growth strategy; i. The partnership with Customers Bank and T- Mobile may expose us to additional risks; j. The partnership and private label agreement with T- Mobile **may** ~~might not~~ be ~~renewed~~ **terminated with limited notice** ; k. Dependence on our ~~partner banks, including our announced plans to transition certain deposit relationships from our current partner bank, to a~~ new partner bank; l. Termination of, or changes to, the MasterCard association registration; m. Our ability to expand our market reach and product portfolio; n. Length and unpredictability of our sales cycle; o. **Capitalized assets could become impaired; p.** Competition; ~~p~~ **q** . The strength of our brand; ~~q~~ **r** . The risk of systems or product failures; ~~r~~ **s. The risks of agreement terminations we maintain with colleges, universities and our BaaS partner; t** . Demand for our products and services; ~~s~~ **u** . Changes in the demand or availability of student loans or financial aid; ~~t~~ **v** . Changes in government financial aid regime; ~~u~~ **w** . Exposure to global economic and other broader economic factors; ~~v~~ **x** . Data breaches, fraud, and cybersecurity issues; ~~w~~ **y** . Inability to protect or enforce our intellectual property; ~~x~~ **z** . Infringement of our intellectual property or allegations of infringement by us; ~~y~~ **aa** . Our fees and charges; ~~z~~ **ab** . Outsourcing critical operations; ~~aa~~ **ac** . Ability to maintain an effective system of disclosure controls and **remediate the material weakness in our** internal control over financial reporting; and ~~ab~~ **ad** . Our ability to integrate future acquisitions. Risks Related to our Common Stock and Warrants a. Whether an active, liquid trading market for our common stock is sustained; b. Coverage by securities analysts; c. Future sales of common stock; d. Anti- takeover provisions under our charter and Delaware law; e. Forum selection clauses under our charter and Delaware law; f. ~~A recent Delaware Court of Chancery Ruling has created potential uncertainty regarding the validity of our authorized shares of Common Stock; g.~~ Our ability to redeem unexpired warrants; and ~~h~~ **g** . Exercises of warrants increasing the number of shares eligible for future resale and dilution to stockholders. Regulatory Risks a. Changes in regulation related to interchange or methods of payments; b. Regulations related to higher education and disbursements; c. **Potential future regulations given the nature of our operations; d.** Regulation applicable to our ~~partner~~ **Partner** ~~banks, including Customers Bank~~ **Banks** ~~, which is a related party of the Company~~ ; and ~~d~~ **e** . We are subject to the Family Educational Rights and Privacy Act (" FERPA ") and Gramm- Leach- Bliley Act (" GLBA "). General Risk Factors a. Adequacy of insurance; b. The limited experience of our management team in managing a public company; and c. ~~Capitalized assets could become impaired~~ **Climate change impact on our business** . Part I ITEM 1. BUSINESS Company Overview We are a financial technology (" fintech ") company that facilitates deposits and banking services between a customer and our partner ~~bank~~ **banks** , Customers Bank **and First Carolina Bank, (the " Partner Banks ")** , which **are** ~~is a~~ related ~~party~~ **parties** and **are** ~~is a~~ Federal Deposit Insurance Corporation (" FDIC ") insured ~~bank~~ **banks** . We provide state- of- the- art high- tech digital banking and disbursement services to consumers and students nationwide through a full service fintech banking platform, accessible to customers anywhere and anytime through digital channels. Our fintech business model leverages Banking- as- a- Service (" BaaS ") partners' and University partners' existing customer bases to achieve high volume, low- cost customer acquisition in our Higher Education **and** ~~Disbursement,~~ BaaS ~~, and niche Direct to Consumer (" D2C") banking~~ businesses. We are not a bank, do not hold a bank charter, and do not provide banking services. Our ~~partner~~ **Partner** ~~bank, Customers Bank~~ **Banks are** ~~, is~~ subject to regulation by the Pennsylvania Department of Banking and Securities and **the North Carolina Office of the Commissioner of Banks. Both Partner Banks are subject to the regulation of** the Federal Reserve Bank ~~,~~ and ~~is~~ **both are** periodically examined by ~~those~~ **their** regulatory authorities. We are subject to the regulations of the **U. S.** Department of Education (" ED "), due to our Disbursement business, and are periodically examined by them. BankMobile Technologies, Inc. (" BankMobile ") was incorporated in May 2016 as a wholly- owned subsidiary of Customers Bank. On August 6, 2020, the Company entered into an Agreement and Plan of Merger, by and among Megalith Financial Acquisition Corporation, a special purpose acquisition company (" Megalith "), incorporated in Delaware in November 2017, MFAC Merger Sub Inc., a wholly- owned subsidiary of Megalith, BankMobile Technologies, Inc., and Customers Bank, the sole stockholder of BankMobile. On January 4, 2021, BankMobile became an independent company after the completion of a divestiture transaction and was rebranded BM Technologies, Inc. Emerging Growth Company Status We are an " emerging growth company, " as defined in Section 2 (a) of the Securities Act, as modified by the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not " emerging growth companies " including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non- binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and the prices of our securities may be more volatile. In addition, Section 107 of the JOBS Act also provides that an " emerging growth company " can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act for complying with new or revised accounting standards. In other words, an " emerging growth company " can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period. We will remain an emerging growth company until the earlier of (1) the last day

of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least $ 1. 235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A common stock that is held by non- affiliates exceeds $ 700 million as of the prior June 30th, and (2) the date on which we have issued more than $ 1. 0 billion in non- convertible debt securities during the prior three- year period. Employees and Human Capital Resources As of December 31, ~~2022~~ **2023** , we employed approximately ~~275~~ **200** full- time employees, all located in the United States **.** ~~, however technology~~ **Technology** has allowed us to expand our reach to include a larger demographic with ~~more~~ remote employees working ~~outside of our physical locations and~~ throughout the country. None of these employees are covered by a collective bargaining agreement. The Company provides its employees with comprehensive benefits, some of which are provided on a contributory basis, including medical and dental plans, a 401 (k) savings plan with a company match component, and short- term and long- term disability coverage. Additional benefits offered include paid time off, life insurance, and employee assistance. The Company' s compensation package is designed to maintain market competitive total rewards programs for all employees in order to attract and retain superior talent. Available Information We are required to file with the U. S. Securities and Exchange Commission (the " SEC ") Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K, and proxy statements, as well as any amendments to those reports. The SEC maintains an Internet website that contains reports, proxy, and information statements and other information regarding issuers that file electronically with the SEC. The SEC' s Internet website is located at http: / / www. sec. gov. Our annual reports on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, proxy statements, and amendments to those reports and statements filed or furnished pursuant to section 13 (a) or 15 (d) of the Exchange Act are also accessible at no cost on our website **, https: / / ir. bmtxinc. com /,** after they are electronically filed with the SEC. Reference to our website does not constitute incorporation by reference of the information contained on the website and should not be considered part of this Report. ITEM 1A. RISK FACTORS You should carefully consider all the risks described below, together with the other information contained in this report, including the financial statements, before making a decision to invest in our securities. If any of the following risks occur, our business, financial condition **,** or operating results may be materially and adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. In this section, " we, " " us, " and " our, " ~~refers~~ **refer** to the ~~consolidated~~ Company. Risks Related to Our Business and Industry We will be dependent on key individuals, and the loss of one or more of these key individuals could curtail our growth and adversely affect our prospects. Our success will depend on our ability to retain key individuals and other management personnel **who can continue to** ~~. Members of our executive management team, including our Chief Executive Officer (" CEO "), Luvleen Sidhu, our Co- CEO, Rajinder Singh, our President, Jamie Donahue, our Chief Financial Officer, James Dullinger, and our Chief Customer Officer, Warren Taylor, have been integral in building~~ --- **build** our digital banking platform and ~~developing~~ --- **develop** and ~~growing~~ **grow** our Higher Education ~~Disbursement~~ business and BaaS programs ~~. In addition, several members of our executive management team who had been employed by Higher One, Inc. prior to our acquisition of that business, have unique and valuable business experience, relationships, and knowledge of the higher education disbursement business~~ . Although we have entered into employment agreements with certain of these executives, their continued service cannot be assured, and if we lose the services of any of these **key** individuals, they would be difficult to replace, and our business and development could be materially and adversely affected. We have a limited history operating as a separate entity ~~and a limited history operating independently of Customers Bank,~~ and our management team has limited experience managing us. We are a relatively new legal entity and have a limited ~~operating history and limited~~ history operating independently of Customers Bank since our January 2021 divestiture. An integral portion of our business was acquired from Higher One in June 2016 **. Our** ~~, and our~~ business had been operating primarily as a division of Customers Bank, and since September 2017, a wholly- owned subsidiary of Customers Bank. There may be unanticipated risks and expenses that come from no longer operating as a division or wholly- owned subsidiary of a bank, such as increased compliance costs and licensing requirements. In addition, we have a limited history of managing cash, liquidity, financial obligations, and resources, and other operational needs independent of Customers Bank. Because of our limited operating history, there are only limited historical results of operations for you to review and consider in evaluating our results of operations, and our prospects. We will be subject to the business risks and uncertainties associated with recently formed entities with limited operating history, including the risk that we will not achieve our strategic plan, which could have a material effect on our business, financial condition, and results of operations. Our success depends in part on our ability to identify, recruit, and retain skilled ~~sales, management, and technical~~ personnel. Our future success depends upon our continued ability to identify, attract, hire, and retain highly qualified personnel, including skilled technical, management, product, technology, and sales and marketing personnel, all whom are in high demand and are often subject to competing offers. Competition for qualified personnel in the technology industry is intense and there can be no assurance that we will be able to hire or retain a sufficient number of qualified personnel to meet our requirements, or that we will be able to do so at salary, benefit and other compensation costs that are acceptable. **The recent transition towards companies offering remote and hybrid work environments, which is expected to endure, as well as our workplace policies, including policies with respect to remote and hybrid work, could impact our ability to attract and retain talent with the necessary skills and experience. In addition, the transition to remote and hybrid work environments may exacerbate the challenges of attracting and retaining skilled employees because job markets may be less constrained by physical geography.** A loss of a substantial number of qualified employees, or an inability to attract, retain, and motivate additional highly skilled employees required for the expansion of our business, could have a material adverse effect on our business and growth prospects. Our business and future success may suffer if we are unable to continue to successfully implement our strategy. Our future success will depend, in part, on our ability to generate revenues by providing financial transaction services to higher education institutions and their students directly and through our referral partners, ~~including TouchNet,~~ and our ability to implement and grow our BaaS and ~~D2C~~ **Higher Education** banking businesses ~~, including the~~

~~growth of T- Mobile MONEY~~ . The market for these services has only recently developed and our viability and profitability is therefore unproven. Our business will be materially and adversely affected if we are unable to develop and market products and services that achieve and maintain market acceptance. Outsourcing disbursement services may not become as widespread in the higher education industry as anticipated, and our products and services may not achieve continued commercial success. In addition, higher education institutional clients could discontinue using our services and return to in- house disbursement and payment solutions. If outsourcing disbursement services does not become widespread, or if institutional clients return to their prior methods of disbursement, our growth prospects, business, financial condition, and results of operations could be materially and adversely affected. Our strategic growth plan depends, in part, on our ability to enter into new agreements with higher education institutions and new BaaS partners ~~as well as to grow our D2C banking business~~ . These contracts can generally be terminated by the client at will and, therefore, there can be no assurance that we will be able to maintain these clients or maintain agreements with clients on terms and conditions acceptable to us. In addition, we may not be able to continue to establish new relationships with higher education institutional clients or new BaaS partners at our historical growth rate or at all. The termination of current client contracts or an inability to continue to attract new clients could have a material adverse effect on our business, financial condition, and results of operations. Not only are establishing new client relationships and maintaining current ~~ones~~ **client relationships** critical to our business, they are also essential components of our strategy for maximizing student usage of our products and services and attracting new student customers **, including** ~~as well as our~~ graduate ~~strategy~~ **student customers** . A reduction in enrollment, a failure to attract and maintain student customers, as well as any future demographic **, social, geopolitical, or economic** trends that reduce the number of higher education students, could materially and adversely affect our capability for both revenue and cash generation and, as a result, could have a material adverse effect on our business, financial condition, and results of operations. Our strategic growth plan relies on our ability to increase customers' debit card spending and attract them to our new products. If we are unable to increase debit card usage through product education, marketing, promotions, and technological improvements, or if debit card usage drops as a result of trends, market perception, or new or competing products, our growth prospects, financial condition, and results of operations could be materially and adversely affected. Finally, an integral part of our growth strategy is our ability to expand our disbursements expertise into new markets and product offerings, including BaaS partnerships. Our management team has limited experience forming and developing BaaS partnerships. If we are unable to develop BaaS partnerships, or if we cannot gain market adoption of our BaaS partnerships due to competition, regulatory issues, or constraints, or otherwise, if large businesses pursue other alternatives to a BaaS partnership, or if the market for BaaS products and services is smaller than anticipated, our earnings and results of operations will be adversely affected, and we may not grow at our projected rates. Our profit enhancement plan may not be successful in improving our results of operations or financial condition. On January 26, 2023, we announced a targeted Profit Enhancement Plan (the " PEP ") that we expect to deliver ~~approximately~~ **over** $ ~~18~~ **15** million in annualized cost reductions with ~~approximately~~ **over** $ ~~15~~ **9 million of savings realized in 2023 and an additional $ 6** million of savings expected **to be realized** in ~~2023~~ **2024** . The PEP is intended to reduce operating costs, improve operating margins, improve operating cash flow, and continue advancing the Company' s ongoing commitment to profitable growth and continued innovation, and direct the Company' s resources toward its best opportunities. It may take longer than anticipated to generate the expected benefits from these changes and there can be no guarantee that these changes will result in improved operating results. If we are not successful in implementing these changes and executing the PEP in a timely and efficient manner, we may not realize the benefits we expect. We may not be able to grow adoption and retention rates. Our growth strategy and business projections contemplate a significant increase in adoption and retention rates for our products. A significant component of our growth strategy is dependent on our ability to have students of our Higher Education institution clients, and customers of our BaaS ~~partners~~ - **partner** ~~, including T- Mobile MONEY customers~~ , select our services and become long- term users of our products ~~. Additionally, a significant component of our growth strategy is to successfully reach new customers via our D2C banking businesses~~ . In particular, our growth strategy will depend on our ability to successfully cross- sell our core products and services to students after they leave college as well as growth in product usage from BaaS ~~and D2C banking~~ customers. We may not be successful in implementing this strategy because these students and customers may believe that our products and services are unnecessary or unattractive. In addition to a sensitivity to adoption rates, we are also sensitive to retention rates. As students leave college or customers leave a BaaS partner ~~or change employers~~ , we will face increasing competition from banks and other financial services providers. Our failure to attract and retain students and other customers could have a material adverse effect on our prospects, business, financial condition, and results of operations. If we are unable to increase our adoption and retention rates, our growth, revenues, and results of operations may not meet our projections, which could have a material adverse effect on our prospects, business, financial condition, and results of operations. Failure to manage future growth effectively could have a material adverse effect on our business, financial condition, and results of operations. The continued rapid expansion and development of our business may place a significant strain upon our management, administrative, operational, and financial infrastructure. Our growth strategy contemplates further increasing the number of our Higher Education institutional clients and student banking customers. The rate at which we have been able to establish relationships with our customers in the past, however, may not be indicative of the rate at which we will be able to establish additional customer relationships in the future. ~~Further, our growth contemplates an increase in BaaS business, including growth of T- Mobile MONEY, and new initiatives with additional BaaS partners.~~ Our success will depend, in part, upon the ability of our executive officers to manage growth effectively **for our Higher Education business** . Our ability to grow will also depend on our ability to successfully hire, train, supervise, and manage new employees, obtain financing for capital needs, expand our systems effectively, allocate human resources optimally, assure regulatory compliance ~~,~~ and address any regulatory issues, maintain clear lines of communication between our operational functions and our finance and accounting functions, and manage the pressures on management, administrative, operational, and financial infrastructure. There can be no assurance that we will

be able to accurately anticipate and respond to the changing demands we will face as we continue to expand our operations, or that we will be able to manage growth effectively or achieve further growth at all. If our business does not continue to grow, or if we fail to manage any future growth effectively, our business, financial condition, and results of operations could be materially and adversely affected. Our growth strategy is based on assumptions **and estimates of management** , which may not be accurate; additionally, macro trends and key partner actions are not fully within our control. Our growth strategy and business outlook are based on estimates our management believes to be reasonable, but there are many factors that may be outside of management' s control or may be difficult to predict. Some of these uncertainties include: ~~• Our growth strategy is dependent on adding additional BaaS partners. The timing, size, and partnership terms of future BaaS partners are currently unknown and could have a significant impact on our outlook and results of operations. Currently, T- Mobile is our only material BaaS partner.~~ • Our current BaaS business is significantly dependent on T- Mobile, and T- Mobile' s efforts to market the program and promote growth in accounts. If T- Mobile does not market the product as expected, or if there are changes in the economic relationship with T- Mobile or its investment appetite in the business, it could impact our financial projections and results of operations. • Macro industry trends may impact the amounts of student disbursements or the likelihood that students choose a BankMobile- serviced account. ~~Department of Education ("~~ ED ~~")~~ regulation, industry competition, the rise of competing low-cost products, or other unknown shifts could impact ~~the~~ growth in the student business. Student revenue growth is dependent on our ability to charge the current level of fees, which could be negatively impacted by competition or changes in industry trends. Revenue growth is also dependent on interchange income rates, ATM visits, and other factors that may shift over time. ~~Macro industry trends may also cause consumers to be more price- sensitive than they otherwise would be, which may impact our success in reaching new customers for our D2C banking business.~~ • Interest rates are unknown ~~;~~ **.** ~~higher~~ **Higher** rates of interest may reduce the relative attractiveness of the deposit products we service for our ~~partner~~ **Partner** ~~banks~~ **Banks** . ~~Rising~~ **Decreasing** interest rates may reduce the servicing fees that are paid to us which could **adversely** affect our margins ~~. • Future bank partnerships will have individually negotiated terms; the economies of those partnerships may differ from the current arrangement~~ . Our failure to meet our growth strategy ~~,~~ could materially impact our business, financial condition, and results of operations, regardless of whether the failure to meet our strategy is due to factors in our control, or decisions by key partners or other external parties. The partnership with Customers Bank and T- Mobile may expose us to additional risks. In February 2017, Customers Bank entered into a significant strategic partnership with T- Mobile for the development and roll- out of a mobile banking platform, referred to as T- Mobile MONEY, which was publicly announced in the third quarter of 2018. As the former digital banking division of Customers Bank, BMTX was utilized by Customers Bank to develop and maintain the T- Mobile MONEY mobile banking platform. The T- Mobile MONEY program was extended to the Sprint customers acquired by T- Mobile in August 2020. T- Mobile MONEY represents the most significant BaaS initiative undertaken by ~~us~~ **the Company** to date. However, T- Mobile MONEY may not be as successful as currently expected for a variety of reasons, including customer adoption of the product, the level of marketing by T- Mobile, general economic conditions, competition and product alternatives, and other factors. If T- Mobile MONEY does not reach the anticipated activity levels or if the deposit balances sourced from T- Mobile MONEY customers are lower than projected, it could adversely affect our business, financial condition, and results of operations. We have **in the past** , and will in the future, create new products in connection with the T- Mobile MONEY offering, many of which will be complex, with possible conditional requirements, options, and variations, along with changes to terms that necessitate additional disclosures or actions to comply with legal and regulatory requirements. The offerings through T- Mobile MONEY may be marketed similar to retail products, with a variety of ancillary offerings, such as rewards programs, further increasing the inherent compliance risk. While we will have final authority on the design of products, some components of the product life cycle may be managed by T- Mobile, such as promotions of the product ~~by T- Mobile~~ . Since we will not have direct control over all aspects of the product life cycle, the relationship involves significant third- party relationship management requirements, indicating a significant level of inherent compliance risk. Demographically, the T- Mobile MONEY product seeks to serve a broader and more diverse population than traditional banking. The BaaS market is very competitive, requiring products, channels, and services to be recalibrated often to remain attractive to potential customers and **our** BaaS ~~partners~~ - **partner** . As such, the level and maturity of new product approval processes, change management, and the level of strategic planning must be sophisticated enough to respond to competitive demands with timely and meaningful evaluation of compliance risk. Our agreements with **our** BaaS ~~partners~~ - **partner** ~~, such as T- Mobile,~~ may expose us to additional compliance risk. For example, employees of ~~the~~ **our** BaaS partner may be incentivized to promote products under a discretionary compensation program ~~to promote financial products to customers~~ , thus increasing exposure to compliance risk. BaaS partnerships may also expose us to ~~issues in connection with~~ privacy **concerns** ~~- related regulations~~ based on the partner ~~receiving~~ **' s receipt and use of** certain data regarding the account holders and their use of the program ~~, which may also be used for marketing purposes~~ . Opt- out and notice **disclosures** may be required in connection with these ~~disclosures~~ **risks** . Short message service (" SMS ") text messaging is used extensively in carrying out service- related communications and ~~possibly~~ **occasionally in carrying out** marketing- related communications ~~as well~~ . Since express consent is required for service- related communications to wireless subscribers, it will be critical to ensure that the language in disclosures and ~~the~~ account ~~agreement~~ **agreements** indicate this consent. Moreover, the consumer must have the right to revoke all these communications to their wireless numbers. Failure to comply with the Telephone Consumer Protection Act of 1991, enforced by the Federal Communications Commission (" FCC "), could result in significant litigation risk and potential fines to T- Mobile and / or to us. The T- Mobile MONEY agreement has been renewed **through February 2025** ~~for an additional term of two years~~ , but may be terminated by T- Mobile with 30 days' written notice to Customers Bancorp, Inc.; The Private Label Banking Program Agreement (the " PLBPA ") that governs T- Mobile MONEY, is between Customers Bancorp, Inc. and T- Mobile. We do not contract directly with T- Mobile, but we are a beneficiary of the agreement through the Deposit Processing Services Agreement with Customers Bank. The PLBPA was entered into ~~on~~ **in** February 2017 and had an initial term of three years. The term was

subsequently extended an additional three years to February 2023. On February 22, 2023, the **PLBPA** ~~agreement between Customers Bancorp, Inc. and T- Mobile~~ was **further** extended ~~an additional two years~~ to February 2025. ~~Beginning February 24, 2023,~~ T- Mobile may terminate the ~~agreement~~ **PLBPA** with 30 days written notice to Customers Bancorp, Inc **., with additional time allotted for wind- down procedures** . T- Mobile' s failure to continue the ~~agreement~~ **PLBPA** for the full term may have a material adverse effect on our business. T- Mobile may also choose to renew the ~~agreement~~ **PLBPA** in the future on terms that are different or less favorable to us, which would impact our business, financial condition, and results of operations. **The transition** ~~We face a number of risks relating~~ to ~~using~~ a new partner bank **for** ~~, including~~ our **Higher Education** ~~announced plans to transition certain deposit~~ **deposits** ~~relationships~~ **and accounts exposes us to additional risks. On December 1, 2023, we transferred the Higher Education deposits and accounts** from ~~our current partner bank, to the new partner bank. On November 7, 2022, the Company and~~ Customers Bank ~~amended the Deposit Processing Services Agreement dated January 4, 2021 (the " DPSA Amendment ")~~ to ~~extend the Deposit Processing Services Agreement termination date to the earlier of the Company' s successful completion of the transfer of the Company' s serviced deposits to a new partner bank or June 30, 2023. On March 16, 2023, we entered into a Deposit Servicing Agreement (the " FCB Deposit Servicing Agreement ") with a new partner bank,~~ First Carolina Bank, a North Carolina chartered, non- member community bank (" FCB ") ~~, which provides~~ **. The Company' s transition to its partnership with FCB exposes the Company to transitional risks such as the risk** that ~~FCB will establish and maintain deposit accounts and other banking services in connection with customized products and services offered by the Company to its Higher Education clients, and~~ the Company will ~~provide certain other related services in connection~~ **not successfully integrate its operations and technologies** with ~~the~~ **FCB' s deposit and** accounts **processes, as** ~~. Performance under the FCB Deposit Servicing Agreement will~~ **well** ~~depend,~~ **as risks inherent** in ~~part~~ **carrying out necessary conversion processes** , **such as** ~~on our ability to successfully and efficiently transition~~ the **loss of information** ~~Higher Education Disbursement deposits~~ and ~~accounts from Customers Bank to FCB in a cost- effective manner that does not significantly disrupt our operations. There can be no assurance that we will be able to maintain and grow our business and operations during, and following, the transition. Transitioning and coordinating certain aspects involves complex operational and personnel- related challenges. The~~ potential **disruption** ~~challenges, and resulting costs and delays, include failure~~ to **normal** ~~obtain regulatory approval for the transaction, unforeseen and unexpected expenses or liabilities related to the transition, a loss of customers, or inability to attract new customers. Additionally, the transition may place a significant burden on management and other internal resources, and could materially and adversely affect our business, financial condition, and results of~~ operations. In addition to ~~successfully~~ **these** ~~transitioning~~ **transitional** ~~the Higher Education Disbursement deposits and accounts from Customers Bank to FCB, we face a number of~~ risks ~~due to our~~ **, the Company faces risks** ~~association~~ **associated** with **its banking partner arrangements generally,** ~~FCB that will continue after deposits and accounts have been transferred. These risks include~~ **including** ~~,~~ but ~~are~~ not limited to, reputational risks due to material data breaches or other cybersecurity incidents at ~~FCB~~ **our partner bank** , reputational ~~risk~~ **risks** due to illegal or otherwise disreputable business activities that could cause our reputation to be harmed by association with ~~FCB~~ **our partner bank** , ~~FCB~~ **risks that our partner bank** could lose its FDIC license, ~~FCB~~ **our partner bank** could fail to maintain adequate risk management **systems** , ~~and FCB~~ **or our partner bank** could fail to maintain adequate regulatory capital potentially resulting in bankruptcy or insolvency. If any of the preceding ~~items~~ **actions** were to occur, whether caused by ~~FCB~~ **our partner bank** , or by factors beyond ~~its~~ **our partner bank' s** control, our business, financial condition, and results of operations could be adversely affected. Termination of, or changes to, the MasterCard association registration could materially and adversely affect our business, financial condition, and results of operations. The student checking account debit cards issued in connection with our ~~disbursement~~ **Higher Education** business and the consumer checking account debit cards issued in connection with **our** BaaS ~~programs~~ - **program** ~~and D2C programs~~ are **provided by MasterCard Inc. and are thus** subject to MasterCard association rules that could subject us to a variety of fines or penalties that may be levied by MasterCard for acts or omissions by us or businesses that work with us. The ~~termination of the~~ card association registration ~~held by~~ **is between our Partner Banks and MasterCard. There is a risk that our Partner Banks could choose not to sponsor** us **or MasterCard could choose not to accept us even if our Partner Banks sponsor us. The termination of the card association registration** or any changes in card association or other network rules or standards, (including interpretation and implementation of existing rules or standards), to the extent that they increase the cost of doing business or limit our ability to provide products and services, could materially and adversely affect our business, financial condition, and results of operations. To date we have derived our revenue from a limited number of products and markets. Our efforts to expand our market reach and our service and product offerings may not succeed ~~and may reduce revenue growth~~ . Our BaaS strategy entails facilitating deposits and banking services between a customer and an FDIC insured partner bank. While we offer our digital banking platform and disbursements services to our customers, ~~the~~ lending products and other services historically offered to non- enrolled students and other customers through our business have been limited. Many competitors offer a more diverse set of products and services to customers and operate in additional markets. While we intend to eventually broaden the scope of products offered to customers with our banking partners through our BaaS and mobile banking product offerings, there can be no assurance that these efforts will be successful. Our failure to broaden the scope of the products we offer to potential customers may inhibit the growth of repeat business from customers and harm our operating results. There also can be no guarantee that we will be successful with respect to our expansion through our mobile banking platform with new partners and into new markets, which could also inhibit the growth of our business, financial condition, and results of operations. The length and unpredictability of the sales cycle for signing potential Higher Education institutional clients and BaaS partners could delay new sales of our products and services, which could materially and adversely affect our business, financial condition, and results of operations. The sales cycle between our business' initial contact with potential Higher Education institutional clients ~~,~~ **and** BaaS partners ~~, and large employers~~ , and the signing of a contract with that client ~~,~~ **or** partner, ~~or employer~~ can be lengthy, as the individual agreements need to be negotiated and partnerships customized. As a result

of this lengthy sales cycle, our ability to **accurately** forecast ~~accurately~~ the timing of revenues associated with new sales is limited. The sales cycle will vary widely due to significant uncertainties, over which we have little or no control, including: • the individual decision- making processes of each Higher Education institutional client ~~,~~ **or** BaaS partner ~~, or large employer~~, which typically include extensive and lengthy evaluations and will require spending substantial time, effort, and money educating each client and partner about the value of our products and services; • the budgetary constraints and priorities and budget cycle of each Higher Education institutional client or partner; • the reluctance of higher education staff ~~,~~ **or** BaaS ~~partners~~ - **partner** , ~~or large employers~~ to change or modify existing processes and procedures; and • the amount of customization and negotiation required for any given collaboration. In addition, there is significant upfront time and expense required to develop relationships and there is no guarantee that a potential client will sign a contract with **us** ~~our business~~ even after substantial time, effort, and money has been spent on the potential client. A delay in our ability or a failure to enter into new contracts with potential Higher Education institutional clients and BaaS partners could materially and adversely affect our business, financial condition, and results of operations. **We capitalize certain costs related to internal software development; this capitalized asset could become impaired if there are changes in our business model that impact the expected use of that developed software. At December 31, 2023, the net carrying value of our developed software was $ 16. 2 million, which represents approximately 30 % of our total consolidated assets. This amount reflects the capitalized cost, net of accumulated amortization, of software that we developed internally as well as the remaining value of the acquired Higher One Disbursement business developed software. Changes in technology, our internal processes, or our business strategies or those of our partners could impact our ability to realize the value of our developed software, which could result in impairment.** Our operating results may suffer because of substantial and increasing competition in the industries in which we do business. The market for our products and services is competitive, continually evolving **,** and, in some cases, subject to rapid technological change. Our disbursement services compete against all forms of payment, including paper- based transactions (principally cash and checks), electronic transactions such as wire transfers and Automated Clearing House (“ ACH ”) payments, and other electronic forms of payment, including card- based payment systems. Many competitors, including ~~Blackboard,~~ Heartland Payment Systems ~~,~~ and Nelnet, Inc., provide payment software, products, and services that compete with those that we **offer** ~~and our partner banks~~, now and in the future ~~, may offer~~. In addition, the banking products and services offered on our platform will also compete with banks that focus on the higher education market, including U. S. Bancorp and Wells Fargo & Company. **Traditional banks may become** ~~Future~~ **future** competitors ~~may~~ **if they** begin to focus on higher education institutions in a manner similar to us. We also face significant competition for our BaaS products ~~and D2C banking services~~ from other BaaS providers and digital consumer banking platforms such as Chime and Green Dot, as well as from traditional consumer banks. Many of our competitors ~~will~~ have substantially greater financial and other resources than we have, may in the future offer a wider range of products and services, and may use advertising and marketing strategies that achieve broader brand recognition or acceptance. In addition, competitors may develop new products, services, or technologies that render our products, services, or technologies obsolete or less marketable. If we are unable to compete effectively against our competitors, our business, financial condition, and results of operations will be materially and adversely affected. We depend on a strong brand and a failure to maintain and develop that brand in a cost- effective manner may hurt our ability to expand our customer base. Maintaining and developing the “ BankMobile, ” “ BankMobile’ s Student Banking ” and “ BankMobile’ s Disbursements ” brands, which we license to our bank partners, is critical to expanding and maintaining our base of Higher Education institution clients, students, and other account holders. We believe the importance of brand recognition will increase as competition in our market further intensifies. Maintaining and developing our brand will depend largely on our ability to continue to provide high quality products and services at cost effective and competitive prices, as well as after- sale customer service. While we intend to continue investing in our brand, no assurance can be given as to the success of these investments. If we fail to maintain and enhance our brand, incur excessive expenses in this effort, or our reputation is otherwise tainted, including by association with the wider financial services industry or because of data security breaches or negative press, we may be unable to maintain loyalty among our existing customers or attract new customers, which could materially and adversely affect our business, financial condition, and results of operations. We may be liable to ~~,~~ or we may lose customers if ~~,~~ we provide poor service or if we experience systems or product failures ~~, if any agreements that we maintain with colleges, universities, and BaaS partners are terminated, or if other performance triggers or other performance conditions are triggered~~. We are required to fulfill our contractual obligations with respect to our products and services and ~~our~~ **offer** high quality service to meet the expectations of customers. Failure to meet these expectations or fulfill our contractual obligations could cause us to lose customers and bear additional liability. Because of the large amount of data we collect and manage, hardware failures and errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or contain significant inaccuracies. For example, errors in our processing systems could delay disbursements or cause disbursements to be made in the wrong amounts or to the wrong person. Our systems may also experience service interruptions as a result of undetected errors or defects in software, fire, natural disasters, power loss, disruptions in long distance or local telecommunications access, fraud, terrorism, accident, or other similar reason, in which case we may experience delays in returning to full service, especially with regard to data centers and customer service call centers. If problems such as these occur, our customers may seek compensation, withhold payments, seek full or partial refunds, terminate their agreements, or initiate litigation or other dispute resolution procedures. In addition, we may be subject to claims made by third- parties also affected by any of these problems. ~~In addition,~~ **We may be liable to** ~~our~~ - **or we may lose customers if any agreements that we maintain with colleges, universities, and our BaaS partner are terminated, or if other performance triggers or other performance conditions are triggered. Our** agreements with colleges, universities, **and our** BaaS ~~partners~~ - **partner** ~~, and large employers~~ contain and will contain certain termination rights, performance triggers, and other conditions which, if exercised or triggered, may result in penalties and / or early termination of such agreements, which could cause us to be liable to customers or lose customers, thereby materially impacting our business, financial condition,

and results of operations. Demand for our products and services may decline if we do not continue to innovate or respond to evolving technological changes. We operate in a dynamic industry characterized by rapidly evolving technology and frequent product **and service** introductions. We rely on proprietary technology to **create efficiencies and** pass on cost savings to customers and make our platform convenient for customers to access. In addition, we may increasingly rely on technological innovation as we introduce new products, expand current products into new markets, and operate a full service digital banking platform. **These new products and services may include applications or financial- related services that implement artificial intelligence, machine learning, robotics, blockchain, or new approaches to data mining. Our success depends on our ability to invest in cybersecurity protection systems that will adequately protect our customers as these technologies continue to evolve.** The process of developing new technologies and products is complex, and if we are unable to successfully innovate and continue to deliver a superior customer experience, customers' demand for our products and services may decrease and our growth and operations may be harmed. ~~This~~ **Additionally, we cannot predict which technological developments or innovations will become widely adopted or how those technologies may be regulated. We also may not be able to effectively market new technology- driven products and services to our customers. Failure to successfully keep pace with and adapt to technological change affecting the financial services industry** could materially impact our business, financial condition, and results of operations. A change in the availability of student loans or financial aid, as well as budget constraints, could materially and adversely affect our financial performance by reducing demand for our services. The higher education industry depends heavily upon the ability of students to obtain student loans and financial aid. As part of our contracts with higher education institutional clients that use our disbursements services, students' financial aid and other refunds are sent to us for disbursement. The fees that we will charge most of our clients will be based on the number of financial aid disbursements made to students. In addition, our relationships with higher education institutional clients will provide us with a market for BankMobile Vibe accounts, from which we anticipate we will derive a significant proportion of our revenues. If the availability of student loans and financial aid were to decrease, the number of enrolled students could decrease, and our addressable market for student disbursement services would shrink. Future legislative and executive branch efforts to reduce the U. S. federal budget deficit or worsening economic conditions may require the government to severely curtail its financial aid spending, which could materially and adversely affect our business, financial condition, and results of operations. Changes in the availability and cost of student loans could also affect enrollment, in turn affecting our business, financial condition, and results of operations. Our disbursement business depends in part on the current government financial aid regime that relies on the outsourcing of financial aid disbursements through higher education institutions. In general, the U. S. federal government distributes financial aid to students through higher education institutions as intermediaries. Following the receipt of financial aid funds and the payment of tuition and other expenses, higher education institutions have typically processed refund disbursements to students by preparing and distributing paper checks. Our disbursements service provides higher education institutional clients with an electronic system for improving the administrative efficiency of this refund disbursement process. If the government, through legislation or regulatory action, restructured the existing financial aid regime in such a way that reduced or eliminated the intermediary role played by higher education financial institutions or limited or regulated the role played by service providers such as us, our business, financial condition, and results of operations and prospects for future growth could be materially and adversely affected. Global economic and other conditions may adversely affect trends in consumer spending and demand for our products and services, which could materially and adversely affect our business, financial condition, and results of operations. A decrease in consumer confidence due to the weakening of the global economy, may cause decreased spending among our ~~student and graduate~~ customers and may decrease the use of account and card products and services. Factors such as: increases in college tuition, stagnation, or reduction in available financial aid, and reductions in the size of disbursements, may restrict spending among college students, which would reduce the use of our account and debit card products and services. Weakening economic conditions, such as decreases in consumer spending, increased consumer credit defaults and bankruptcies, inflation, and rising unemployment, may also adversely affect the demand for and use of our BaaS products ~~and D2C banking platform and associated products~~ , which could materially and adversely affect our business, financial condition, and results of operations. **The U. S. economy and financial markets have experienced volatility in recent years and may continue to do so in the foreseeable future. Robust demand, labor shortages and supply chain constraints has led to persistent inflationary pressures throughout the economy. Amidst these uncertainties, financial markets have continued to experience volatility. If financial markets remain volatile or if the aforementioned conditions result in further economic stress or recession, the performance of our business, which relies on the banking industry, could be significantly impacted.** Data- breaches **, cybersecurity incidents** , unauthorized access to or disclosure of data relating to clients, fraudulent activity, and infrastructure failures could materially and adversely affect our reputation or harm our financial condition and results of operations. We ~~will~~ have access to certain " personally identifiable " information of customers ~~, including student contact information, identification numbers, and the amount of credit balances~~ , which customers expect will be maintained confidentially. It is possible that hackers, customers, or employees acting unlawfully or contrary to our policies or other individuals, could improperly access our or our vendors' systems and obtain or disclose data about customers. Further, because customer data may also be collected, stored, or processed by third- party vendors, it is possible that these vendors could intentionally or negligently disclose data about our clients or customers. Data breaches could also occur at our ~~partner~~ **Partner** ~~banks~~ **Banks** , Higher Education institution clients, **or at our** BaaS ~~partners~~ - **partner** ~~, or large employer partners~~ , which could negatively affect our reputation, relationships with end users, and could harm the Company, our clients, or our customers. Any such breaches or loss of data could negatively affect our business, growth prospects, financial condition, and results of operations. We ~~will~~ rely to a large extent on sophisticated information technology systems, databases, and infrastructure, and ~~will~~ take reasonable steps to protect them. However, due to their size, complexity, content, and integration with or reliance on third- party systems, they are potentially vulnerable to breakdown, malicious intrusion, natural disaster, and

random attack, all which pose a risk that sensitive data may be exposed to unauthorized persons or to the public. A breach of our information systems could lead to fraudulent activity, including but not limited to, identity theft, losses on the part of banking customers, additional security costs, negative publicity, and damage to our reputation and brand. **There have been several cyberattacks on websites of large financial services companies. Even if not directed at us specifically, attacks on other entities with whom we do business, or on whom we otherwise rely, or attacks on financial or other institutions important to the overall functioning of the financial system could adversely affect, directly or indirectly, aspects of our business. Cyberattacks on third- party retailers or other business establishments that widely accept debit card or check payments could compromise sensitive customer information, such as debit card and account numbers. Such an attack could result in significant costs to the Company or our partners, such as costs to reimburse customers, reissue debit cards, and open new customer accounts.** In addition, our customers could be subject to scams that may result in the release of sufficient information concerning the customer or our accounts to allow others unauthorized access to our accounts or our systems (e. g., " phishing " and " smishing ") **. The ability of customers to bank remotely, including online and through mobile devices, requires secure transmission of confidential information and increases the risk of data security breaches. Because the techniques used to attack financial services company communications and information systems change frequently (and generally increase in sophistication), attacks are often not recognized until launched against a target and we may be unable to address these techniques in advance of attacks, including by implementing adequate preventative measures. We may also be unable to prevent attacks that are supported by foreign governments or other well- financed entities and that may originate from less regulated and remote areas of the world** . Claims for compensatory or other damages may be brought against us as a result of a breach of our systems or fraudulent activity. If we are unsuccessful in defending against any resulting claims, we may be forced to pay damages, which could materially and adversely affect our profitability. In addition, a significant incident of fraud, or an increase in fraud levels generally involving our products, such as our **debit** cards, could result in reputational damage, which could reduce the use of our products and services. Such incidents of fraud could also lead to regulatory intervention, which could increase our compliance costs. Accordingly, account data breaches and related fraudulent activity could have a material adverse effect on our future growth prospects, business, financial condition, and results of operations. If we are unable to protect or enforce our intellectual property rights, we may lose a competitive advantage and incur significant expenses. Our business ~~will depend~~ **depends** on certain registered and unregistered intellectual property rights and proprietary information. We ~~will~~ rely on a combination of patent, copyright, trademark, service mark and trade secret laws, as well as nondisclosure agreements and technical measures (such as the password protection and encryption of our data and systems) to protect our technology and intellectual property rights, including our proprietary software. Existing laws afford only limited protection for our intellectual property rights. Intellectual property rights or registrations granted to us may provide an inadequate competitive advantage or be too narrow to protect our products and services. Similarly, there is no guarantee that our pending applications for intellectual property protection will result in registrations or issued patents or sufficiently protect our rights. The protections ~~outlined above~~ may not be sufficient to prevent unauthorized use, misappropriation or disclosure of our intellectual property or technology, and may not prevent competitors from copying, infringing, or misappropriating our products and services. We cannot be certain that others will not independently develop, design around, or otherwise acquire equivalent or superior technology or intellectual property rights. If we are unable to adequately protect our intellectual property rights, our business and growth prospects could be materially and adversely affected. One or more of ~~the~~ **our** issued patents or pending patent applications ~~relating to us~~ may be categorized as so- called " business method " patents. The general validity of software patents and business method patents has been challenged in a number of jurisdictions, including the United States. Our patents may become less valuable or unenforceable if software or business methods are found to be a non- patentable subject matter or if additional requirements are imposed that our patents do not meet. We also rely on numerous marks, trademarks, and service marks, including " BankMobile, " " BankMobile Vibe, " and " BankMobile Disbursements. " In addition, we rely on certain affiliated brands licensed to us or our bank partners such as " T- Mobile Money " and any other brands that may be developed as part of our BaaS ~~or D2C banking businesses~~ -- **business** . If the validity of these marks were challenged, our brand may be damaged or we may be required to face considerable expense defending or changing our marks. We may incorporate open source software into our products. While the terms of many open source software licenses have not been interpreted by U. S. or foreign courts, such licenses could be construed in a manner that imposes conditions or restrictions on our ability to offer our products and services. In such event, we could be required to make any open source code utilized in certain of our proprietary software available to third- parties, (including competitors), to seek licenses from third- parties, to re- engineer, or to discontinue the offering of our products or services, or we could become subject to other consequences, any of which could adversely affect our business, financial condition, and results of operations. We may be subject to claims that our services or solutions violate the patents or other intellectual property of others, which would be costly and time- consuming to defend. If our services and solutions are found to infringe the patents or other intellectual property rights of others, we may be required to change our business practices or pay significant costs and monetary penalties. The services and solutions that we provide may infringe upon the patents or other intellectual property rights of others. The industry in which we operate is characterized by frequent claims of patent or other intellectual property infringement. We cannot be sure that our services and solutions, or the products of others that we use or offer to our clients, do not and will not infringe upon the patents or other intellectual property rights of third- parties, and we may have infringement claims asserted against us or our clients. If others claim that we have infringed upon their patents or other intellectual property rights, we could be liable for significant damages and incur significant legal fees and expenses. In addition, we have agreed to indemnify many of our clients against claims that our services and solutions infringe upon the proprietary rights of others. In some instances, the potential amount of these indemnities may be greater than the revenues received from the client. Regardless of merit, any such claims could be time- consuming, result in costly litigation, be resolved on unfavorable terms, damage our reputation, or require us to enter into royalty or licensing arrangements. Such results

could limit our ability to provide a solution or service to clients and have a material adverse effect on our business, results of operations, or financial condition. The fees that we will generate are subject to competitive pressures, which may materially and adversely affect our revenue and profitability. We generate revenue from, among other sources, agreements with our ~~partner~~ **Partner** ~~banks~~ **Banks** to share the banking services fees charged to our account holders, interchange fees related to purchases made through our debit cards, servicing fees from our ~~partner~~ **Partner** ~~banks~~ **Banks** , and fees charged to our Higher Education institution clients. ~~We have a~~ **On March 22, 2023, the Company and Customers Bank replaced the** Deposit Processing Services Agreement ~~in place with Customers Bank. The Deposit Processing Services Agreement was originally set to expire on December 31, 2022, and to automatically renew for an additional three year term unless either party elected not to renew. On November 7, 2022, the Company and Customers Bank entered into the DPSA Amendment. The DPSA Amendment, among other things, will facilitate the transfer of the Company' s serviced deposits to a new partner bank and extends the termination date of the Deposit Processing Services Agreement until the earlier of: (i) entry into a definitive agreement with a new partner bank to transfer the Company' s serviced deposits to such partner bank and the successful completion of such transfer; or (ii) June 30, 2023. The DPSA Amendment also removes Customers Bank' s obligation to pay the Company the difference between the Durbin exempt and Durbin regulated interchange revenues. The other terms of the Deposit Processing Services Agreement remain in effect through the new termination date. On March 22, 2023, we signed a Second Amendment to the Deposit Processing Services Agreement (the " DPSA Second Amendment "). The DPSA Second Amendment, among other things, extends the termination date of the Deposit Processing Services Agreement until the earlier of (i) the transfer of the Company' s serviced deposits to a Durbin exempt sponsor bank; or (ii) June 30, 2024; and revises the fee structure of the Deposit Processing Services Agreement. The other terms of the Deposit Processing Services Agreement, as amended~~ by **entering** ~~the DPSA Amendment, remain in effect through the new termination date. On March 22, 2023, the Company and Customers Bank entered~~ into the 2023 Deposit Servicing Agreement, under which, effective March 31, 2023, the Company will perform, on behalf of Customers Bank, Customer Bank' s services, duties, and obligations under the PLBPA by and between Customers Bank and T-Mobile USA, Inc. that are not required by Applicable Law (as defined in the 2023 Deposit Servicing Agreement) to be provided by an FDIC insured financial institution. ~~As compensation under~~ **Under** the 2023 Deposit Servicing Agreement **, as amended** , Customers Bank will retain any and all revenue generated from the funds held in the deposit accounts, and Customers Bank will pay the Company monthly servicing fees as set forth in the 2023 Deposit Servicing Agreement. In addition, the Company will have the right to retain all revenue generated by or from the Depositor Accounts (as defined in the 2023 Deposit Servicing Agreement), including, but not limited to, fees and all other miscellaneous revenues. The Company also shall retain all fees (including without limitation interchange fees), and charges generated by its ATMs and from its payment processing services. The Company will be solely liable for any and all fees, expenses, costs, reimbursements, and other amounts that are or may become due and payable under the PLBPA, including, without limitation, any Durbin- Exempt Interchange (as defined in the 2023 Deposit Servicing Agreement) fees payable to T- Mobile under the PLBPA. Customers Bank may set off any and all PLBPA amounts against any compensation payable to the Company under the 2023 Deposit Servicing Agreement. **On March 16, 2023, the Company entered into a Deposit Servicing Agreement (the " FCB Deposit Servicing Agreement ") with a new partner bank, FCB, which provides that FCB will establish and maintain deposit accounts and other banking services in connection with customized products and services offered by the Company to its Higher Education institution clients, and the Company will provide certain other related services in connection with the accounts.** In an increasingly price- conscious and competitive market, it is possible that to maintain our competitive position with higher education institutions ~~,~~ **and our** BaaS ~~partners~~ - **partner** ~~, and large employers~~ , we may have to decrease the fees charged for our services. Similarly, in order to maintain our competitive position with our ~~partner~~ **Partner** ~~banks~~ **Banks** , we may need to reduce the servicing fees we charge. In order to maintain our competitive position with account holders, we and our ~~partner~~ **Partner** ~~banks~~ **Banks** may need to reduce banking service fees charged to account holders. Changes to the agreements and structures under which these fees and expenses are prescribed could materially impact our business, financial condition, and results of operation. We outsource critical operations, which ~~will expose~~ **exposes** us to risks related to our third- party vendors. We have entered into contracts with third- party vendors to provide critical services, technology, and software used in our operations. These outsourcing partners include, among others, **Fidelity National Information Services Inc. ("** FIS **")** , which provides back- end account and transaction data processing as well as web and application hosting services in secure data centers; MasterCard, which provides the payment network for our cards, as well as for certain other transactions; and Ubiquity Global Services, which provides customer care services. Accordingly, we depend, in part, on the services, technology, and software of these and other third- party service providers. In the event that these service providers fail to maintain adequate levels of support, do not provide high quality service, discontinue their lines of business, terminate our contractual arrangements, or cease or reduce operations, we may be required to pursue new third- party relationships, which could materially disrupt our operations and could divert management' s time and resources. We may also be unable to establish comparable new third- party relationships on as favorable terms or at all, which could materially and adversely affect our business, financial condition, and results of operations. Even if we are able to obtain replacement technology, software, or services **,** there may be a disruption or delay in our ability to operate our business or to provide products and services, and the replacement technology, software, or services might be more expensive than those we have currently. The process of transitioning services and data from one provider to another can be complicated, time consuming, and may lead to significant disruptions in our business. In addition, any failure by third- party service providers to maintain adequate internal controls could negatively affect our internal control over financial reporting, which could impact the preparation and quality of our financial statements. Failure to maintain an effective system of disclosure controls and **remediate the material weakness in our** internal control over financial reporting could affect our ability to produce timely and accurate financial statements or comply with applicable laws and regulations. As a public company, we are required to comply with the SEC' s rules implementing Sections 302 and 404 of the Sarbanes- Oxley Act. The

Company is an emerging growth company and may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies. As an emerging growth company, the Company is not subject to Section 404 (b) of the Sarbanes- Oxley Act of 2002, which would require that our independent auditors review and attest as to the effectiveness of our internal control over financial reporting. Management is required to make an annual assessment of internal controls over financial reporting pursuant to Section 404 (a), including the disclosure of any material weaknesses identified by management in internal control over financial reporting. **As described in Part II, Item 9A — " Controls and Procedures ", Management has identified a material weakness in the Company' s internal control over financial reporting.** A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company' s annual or interim financial statements will not be prevented or detected on a timely basis. **The Company has developed a remediation plan to address the** ~~As described in Part II, Item 9A — Controls and Procedures, management~~ identified material ~~weaknesses~~ -- **weakness** ~~in~~ **. If** the Company' s **remediation efforts are insufficient or if additional material weaknesses in** internal control over financial reporting **are discovered** ~~for~~ - **or occur in** the **future,** ~~2021 fiscal year that were remediated during~~ the ~~fourth quarter~~ **Company' s consolidated financial statements may contain material misstatements and it could be required to revise or restate its financial results, which could materially and adversely affect the Company' s business, results** of ~~fiscal 2022. If we identify new~~ **operations and financial condition, restrict its ability to access the capital markets, require it to expend significant resources to correct the** material weaknesses ~~in the future~~ **, subject it to fines, penalties, or judgments, harm its reputation** , or otherwise **cause a decline in investor confidence** ~~fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business~~ . Any inability to successfully integrate ~~our recent or~~ future mergers and acquisitions could have a material adverse effect on us. Mergers and acquisitions typically require integration of the acquired companies' sales and marketing, operating, manufacturing, distribution, finance, and administrative functions, as well as exposure to different legal and regulatory regimes in jurisdictions in which we have not previously operated. We may not be able to integrate successfully any business we acquire into our existing business, or may not be able to do so in a timely, efficient and cost- effective manner. Our inability to complete the integration of new businesses in a timely and orderly manner could increase costs and lower profits. Acquisition or other integration- related issues could divert management' s attention and resources from our day- to- day operations, cause significant disruption to our businesses, and lead to substantial additional costs. Our inability to realize the anticipated benefits of a merger or acquisition, or to successfully integrate acquired companies, as well as other transaction- related issues could have a material adverse effect on our businesses, financial condition, and results of operations. In addition, possible future mergers, acquisitions, or dispositions may trigger a review by the U. S. Department of Justice, the FDIC, and / or the State Attorneys General under their respective regulatory authority, focusing on the effects on competition, including the size or structure of the relevant markets and the pro- competitive benefits of the transaction. Any delay, prohibition, or modification required by regulatory authorities could adversely affect the terms of a proposed merger or acquisition or could require us to modify or abandon an otherwise attractive acquisition opportunity. An active, liquid trading market for our common stock may not be sustained. We cannot predict the extent to which investor interest in our company will lead to the further development of an active trading market on NYSE American. If an active and liquid trading market is not sustained, you may have difficulty selling our common stock. Among other things, in the absence of a liquid public trading market: • you may not be able to liquidate your investment in shares of common stock; • you may not be able to resell your shares of common stock at or above the price ~~attributed to~~ **for which you purchased** them ~~in the business combination~~ ; • the market price of shares of common stock may experience significant price volatility; and • there may be less efficiency in carrying out your purchase and sale orders. If securities analysts publish negative evaluations of our common stock or if ~~we lose~~ analysts ~~resulting in loss of research coverage~~ **cease to report on our common stock** or their evaluations of our stock are downgraded, the price of our common stock could decline. The trading market for our common stock **relies** ~~will rely~~ in part on the research and reports that industry or financial analysts publish about us or our business. We currently have limited research coverage by industry and financial analysts. However, the few analysts that provide coverage of us could stop and the trading price of our stock could be negatively affected. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our common stock could decline. If one or more of these analysts cease to ~~cover~~ **report on** our common stock, we could lose visibility in the market for our stock, which in turn could cause our common stock price to decline. Substantial future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price. Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our common stock **,** and could impair our ability to raise capital through the sale of additional shares. Certain shares of our common stock are freely tradable without restriction under the Securities Act, except for any shares of our common stock that may be held or acquired by our directors, executive officers, and other affiliates, as that term is defined in the Securities Act, which are restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available. Certain of our stockholders and members of our management have rights, subject to certain conditions, to require us to file registration statements covering shares of our common stock or to include shares in registration statements that we may file for ourselves or other stockholders. Any such sales, including sales of a substantial number of shares, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. We may also issue shares of our common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, or otherwise. Any such issuance could result in ownership dilution to you as a stockholder. and cause the trading price of our common stock to decline. Provisions in our charter and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our common stock and could entrench

management. Our amended and restated certificate of incorporation and bylaws contain provisions to limit the ability of others to acquire control of the Company or cause us to engage in change- of- control transactions, including, among other things: • provisions that authorize our ~~board~~ **Board** of ~~directors~~ **Directors** , without action by our stockholders, to authorize by resolution the issuance of shares of preferred stock and to establish the number of shares to be included in such series, along with the preferential rights determined by our ~~board~~ **Board** of ~~directors~~ **Directors** ; • ~~provided that,~~ our ~~board~~ **Board** of ~~directors~~ **Directors** may also, subject to the rights of the holders of preferred stock, authorize shares of preferred stock to be increased or decreased by the approval of the ~~board~~ **Board** of ~~directors~~ **Directors** and the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the corporation; • provisions that impose advance notice requirements, minimum shareholding periods, and ownership thresholds, and other requirements and limitations on the ability of stockholders to propose matters for consideration at stockholder meetings; and • a staggered ~~board~~ **Board** whereby our ~~directors~~ **Directors** are divided into three classes, with each class subject to retirement and reelection once every three years on a rotating basis. These provisions could have the effect of depriving stockholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third- parties from seeking to obtain control of our business in a tender offer or similar transaction. With our staggered ~~board~~ **Board** of ~~directors~~ **Directors** , at least two annual meetings of stockholders will generally be required in order to effect a change in a majority of our ~~directors~~ **Directors** . Our staggered ~~board~~ **Board** of ~~directors~~ **Directors** can discourage proxy contests for the election of ~~directors~~ **Directors** and purchases of substantial blocks of our shares by making it more difficult for a potential acquirer to gain control of our ~~board~~ **Board** of ~~directors~~ **Directors** in a relatively short period of time. Our amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders. Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers, and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder' s counsel. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees, or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in 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 harm our business, operating results, and financial condition. ~~A recent Delaware Court of Chancery Ruling has created potential uncertainty regarding the validity of our authorized shares of Common Stock. On January 4, 2021, BM Technologies consummated its business combination with Delaware Special Purpose Acquisition Company Megalith. Megalith obtained its shareholder approval on December 21, 2020 at a special meeting of stockholders, where the Megalith shareholders approved the proposals set forth in the definitive proxy statement filed with the SEC on December 11, 2020. At the December 21, 2020 meeting (the " Special Meeting "), a majority of the holders of then outstanding shares of our Class A common stock voted to approve our Second Amended and Restated Certificate of Incorporation, which, among other things, reclassified the Class A Common Stock and the Class B Common Stock as Common Stock, increased the authorized shares of our capital stock to 1, 010, 000, 000 shares, consisting of 1, 000, 000, 000 shares of Common Stock and 10, 000, 000 shares of " blank check " preferred stock, to 1, 000, 000 shares of common stock (the " Amended Charter "). A recent decision of the Delaware Court of Chancery has created uncertainty regarding the validity of the Amended Charter and whether the vote to approve the Amended Charter met the requirements under Section 242 (b) (2) of the Delaware General Corporation Law. We continue to believe that the vote to approve the Amended Charter was appropriate. To date, no stockholder has given us notice of any allegations that our shares are unauthorized. Even if the Amended Charter increasing the number of authorized shares was found to be defective, BM Technologies has not issued any shares in excess of the number authorized under the prior Megalith charter. However, the potential uncertainty with respect to our capitalization resulting from the Delaware Court of Chancery' s decision could have a material adverse effect on our operations, including our ability to complete financing transactions, until the underlying issues are definitively resolved.~~ We may redeem ~~your~~ unexpired warrants prior to their exercise at a time that is disadvantageous to ~~you~~ **the holder** , thereby making ~~your~~ **the** warrants worthless. We ~~will~~ have the ability to redeem outstanding warrants (excluding any placement warrants held by our ~~Sponsor~~ **sponsor** or its permitted transferees) at any time after they become exercisable and prior to their expiration, at $ 0. 01 per warrant, provided that the last reported sales price (or the closing bid price of our common stock in the event the shares of our common stock are not traded on any specific trading day) of our common stock equals or exceeds $ 24. 00 per share for any 20 trading days within a 30 trading- day period ending on the third business day prior to the date we send proper notice of such redemption, provided that on the date ~~it~~ **we** ~~gives~~ - **give** notice of redemption, and during the entire period thereafter until the time ~~it~~ **we** ~~redeems~~ - **redeem** the warrants, we have an effective registration statement under the Securities Act covering the shares of our common stock issuable upon exercise of the warrants and a current prospectus relating to them is available. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force a warrant holder (i) to exercise ~~your~~ warrants and pay the exercise price therefor at a time when it may be disadvantageous ~~for you~~ to do so, (ii) to sell ~~your~~ warrants at the then- current market price when ~~you~~ **the holder** might otherwise wish to hold ~~your~~ **the** warrants, or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, will be substantially less than the market value of ~~your~~ **the** warrants. Our ~~Warrants~~ **warrants** could increase the number of shares eligible for future

resale in the public market and result in dilution to our stockholders. As of December 31, ~~2022~~ **2023** , there were warrants outstanding to purchase an aggregate of 22, 703, 004 shares of our common stock. These warrants consist of 17, ~~227~~ **294** , ~~189~~ **044** public warrants and 5, ~~475~~ **408** , ~~815~~ **960** private placement warrants. Each warrant entitles its holder to purchase one share of our common stock at an exercise price of $ 11. 50 per share and will generally expire at 5: 00 p. m., New York time, on January 4, 2026, or earlier upon redemption of our common stock. To the extent warrants are exercised, additional shares of our common stock will be issued, which will result in dilution to our then existing stockholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could depress the market price of our common stock. A change in regulations related to interchange or methods of payments could materially and adversely affect our financial performance. ~~Future federal~~ **Federal** , state, or network regulations could be changed **in the future** in a way that could negatively affect our business. Additionally, with the advent of creative money movement systems that bypass card networks, a large future proportionate share of " spend " could leverage a less income **-** producing method. In turn, these events could significantly reduce our interchange income from which we currently ~~expect to~~ derive a significant proportion of our revenues, which could adversely affect our financial condition and results of operations. We are subject to various regulations related to higher education and disbursements. Because we provide services to some higher education institutions that involve handling federal student financial aid funds, we are considered a " third- party servicer " under Title IV of the Higher Education Act of 1965, which governs the administration of federal student financial aid programs. Those regulations require a third- party servicer ~~annually~~ to submit ~~a~~ **an annual** compliance audit conducted by outside independent auditors that cover the servicer' s Title IV activities. Each year **,** we are required to submit a " Compliance Attestation Examination of the Title IV Student Financial Assistance Programs " audit to the ED, which includes a report by an independent audit firm. This yearly compliance audit submission to ED provides comfort to our Higher Education institution clients that we are in compliance with applicable third- party servicer regulations. We also provide and will provide this compliance audit report to clients upon request to help them fulfill their compliance audit obligations as Title IV participating institutions. Under ED' s regulations, a third- party servicer that contracts with a Title IV institution acts in the nature of a fiduciary in the administration of Title IV programs. Among other requirements, the regulations provide that a third- party servicer is jointly and severally liable with its client institution for any liability to ED arising out of the servicer' s violation of Title IV or its implementing regulations, which could subject us to material fines related to acts or omissions of entities beyond our control. ED is also empowered to limit, suspend, or terminate the violating servicer' s eligibility to act as a third- party servicer and to impose significant civil penalties on the violating servicer. We may enter into " Tier 1 " arrangements with educational institutions, which are subject to more stringent regulations than certain other " Tier 2 " or " non- covered " arrangements. Additionally, on behalf of our Higher Education institution clients, we are required to comply with ED' s cash management regulations regarding payment of financial aid credit balances to students and providing bank accounts to students that may be used for receiving such payments. In the event ED concludes that we have violated Title IV or its implementing regulations and should be subject to one or more sanctions, our business and results of operations could be materially and adversely affected. There is limited enforcement and interpretive history of Title IV regulations. Final rules relating to Title IV Cash Management were published in the Federal Register on October 30, 2015. The Final Rules include, among others, provisions related to (i) restrictions on the ability of higher education institutions and third- party servicers like us to market financial products to students including sending unsolicited debit cards to students, (ii) prohibitions on the assessment of certain types of account fees on student account holders, and (iii) requirements related to ATM access for student account holders that became effective as of July 1, 2016. These regulations also require institutions to: offer students additional choices regarding how to receive their student aid funds (including prohibiting an institution from requiring students to open an account into which their credit balances must be deposited); provide a list of account options from which a student may choose to receive credit balance funds electronically, where each option is presented in a neutral manner and the student' s preexisting bank account is listed as the first and most prominent option with no account preselected; ensure electronic payments made to a student' s preexisting account are initiated in a manner as timely as, and no more onerous than, payments made to an account with the institution; include additional restrictions on the institution' s use of personally identifiable information; require that the terms of the contractual arrangements between institutions and schools be publicly disclosed; and require that schools establish and evaluate the contractual arrangements with institutions in light of the best financial interests of students. These regulations increase our compliance costs and could negatively affect our results of operations. **We may face additional regulation by federal and state regulators in the future given the nature of our operations. Although we are not a bank, and do not hold a bank charter, we operate in a highly regulated environment as a service provider in facilitating deposits between a customer and our Partner Banks. As a result, we may in the future become subject to supervision, regulation, and examination by various federal and state regulators in addition to regulations related to higher education disbursements, including the Consumer Financial Protection Bureau (" CFPB "), and various state regulatory agencies. The CFPB provides regulatory oversight with respect to compliance under consumer laws and regulations. While we are not currently directly supervised by the CFPB, the CFPB has the ability to influence policy and may have the ability to regulate us in the future as regulators seek to increase and ensure fair access to banking products and services. Any such changes, if applicable to us, may subject us to additional costs, adversely impact our income, and increase our litigation risk should we fail to appropriately comply, may increase costs associated with responding to or defending such actions, and may also impact consumer behavior, limit the types of services and products we may offer, and change the manner in which we operate. In addition, changes to laws and regulations could negatively impact demand for our products and services.** Our ~~partner~~ **Partner** ~~banks~~ **Banks** are subject to extensive regulation as a bank, which could limit or restrict our activities. Banking is a highly regulated industry and our ~~partner~~ **Partner** ~~banks~~ **Banks** are subject to examination, supervision, and comprehensive regulation by various regulatory agencies. As a service provider, we will be required to comply with many of

these regulations on behalf of our ~~partner~~ **Partner** ~~banks~~ **Banks** , which will be costly and restrict certain of our activities, including loans and interest rates charged, and interest rates paid on deposits. The laws and regulations applicable to the banking industry could change at any time, and we cannot predict the effects of these changes on our ~~partner~~ **Partner** ~~banks~~ **Banks** , and our own business and profitability. Because government regulation greatly affects the business and financial results of all commercial banks, our cost of compliance could adversely affect our ability to operate profitably. The Dodd- Frank Act Wall Street Reform and Consumer Protection Act, enacted in July 2010, which we refer to as the Dodd- Frank Act, instituted major changes to the banking and financial institutions regulatory regimes in light of the recent performance of and government intervention in the financial services sector. The " Durbin Amendment " of the Dodd- Frank Act limits the amount of interchange fees chargeable by a bank with over $ 10 billion in assets. Additional legislation and regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations, or policies, could significantly affect our revenues, business, and operations in substantial and unpredictable ways. Further, regulators have significant discretion and power to prevent or remedy unsafe or unsound practices or violations of laws by banks in the performance of their supervisory and enforcement duties. The exercise of this regulatory discretion and power could have a negative impact on our ~~partner~~ **Partner** ~~banks~~ **Banks** , and by extension, a negative impact on us. Failure to comply with laws, regulations, or policies could result in sanctions by regulatory agencies, civil money penalties, and / or reputational damage, which could have a material adverse effect on our ~~partner~~ **Partner** ~~banks~~ **Banks** and on our own business, financial condition, and results of operations. Our Higher Education institution clients are subject to the Family Educational Rights and Privacy Act of 1995 (" FERPA "), which provides, with certain exceptions, that an educational institution that receives any federal funding under a program administered by ED may not have a policy or practice of disclosing education records or " personally identifiable information " from education records, other than directory information, to third- parties without the student' s or parent' s written consent. Our Higher Education institution clients disclose to us certain non- directory information concerning their students, including contact information, student identification numbers, and the amount of students' credit balances. We believe that our Higher Education institution clients are and will be able to disclose this information without the students' or their parents' consent pursuant to one or more exceptions under FERPA. However, if ED asserts that we do not fall into one of these exceptions, or if future changes to legislation or regulations require student consent before our Higher Education institution clients can disclose this information, a sizable number of students may cease using our products and services, which could materially and adversely affect our business, financial condition, and results of operations. Additionally, as we are indirectly subject to FERPA, we cannot permit the transfer of any personally identifiable information to another party other than in a manner in which a higher education institution may disclose it. In the event that we re- disclose student information in violation of this requirement, FERPA requires our clients to suspend our access to any such information for a period of five years. Any such suspension could have a material adverse effect on our business, financial condition, and results of operations. We also are and will be subject to certain other federal rules regarding safeguarding personal information, including rules implementing the privacy provisions of the Gramm- Leach- Bliley Act of 1999, or GLBA State Laws. We may also become subject to similar state laws and regulations, including those that restrict higher education institutions from disclosing certain personally identifiable information of students. State ~~attorneys~~ **Attorneys** ~~general~~ **General** and other enforcement agencies may monitor our compliance with state and federal laws and regulations that affect our business, including those pertaining to higher education and banking, and conduct investigations of our business that are time consuming and expensive and could result in fines and penalties that have a material adverse effect on our business, financial condition, and results of operations. Additionally, individual state legislatures may propose and enact new laws that will restrict or otherwise affect our ability to offer our products and services, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, regulations related to higher education change frequently, and new or additional regulations in the future may increase compliance costs, limit our business and prospects and adversely affect our results of operations. Compliance with the various complex laws and regulations is costly and time consuming, and failure to comply could have a material adverse effect on our business. Additionally, increased regulatory requirements on our businesses may increase costs, which could materially and adversely affect our business, financial condition, and results of operations. If we do not devote sufficient resources to additional compliance personnel and systems commensurate with our anticipated growth, we could be subject to fines, regulatory scrutiny, or adverse public reception to our products and services. Our ability to limit our liabilities by contract or through insurance may be ineffective or insufficient to cover future liabilities. We will attempt to limit, by contract, our liability for damages arising from negligence, errors, mistakes, or security breaches. Contractual limitations on liability, however, may not be enforceable or may otherwise not provide sufficient protection to us from liability for damages. We will maintain liability insurance coverage, including coverage for errors and omissions. It is possible, however, that claims could exceed the amount of applicable insurance coverage, if any, or that this coverage may not continue to be available on acceptable terms or in sufficient amounts. Even if these claims do not result in liability to us, investigating and defending against them could be expensive and time consuming and could divert management' s attention away from our operations. In addition, negative publicity caused by these events may delay market acceptance of our products and services, any of which could materially and adversely affect our reputation and business. Our management team has limited experience in managing a public company and the business and financing activities of an organization of our size, which could impair our ability to comply with legal and regulatory requirements. Our management team has had limited public company management experience or responsibilities, and has limited experience managing a business and related financing activities of our size. This could impair our ability to comply with various legal and regulatory requirements, such as public company compliance, and filing required reports and other required information on a timely basis. It may be expensive to develop, implement, and maintain programs and policies in an effective and timely manner that adequately respond to increased legal, regulatory compliance, and reporting obligations imposed by such laws and regulations, and we may not have the resources to do so. Any failure to comply with such laws and regulations could lead to the imposition

of fines and penalties and further result in the deterioration of our business. ~~We capitalize certain development costs~~ **Climate change (including severe weather and natural disasters) could have significant effects on our business. There is an increasing concern over the risks of climate change and** related ~~to internal software development; this capitalized asset~~ **environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and longer- term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Such events** could ~~become impaired~~ **disrupt our operations, those of our customers, or partners, or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. In addition, transitioning to a low- carbon economy may entail extensive policy, legal, technological, and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or taxes, could increase our expenses and undermine our strategies. Further, our ability to attract and retain employees may also be harmed** if ~~there are~~ **our response to climate** ~~changes~~ **change is perceived** ~~in our business model that impact the expected use of that software. At December 31, 2022, the net carrying value of our developed software was $ 22. 3 million, which made up a significant portion of our consolidated assets. This amount reflects the capitalized cost, net of accumulated amortization, of software that we developed internally~~ as **ineffective** ~~well as the remaining value of the acquired Higher One Disbursement business developed software. Changes in technology, our~~ **or insufficient** ~~internal processes, or our business strategies or those of our partners could impact our ability to realize the value of our developed software, which could result in an impairment of the asset~~ .