Risk Factors Comparison 2024-03-22 to 2023-03-30 Form: 10-K

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You should carefully consider the risks described below together with the other information set forth in this Annual Report on Form 10- K. If any of the risks described below are realized, our business, financial condition, results of operations, and prospects could be materially and adversely affected. The risks described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and operating results. ~~Risk factors summary The following is a summary of the principal risks that could adversely affect our business, operations and financial results:~~ Risks relating to our business and industry ~~•~~ Any diminution in, elimination of, or change in the availability of tax benefits for HSAs and other CDBs ~~, or in the use of these accounts,~~ would materially adversely affect us ~~. • Failure to adequately place and safeguard our custodial assets and Client- held funds, or the failure of any of our depository or insurance company partners, could materially and adversely affect our business, financial condition and results of operations. • Integration of our recent acquisitions may not be successful. • A decline in interest rate levels, including an environment of negative interest rates, would reduce our ability to earn income on our HSA Assets and Client- held funds and to attract HSA contributions. • If we are not successful in adapting to our rapidly evolving industry, our growth may be limited, and our business may be adversely affected. • We may be unable to compete effectively against our current and future competitors. • Developments in the rapidly changing healthcare industry could adversely affect our business. • The COVID- 19 pandemic and resulting societal and economic changes has materially impacted our business and this impact may continue. • If our members do not continue to utilize our payment cards, our results of operations, business, and prospects would be materially adversely affected. • Failure to maintain effective internal control over financial reporting could have a material adverse effect on our reputation, results of operations and financial condition. Data security, technological, and intellectual property risks • Cyber- attacks, including ransomware attacks, or other privacy or data security incidents could materially adversely impact our business. • Fraudulent and other illegal activity involving our products and services could lead to financial and reputational damage to us and reduce the use and acceptance of our products and services. • We rely on software licensed from third parties that may be difficult to replace or that could cause errors or failures of our technology platforms that could lead to lost customers or harm to our reputation. • Developing and implementing new and updated applications, features, and services for our technology platforms may be more difficult than expected, may take longer and cost more than expected, or may result in the platforms not operating as expected. • Any disruption of service at our facilities or our third- party data centers and cloud providers could interrupt or delay our customers' access to our products and services. • Interruption or failure of our information technology and communications systems could impair our ability to effectively deliver our products and services. • Our technology platforms may link to or utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business. • Failure to adequately protect our brands and other intellectual property rights, and infringement of the intellectual property rights of others, would negatively impact our business. Legal and regulatory risks • The healthcare regulatory and political framework is uncertain and evolving, and we cannot predict the effect that further healthcare reform and other changes in government programs may have on our business, financial condition, or results of operations.- 12- • Changes in applicable federal and state laws relating to HSAs and other CDBs could materially adversely affect our business. • We are subject to privacy regulations, including regarding the access, use, and disclosure of personally identifiable information. If we or any of our third- party vendors experience a privacy breach, it could result in substantial financial and reputational harm, including possible criminal and civil penalties. • Legislative, regulatory, and legal developments involving taxes could adversely affect our results of operations and cash flows. • Changes in laws and regulations relating to interchange fees on payment card transactions could adversely affect our revenue and results of operations. • Failure to comply with, or changes in, payment card industry, credit card association or other network rules or standards set by Visa or MasterCard, or changes in card association and debit network fees or products or interchange rates, could materially adversely affect us. • We are subject to complex regulation, and any compliance failures or regulatory action could adversely affect our business. • If we are unable to meet or exceed the net worth test required by the IRS, we could be unable to maintain our non- bank custodian status. Risks relating to our service and culture • Any failure to offer high- quality customer support services could adversely affect our relationships with our members, Clients, and Network Partners and our operating results. • We rely on our management team and team members and our business could be harmed if we are unable to retain qualified personnel. • If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success. Risks relating to our partners and service providers • If our Network Partners choose to partner with other providers of, or otherwise reduce offering or cease to offer, our products and services, our business could be materially and adversely affected. • A change in relationship with any of our bank identification number sponsors, or the failure by these sponsors to comply with certain banking regulations, could materially and adversely affect our business. • Replacing our third- party vendors would be difficult and disruptive to our business. Growth- related risks • Our acquisition strategy may not be successful. • We may not be able to operate, integrate, and scale our technology effectively to match our business growth. • Failure to manage future growth effectively could have a material adverse effect on our business, financial condition, and results of operations. • We may not accurately estimate the impact on our business of developing, introducing, and updating new and existing products and services. • We may need to record write- downs from future impairments of identified intangible assets and goodwill. Financing and related risks • Our substantial debt could limit our ability to fund operations, expose us to interest rate volatility, limit our ability to raise additional capital and have~~

~~a material adverse effect on our ability to fulfill our obligations under our credit agreement and indenture and to our Network Partners, Clients and members. • The indenture and the credit agreement contain covenants that impose significant operational and financial restrictions on us, and the failure to comply with these covenants would result in an event of default under these instruments. • We may be unable to generate or obtain sufficient capital to fund our business and growth strategy. General risk factors • Natural disasters, pandemics or other epidemics, acts of terrorism, acts of war, adverse economic conditions, and other unforeseen events, may cause damage or disruption to us or our customers.- 13- • Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable. • The exclusive forum provision in our amended and restated certificate of incorporation could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or team members~~. Substantially all of our revenue is earned from tax- advantaged HSAs and other CDBs. The efforts of governmental and third- party payers to raise revenue or contain or reduce healthcare or other costs could include restructuring the tax benefits available through HSAs and other CDBs, which may adversely affect our business, operating results, and financial condition. For example, the federal government or states may seek to raise revenues by enacting tax laws that eliminate the tax deductions available to individuals who contribute to HSAs. We cannot predict if any new tax reforms will ultimately become law, or if enacted, what their terms or the regulations promulgated pursuant to such reforms will be. If the laws or regulations are changed to limit or eliminate the tax benefits available through these accounts, such a change would have a material adverse effect on our business. **Failure to adequately place and safeguard HSA cash and Client** ~~We believe that many consumers are not familiar with, or do not fully appreciate, the tax-~~ **held funds,** ~~advantaged benefits of HSAs and other CDBs. If our~~ - **or** ~~members do not fully use their~~ -- **the** ~~HSAs~~ **failure of any of** ~~or~~ **our depository** ~~CDBs, or if employers reduce or cease to offer HSAs or other CDB programs, or if the rate of adoption of these accounts decreases, our~~ - **or** ~~results of operations~~ **insurance company partners, could materially and adversely affect our business** , financial condition ~~, business,~~ and **results of operations** ~~prospects would be materially and adversely affected~~. As a non- bank custodian, we rely on our federally insured custodial ~~depository~~ **Depository** ~~partners~~ **Partners** and our insurance company partners to hold ~~the vast majority of the~~ HSA ~~Assets~~ **cash** that we custody **. The portion of HSA cash held by our insurance company partners is increasing with the increased adoption of our Enhanced Rates program. The HSA cash held through our insurance company partners is not federally insured, and our members bear the risk of loss with respect to either the failure of the insurance company partner holding their HSA cash or the breach by the insurance company partner of its obligations to guarantee principal or pay interest thereon** . In addition, we deposit Client- held funds with our ~~depository~~ **Depository** ~~partners~~ **Partners** in interest- bearing ~~,~~ demand deposit accounts ~~that have a floating interest rate and no set term or duration~~, and for certain Clients these amounts exceed maximum federal deposit insurance levels. If any material adverse event were to affect one of our ~~depository~~ **Depository** ~~partners~~ **Partners** or our insurance company partners, including a significant decline in its financial condition, a decline in the quality of its service, loss of deposits, its inability to comply with applicable banking, insurance or other regulatory requirements, systems failure or its inability to return principal or pay interest thereon, our business, financial condition and results of operations could be materially and adversely affected. ~~The HSA Assets held through~~ **In addition, in the event of such a failure of, or breach by, one of** our insurance company partners ~~are not federally insured~~, ~~and our members bear the risk of loss with respect to either the failure of the insurance company partner holding their~~ -- **the** HSA **cash** ~~Assets or the breach by the partner of its obligations to guarantee principal or pay interest thereon. In the event of such a failure of, or breach by, one of our insurance company partners, the HSA Assets~~ held through that **insurance company** partner would be at risk and no assurance can be given that our contractual arrangements with that **insurance company** partner would be sufficient for our members to fully recover their HSA ~~Assets~~ **cash** , which would in turn result in reputational ~~harm to us~~ and financial harm to the Company ~~. Certain of our arrangements with our depository and insurance company partners require that we keep a minimum amount of HSA Assets with such partner, including sufficient liquid assets. If we fail to comply with those minimum HSA Asset requirements, including as a result of withdrawals by our members, we may be subject to penalties payable to our partners or a reduction in the interest payable. Such penalties or reductions, if imposed, could have a material and adverse impact on our business, financial condition and results of operations~~. In addition, certain of our insurance company partners have commitments to us with respect to the interest rates paid; however, some of these commitments are conditional upon certain market events and / or satisfaction of our obligations to the partner. A reduction of the interest rate payable, or a requirement that we post collateral in lieu of any such reduction, could have a material and adverse impact on our business, financial condition and results of operations. **Failure** ~~In addition~~ to ~~any potential penalties payable, if we were required to change~~ **adequately manage the liquidity of the custodial assets held by our** ~~depository~~ **Depository** ~~or~~ **Partners and** insurance company partners **could materially and adversely affect our business** , **financial condition, and results** ~~we cannot accurately predict the success~~ of **operations. Certain of our arrangements with our depository and insurance company partners require that we keep a minimum amount of HSA cash with** such **partner. If we fail to comply** ~~change or that the terms of our agreement~~ with ~~the~~ **those** ~~new partner would~~ **minimum HSA cash requirements, including as a result of withdrawals by our members, we may** be **subject** ~~as favorable~~ to ~~us as~~ **penalties payable to our partners** ~~our~~ - **or** ~~current agreements~~ **a reduction in the interest payable. Such penalties or reductions, if imposed, could have a material and adverse impact on our business, financial condition and results of operations, and we may not have sufficient capital on hand to pay such penalties** .- ~~14~~ **13** - **Integration of our acquisitions may not be successful, and we may not realize the synergies anticipated from our acquisitions.** The success of our ~~recent~~ acquisitions depends in part on our ability to realize the anticipated business opportunities from combining the operations of the acquired businesses with our business in an efficient and effective manner. Integration of our acquisitions could take longer and be more costly than anticipated, and it could result in the loss of key team members, the disruption of our ongoing business and the acquired business, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with team members, Clients, Network Partners or other third parties, and could harm our financial performance. ~~We~~ **In addition, we** may **not** ~~fail to fully~~ realize the anticipated **cost, revenue, and other** synergies associated with successfully integrating our acquisitions. ~~Achievement of these anticipated synergies is based on our ability to grow revenue as a combined company, the integration of technology platforms, and realization of the targeted cost synergies expected from each acquisition. Actual operating, technological, strategic, and revenue opportunities, if achieved at all, may be less significant than expected or may take longer or cost more to achieve than anticipated. If we are not able to achieve these objectives and realize the synergies expected from these acquisitions within the anticipated timing or at all, our business, financial condition, and operating results may be adversely affected.~~ Our management team and other team members ~~are~~ **continue to** ~~spending~~ --- **spend** significant amounts of time on integration efforts relating to the Further Acquisition. Similar to the work completed to integrate the **acquisition of** WageWorks ~~Acquisition~~, as part of the Further Acquisition integration process we are working to migrate certain Clients and Network Partners to different technology platforms. In connection with the WageWorks technology platform migrations, we experienced the following challenges, all of which could also occur in connection with the Further technology platform migration: • we experienced Client and Network Partner attrition when we were unable to meet Client or Network Partner expectations or technical requirements; • certain Clients and Network Partners refused to cooperate with the platform migration process, resulting in delays to and additional costs associated with this process and the loss of certain of those Clients and Network Partners; • we experienced Client and Network Partner dissatisfaction, which may have impaired our long- term relationships with impacted Clients and Network Partners; and • we faced challenges in integrating the back- office systems and people associated with these technology platforms. **A decline in interest rate levels would reduce our ability to earn income on our HSA Assets and Client- held funds and to attract HSA contributions.** We partner with our depository and insurance company partners to hold our HSA Assets and other Client- held funds. We earn a significant portion of our consolidated revenue from fees we earn from our depository and insurance company partners, approximately ~~33~~ **39** %, ~~27~~ **30** %, and ~~26~~ **25** % during the fiscal years ended January 31, **2024,** 2023, **and** 2022 ~~, and 2021~~, respectively. A decline in prevailing interest rates has in the past and may again in the future negatively affect our business by reducing ~~the yield we realize on our HSA Assets and other Client- held funds. A negative interest rate environment would also reduce~~ the yield we realize on our HSA Assets and other Client- held funds. In addition, if we do not offer competitive interest rates on HSA Assets, our members may choose another HSA custodian. ~~Similarly, if the value of the invested HSA Assets we hold declines, whether due to market conditions or other factors, our fees, which are based on a percentage of the asset values, would be adversely affected.~~ Any such scenario could materially and adversely affect our business and results of operations **. A decline in the value of invested HSA Assets would adversely affect our results of operations. If the value of the invested HSA Assets our members hold declines, whether due to market conditions or other factors, our fees, which are based on a percentage of the asset values, would be adversely affected, which would in turn negatively impact our results of operations. If we are not successful in adapting to our rapidly evolving industry, our growth may be limited, and our business may be adversely affected** . The market for our products and services is subject to rapid and significant change and competition. The market for administration of HSAs and other CDBs is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing customer needs, existing competition, and the entrance of non- traditional competitors. In addition, there may be a limited- time opportunity to achieve and maintain a significant share of this market due in part to our rapidly evolving industry, industry consolidation, and the substantial resources available to our existing and potential competitors. In order to remain competitive, we are continually involved in a number of projects to develop new services or compete with these new market entrants. These projects carry risks, such as cost overruns, delays in delivery, performance problems, and lack of acceptance by our Clients, Network Partners and members.- ~~15~~ **14** - **Any diminution in the use of HSAs or other CDBs would materially adversely affect us. We believe that many consumers are not familiar with, or do not fully appreciate, the tax- advantaged benefits of HSAs and other CDBs.** Our success depends on the willingness of consumers to increase their use of HSAs and other CDBs, our ability to increase engagement, and our ability to demonstrate the value of our services to our existing and potential Clients, Network Partners and members. If our **members do not fully use their HSAs or CDBs, if employers reduce or cease to offer HSAs or other CDB programs, if the rate of adoption of these accounts decreases, if** existing Clients, Network Partners and members do not recognize or acknowledge the benefits of our services or we do not drive engagement, then the market for our services might **decline or** develop more slowly than we expect, which could adversely affect our operating results. **We may be unable to compete effectively against** ~~In addition, we have limited insight into industry or~~ **our current** ~~broader trends that might develop~~ and **future competitors** ~~affect our business. As such, we might make errors in predicting and reacting to relevant business, legal, and regulatory trends, which could harm our business. If any of these events occur, it could materially adversely affect our business, financial condition or results of operations~~ . The market for our products and services is highly competitive. We view our competition in terms of direct and indirect competitors. Our direct HSA competitors are HSA custodians and administrators that include state or federally chartered banks, such as Webster Bank and Optum Bank, insurance companies, well- known retail investment companies, such as Fidelity Investments, and non- bank custodians approved by the U. S. Treasury. We also have numerous indirect HSA administration competitors, including benefits administrators and health plans, that license technology platforms and partner with other HSA custodians to provide" white label" HSA offerings. Our other CDB administration competitors include health insurance carriers, human resources consultants and outsourcers, payroll providers, national CDB specialists, regional third- party administrators, and commercial banks, and these competitors have entered, and others may also enter, the HSA market or expand existing HSA offerings to compete with us. An increased focus on HSA- favorable healthcare regulatory reforms may create renewed interest and investment by our competitors in their HSA offerings and lead to greater competition, which could make it harder for us to maintain our growth trajectory. This risk would be compounded if legal requirements or administrative rules are interpreted in a way that makes compliance more onerous for us than for our competitors. ~~Some of our competitors also offer reduced fee or no- fee HSAs,~~

~~which has enabled them to increase market share in our market, has led to the loss of certain Client and Network Partners, and in some circumstances has caused us to reduce our fees.~~ If one or more of our competitors were to merge or partner with another of our competitors, the change in the competitive landscape could materially adversely affect our ability to compete effectively. Our competitors have and may continue to establish or strengthen cooperative relationships with our current or future Network Partners or other strategic partners, thereby limiting our ability to promote our solution with these parties. We have seen an increase in Network Partners that have decided to offer HSAs or other CDBs directly to their customers, and a continuation of this trend would significantly reduce our channel partner opportunities **and result in account attrition** . Well- known retail mutual fund companies, such as Fidelity Investments, have entered the HSA and CDB business and gained significant market share. Our market share could decline if Fidelity and other mutual fund companies continue expanding their presence in the market. These investment companies have significant advantages over us in terms of brand name recognition, years of experience managing tax- advantaged retirement accounts (e. g., 401 (k) and IRA), highly developed recordkeeping, trust functions, and fund advisory and customer relations management, among others. If we are unable to compete effectively with these mutual fund company competitors, our results of operations, financial condition, business, and prospects could be materially adversely affected. Many of our competitors, in particular banks, insurance companies, and other financial institutions, have longer operating histories and significantly greater financial, technical, marketing, and other resources than we have. As a result, some of these competitors are in a position to devote greater resources to the development, promotion, sale, and support of their products and services and have offered, or may in the future offer, a wider range of products and services that are increasingly desired by potential customers, and they have also used advertising and marketing strategies (including loss- leaders) that achieve broader brand recognition or acceptance. Finally, our competitors may have the ability to devote more financial and operational resources than we can to developing new technologies and services, including services that provide improved operating functionality, and adding features to their existing service offerings. If successful, their development efforts could render our services less desirable, resulting in the loss of our existing customers or a reduction in the fees we earn from our products and services. **- 15- Developments in the rapidly changing healthcare industry could adversely affect our business.** Substantially all of our revenue is derived from healthcare- related saving and spending by consumers, which could be affected by changes affecting the broader healthcare industry, including decreased spending in the industry ~~- 16-~~ overall. General reductions in expenditures by healthcare industry participants could result from, among other things: • government regulation or private initiatives that affect the manner in which healthcare industry participants interact with consumers and the general public; • consolidation of healthcare industry participants; • reductions in governmental funding for healthcare; and • adverse changes in general business or economic conditions affecting healthcare industry participants. Even if general expenditures by industry participants remain the same or increase, developments in the healthcare industry may result in reduced spending in some or all of the specific market segments that we serve now or in the future. The healthcare industry has changed significantly in recent years, and we expect that significant changes will continue to occur. However, the timing and impact of developments in the healthcare industry are difficult to predict. ~~We cannot~~ **There is no** ~~assure~~ **assurance** ~~you~~ that the demand for our products and services will continue to exist at current levels or that we will have adequate technical, financial, and marketing resources to react to changes in the healthcare industry. ~~Our~~ **If our members do not continue to utilize our payment cards, our results of operations,** business ~~has been~~ **, and prospects would be materially** adversely affected ~~by the COVID- 19 pandemic, and we may continue to be adversely affected by the societal and economic changes arising out of the pandemic. For example, we saw a significant decline in the use of commuter benefits during the outbreak, and the" work from home" trend, or hybrid work environments, may continue indefinitely, which would further delay, or materially negate, the recovery of use of these commuter benefits. We also saw an increase in regulatory changes related to our products due to government responses to the COVID- 19 pandemic, and we may see additional regulatory changes in the future related to new developments with COVID- 19. For example, the National Emergency Concerning COVID- 19, which tolled certain deadlines related to COBRA and other CDBs, resulted in increased complexity in administering these programs and decreased usage of these products by our members. This national emergency is expected to expire on May 11, 2023, and so we now must use resources to reverse the processes and systems established to address the national emergency, which requires team member time and resources, which could have otherwise been focused on more important areas of our business and strategy. Outbreaks of new COVID- 19 variants or other future pandemics may result in us being unable to meet our service level commitments to our Clients and Network Partners as a result of disruptions to our workforce and disruptions to third- party contractors that we rely on to provide our services. The extent to which the COVID- 19 pandemic and the societal and economic changes arising out of the pandemic will continue to negatively impact our business remains highly uncertain and, as a result, may continue to have a material and adverse impact on our business and financial results~~ . We derived **16 %,** 17 %, **and** 17 ~~%, and 15~~ % of our total revenue during the fiscal years ended January 31, **2024,** 2023, **and** 2022 ~~, and 2021~~ , respectively, from interchange fees that are paid to us when our customers utilize our payment cards. These fees represent a percentage of the expenses transacted on each card. For example, the COVID- 19 pandemic had a materially adverse impact on the interchange fees generated due to decreased usage of our payment cards in our commuter product and in healthcare spending ~~. We have continued to see decreased usage of our payment cards in our commuter product as a result of societal changes arising out of the COVID- 19 pandemic~~ . If our customers do not use these payment cards at the rate we expect, if they elect to withdraw funds using a non- revenue generating mechanism such as direct reimbursement, if the impacts of societal changes arising out of the COVID- 19 pandemic continue, or if other alternatives to these payment cards develop, our results of operations, business, and prospects would be materially adversely affected **. Failure to maintain effective internal control over financial reporting could have a material adverse effect on our reputation, results of operations and financial condition** . Effective internal control over financial reporting is necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. ~~During the fiscal year ended January 31, 2023, the Company remediated several material weaknesses at the WageWorks~~

~~subsidiary level and implemented several new controls as part of the remediation efforts.~~ Any failure to execute on our ~~new~~ **internal** controls and continue to maintain effective internal controls, to timely implement any necessary additional improvement to our internal controls or to effect ~~- 17-~~ remediation of any future material weakness or significant deficiency could, among other things, result in losses from fraud or error, harm our reputation or cause investors to lose confidence in our reported financial information, all of which could have a material adverse effect on our reputation, results of operations, or financial condition. Management reviews and updates our systems of internal controls and procedures, as appropriate. Any system of controls is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our reputation, results of operations and financial condition **. Data security, technological, and intellectual property risks Cyber- attacks, including ransomware attacks, or other privacy or data security incidents could materially adversely impact our business** . Our proprietary technology platforms enable the exchange of, and access to, sensitive information, and, as a result, we are frequently the target of cyber- attacks or other privacy or data security incidents. As one of the largest providers of HSAs and other CDBs, we are an ~~even more~~ attractive target for cyber- attacks, including ransomware attacks, which means we must continue to secure and monitor each of our technology platforms, making sure these platforms are aligned to our industry benchmark security posture. In addition, ~~recent~~ geopolitical events, including the war between Russia and Ukraine, **have resulted in, and** may **continue to** result in **,** an increase in cyber- attacks. Substantially all of our workforce works remotely. This remote work environment increases the risk of cybersecurity breaches and incidents, and the potential impact of these on our operations is also higher while our team members log in to our network remotely. **- 16-** Our ability to ensure the security of our technology platforms and thus sensitive customer and partner information is critical to our operations. We rely on standard Internet and other security systems to provide the security and authentication necessary to effect secure transmission of data. Despite our security measures, our information technology and infrastructure are vulnerable to cybersecurity threats, including attacks by hackers and other malfeasance. Such security breaches could compromise our networks **, or those of third- party service providers on which we rely,** and result in the information stored or transmitted there to be accessed, **modified or used in an unauthorized manner,** publicly disclosed, lost, or stolen. Such access **, use** , disclosure, or other loss of information could result in **regulatory scrutiny,** legal claims or proceedings leading to liability, including under laws that protect the privacy of personal information, disrupt our operations and the services we provide to our ~~clients~~ **Clients** , damage our reputation, and cause a loss of confidence in our products and services, which could adversely affect our business, operations, and competitive position. ~~A~~ **Security breaches, including a** major breach of our network security and systems **,** could ~~have~~ **result in** serious negative consequences for our business, including ~~possible~~ **the loss of sensitive information, theft or loss of actual funds, litigation, indemnity obligations to our Clients,** fines, penalties and **other liabilities, including under laws that protect the privacy of personal information, disrupt our operations and the services we provide to our members, Clients and Network Partners. Such breaches could** ~~damages~~ **damage our reputation** , ~~reduced~~ **and cause a loss of confidence in our products and services, reducing** demand **and resulting in** ~~for our services,~~ an unwillingness of members, Clients, Network Partners and other data owners to provide us with their payment information **or** ~~, an unwillingness of members and other data owners to provide us with~~ personal information, and **otherwise** harm ~~to~~ our ~~reputation and~~ brand. **Furthermore** ~~Security breaches could result in the loss of sensitive information~~ , **if** ~~theft or loss of actual funds, litigation, indemnity obligations to our Clients, fines and other liabilities, including under laws that protect the privacy of personal information, disrupt our operations and the services we provide to our members, Clients and Network Partners, damage our reputation, and cause a loss of confidence in our products and services. If~~ third parties improperly obtain and use the personal information of our members, we may be required to expend significant resources to resolve these problems. While we have security measures in place, we have experienced data privacy incidents in the past, including several incidents in 2018. As a result, or if our security measures are breached again or unauthorized access to data is otherwise obtained as a result of third- party action, team member error or otherwise, our reputation could be significantly damaged, our business may suffer and we could incur substantial liability, which could result in loss of sales, Clients and Network Partners. Because techniques used to obtain unauthorized access to or sabotage systems change frequently and ~~are generally~~ **such novel techniques may** not **be** identified until they are launched against a target, we may be unable to anticipate **,** ~~these techniques~~ or to implement adequate preventative measures **to address, these techniques** . Any or all of these issues could negatively impact our ability to attract new, or increase engagement by, members, Clients and Network Partners, and subject us to third- party lawsuits, regulatory fines, contractual liability, and other action or liability, thereby harming our operating results **or financial condition. Fraudulent and other illegal activity involving our products and services could lead to financial and reputational damage to us and reduce the use and acceptance of our products and services** . Criminals are using increasingly sophisticated methods to capture personal information in order to engage in illegal activities such as counterfeiting and identity theft. Even if we can secure our systems against these activities, we ~~- 18-~~ are vulnerable through third parties. We rely upon third parties for certain services, such as some transaction processing services and data feeds, which subjects us to risks related to the vulnerabilities of those third parties. For example, we are exposed to risks relating to the theft of payment card numbers housed in a merchant' s point of sale systems if our members use our payment cards at a merchant whose systems are compromised. We may make our members whole for losses sustained when using our payment cards, even in instances where we are not directly responsible for the underlying cause of such loss. A single significant incident of fraud, or increases in the overall level of fraud, involving our payment cards, our custodial accounts or our reimbursement administration services, could result in financial and reputational damage to us, which could reduce the use and acceptance of our products and services, or cause our Clients, members and Network Partners to cease doing business with us **. We rely on software licensed from third parties that may be difficult to replace or that could cause errors or failures of our technology platforms that could lead to lost customers or harm to our reputation** . We rely on certain cloud- based software licensed from third parties to run our business. This software may experience outages, may not continue to be available to us on commercially reasonable terms and any loss of the right to use any of this software could result in, among others, delays in producing our financial statements, risks to our security environment, or the provisioning of our products and services until equivalent technology is either developed by us, or, if available, identified, obtained, and integrated **into our systems and processes** , which would likely take a significant amount of time and harm our business. In addition, we have service level agreements with certain of our Clients and Network Partners for which the availability of this software is critical. Any decrease in the availability of our service as a result of errors, defects, a disruption or failure of our licensed software may require us to provide significant fee credits or refunds to our customers. Our software licensed from third parties is also subject to change or upgrade, which may result in our incurring significant costs to implement such changes or upgrades. **- 17- Developing and implementing new and updated applications, features, and services for our technology platforms may be more difficult than expected, may take longer and cost more than expected, or may result in the platforms not operating as expected.** Attracting and retaining new ~~clients~~ **Clients** and Network Partners requires us to continue to improve the technology underlying our proprietary technology platforms and requires our technology to operate as expected. In addition, potential ~~clients~~ **Clients** and Network Partners are increasingly seeking a bundled solution, encompassing a wide range of features. **We** ~~Accordingly, we~~ are ~~continuing~~ **currently investing in a significant modernization of our proprietary technology platforms** to ~~develop~~ **support** new **opportunities** and ~~updated applications~~ **enhance security** , **privacy** ~~features,~~ and ~~services~~ **platform infrastructure** , ~~and~~ **while** ~~maintain~~ **maintaining** existing applications, features, and services. If we are unable to do so on a timely basis or if we are unable to implement **this modernization** ~~new applications, features and services that enhance our members' and Clients' experience~~ without disruption to our existing applications, features and services, or if we encounter technical obstacles that result in the technology not operating properly, we may lose potential and existing Clients and Network Partners. We rely on a combination of internal development, strategic relationships, licensing, and acquisitions to develop our content offerings, products and services. These efforts may: • cost more than expected; • take longer than originally expected **to develop or implement** ; • require more testing than originally anticipated; • require significant cost to address or resolve technical defects or obstacles; • require additional advertising and marketing costs; and • require the acquisition of additional personnel and other resources. The revenue opportunities earned from these efforts may fail to justify the ~~amounts~~ **effort or resources** spent. In addition, material performance problems, defects or errors in our existing or new software may occur in the future, which may harm our operating results. **New products and services, including those incorporating or utilizing AI and machine learning may raise technological, security, legal and other risks and challenges related to, among other items, the use of personal information in such AI systems, flaws in our models or training datasets that may result in biased or inaccurate results or other unanticipated outcomes, ethical considerations regarding AI, potential infringement of third-party intellectual property rights, and our ability to safely deploy and implement governance and controls for AI systems. Realization of these risks could negatively impact our reputation, the demand for our products and services, our financial condition and results of operations, and otherwise draw adverse regulatory scrutiny.** Any disruption of service at our facilities ~~or~~ **,** our third- party data centers ~~and~~ **, or our** cloud service providers could interrupt or delay our customers' access to our products and services. The ability of our team members, members, Network Partners, and Clients to access our technology platforms is critical to our business. We cannot ensure that the measures we have taken to enable access to our technology platforms will be effective to prevent or minimize interruptions to our operations. Our technology platforms are hosted by third-party data centers, and we increasingly rely on third- party cloud service providers to support our technology platforms. Our facilities, our third- party data centers, and our cloud service providers are vulnerable to interruption or damage from a number of sources, many of which are beyond our control, including, without limitation: • extended power loss; • telecommunications failures from multiple telecommunications providers; • natural disaster or an act of terrorism; ~~- 19-~~ • software and hardware errors, or failures in our own systems or in other systems; • network environment disruptions such as computer viruses, hacking and similar problems in our own systems and in other systems; • theft and vandalism of equipment; and • actions or events caused by or related to third parties. We attempt to mitigate these risks through various business continuity efforts, including redundant infrastructure, 24 / 7 / 365 system activity monitoring, backup and recovery procedures, use of a secure storage facility for backup media, separate **production and** test systems, and change management and system security measures, but our precautions may not protect against all potential problems. Our data recovery centers are equipped with physical space, power, storage and networking infrastructure and Internet connectivity to support our technology platforms in the event of the interruption of services at our data centers. Even with these data recovery centers, our operations would be interrupted during the transition process should our primary data center experience a failure. Disruptions at our data centers could cause disruptions to our technology platforms and data loss or corruption. We have experienced interruptions and delays in service and availability for data centers, and bandwidth and other **- 18-** technology issues in the past. Frequent or persistent system failures that result in the unavailability of our technology platforms or slower response times could reduce our members', Clients' and Network Partners' ability to access our technology platforms, impair the delivery of our products and services, and harm the perception of our platforms as reliable, trustworthy, and consistent. Any future errors, failure, interruptions or delays experienced in connection with these third- party technologies could delay access to our products by members, Clients and Network Partners, which would harm our business. This could damage our reputation, subject us to potential liability or costs related to defending against claims or cause our members, Clients and Network Partners to cease doing business with us, any of which could negatively impact our financial results. Our ~~business depends on the continuing operation of our~~ technology **platforms may link** ~~infrastructure and systems. Any damage~~ to or **utilize open source software, and any** failure **to comply with the terms** of **one** ~~our~~ - **or more of these open source licenses** ~~systems could result in interruptions in our ability to deliver our products and services. Interruptions in our service~~ could negatively **affect** ~~impact our financial results, and our reputation could be damaged if our systems are viewed as unreliable. Our systems and operations are vulnerable to damage or~~ **our**

business ~~interruption from earthquakes, terrorist attacks, floods, fires, power loss, break- ins, hardware or software failures, failures from third- party vendors who support our systems and operations, telecommunications failures, computer viruses or other attempts to harm our systems, and similar events. Any unscheduled interruption in our service could negatively impact our financial results. In addition, our insurance policies provide only limited coverage for service interruptions and may not adequately compensate us for any losses that may occur due to any failures or interruptions in our systems~~ . Our technology platforms may incorporate software covered by open source licenses. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unfavorable conditions on us. For example, by the terms of certain open source licenses, we could be required to offer our technology platforms that incorporate the open source software for no cost, that we make publicly available source code for modifications or derivative works that we created based upon, incorporating or using the open source software, and / or that we license such modifications or derivative works under the terms of the particular open source license. If portions of our proprietary software are determined to be subject to an open source license, then the value of our technologies and services could be reduced. In addition to risks related to license requirements, usage of open source software may be riskier than use of third- party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business. ~~We believe~~ **Legal and regulatory risks The healthcare regulatory and political framework is uncertain and evolving, and we cannot predict the effect** that **further healthcare reform** ~~our brands are critical to the success of our business, and we utilize trademark registration~~ and other **changes in government programs** ~~means to protect these brands. Our business would be harmed if we were unable to protect our brands against infringement and the value of our brands was to decrease as a result. We rely on a combination of trademark and copyright laws, trade secret protection, and confidentiality and license agreements to protect the intellectual property rights related to our products and services such as our technology platforms, applications and the content on our website. We also rely on intellectual property licensed from third- 20- parties. We may unknowingly violate the intellectual property or other proprietary rights of others and, thus, may be subject to claims by third parties. If so, we may be required to devote significant time and resources to defending against these claims or to protecting and enforcing our own rights. As a result of any such dispute, we~~ may have ~~to: • develop non- infringing technology; • pay damages; • enter into royalty or licensing agreements; • cease providing certain products or services; or • take other actions to resolve the claims. Additionally, we have largely relied, and expect to continue to rely,~~ on ~~copyright, trade secret, and trademark laws, as well as generally relying on confidentiality procedures and agreements with our team members, consultants, customers, and vendors, to control access to, and distribution of, technology, software, documentation, and other confidential information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain, use, or distribute our technology without authorization, particularly in foreign jurisdictions where some of our intellectual property rights may not be protected by intellectual property laws. If this were to occur, we could lose revenue as a result of competition from products infringing or misappropriating our technology and intellectual property and we may be required to initiate litigation to protect our proprietary rights and market position. U. S. copyright, trademark, and trade secret laws offer us only limited protection and the laws of some foreign countries do not protect proprietary rights to the same extent. Accordingly, defense of our intellectual property and proprietary technology may become an increasingly important issue as we continue to expand our operations. Policing unauthorized use of our intellectual property and technology is difficult and the steps we take may not prevent misappropriation of the intellectual property or technology on which we rely. If competitors are able to use our intellectual property or technology without recourse, our ability to compete would be harmed and~~ our business ~~would be materially and adversely affected. We may elect to initiate litigation in the future to enforce or protect our proprietary rights or to determine the validity and scope of the rights of others. The loss of our intellectual property or the inability to secure or enforce our intellectual property rights or to defend successfully against an infringement action could harm our business, results of operations~~ , financial condition, ~~and prospects~~ **or results of operations** . Healthcare laws and regulations are rapidly evolving and may change significantly in the future, which could adversely affect our financial condition and results of operations. In addition, proposals to implement a single payer or" Medicare for all" system in the U. S. or in individual states, if adopted, could have a material adverse effect on our business. The full impact of healthcare reform and other changes in the healthcare industry and in healthcare spending is unknown. Accordingly, we are unable to predict what effect healthcare reform measures will have on **our business. Changes in applicable federal and state laws relating to HSAs and other CDBs could materially adversely affect** our business. HSAs and other CDBs exist as a result of provisions in the Internal Revenue Code and other laws and regulations. Changes to the regulatory landscape impacting our products require substantial time and costs for us to ensure our products are compliant. For example, regulatory changes related to our FSA and COBRA products enacted in the wake of the COVID- 19 pandemic created uncertainty and additional workload on our team members and resulted in additional costs. In addition, federal or state governments could impose laws that limit the eligibility requirements for our products, which could limit our ability to grow or cause us to lose existing members, or such governments could change the eligibility requirements we must meet to maintain the licenses we need to offer our products. We cannot predict if any new reforms will ultimately become law, or if enacted, what their terms or the regulations promulgated pursuant to such reforms will be, and such reforms could have a material adverse effect on our business. We are subject to privacy regulations, including regarding the access, use, and disclosure of personally identifiable information. If we or any of our third- party ~~vendors~~ **service providers** experience a privacy breach, it could result in substantial financial and reputational harm, including possible criminal and civil penalties. State and federal laws and regulations govern the collection, dissemination, access, and use of personally identifiable information, including HIPAA and **the Health Information Technology for Economic and Clinical Health Act ("** HITECH **")** , which govern ~~the treatment of~~ protected health information, ~~- 21-~~ and the Gramm- Leach **-** Bliley Act, which governs ~~the treatment of~~ nonpublic personal information. In the provision of services ~~to our customers~~ , we and our third- party ~~vendors~~ **service providers** collect, access, use, maintain, and transmit personally identifiable information in ways that are subject to ~~many of~~ these laws and regulations. Although we have implemented measures to comply with these privacy **and data protection** laws ~~, rules,~~ and regulations, we have experienced data privacy incidents **in the past, though none have materially impacted our operations or financial condition** . Any further unauthorized disclosure of personally identifiable information **- 19-** experienced by us or our third-party ~~vendors~~ **service providers that process such information on our behalf** could result in substantial financial and reputational harm **to us** , including possible criminal and civil penalties. In **situations where** ~~many cases,~~ we are subject to HIPAA and ~~other privacy regulations because~~ **HITECH, in which** we are a business associate providing services to covered entities ~~; as a result~~ , the covered entities direct HIPAA compliance matters in the event of a security breach, which complicates our ability to address harm caused by the breach. ~~In addition, our increased offering of CDBs means we now obtain substantially more HIPAA data.~~ Additionally, as we have in connection with prior security incidents, we may be required to **notify** ~~report breaches to partners, regulators, state attorney generals, and~~ impacted individuals **, plan sponsors, and regulatory authorities** depending on the severity of the breach, our role, legal requirements, and contractual obligations. Privacy **and data protection** regulation ~~has~~ **have** become ~~a~~ priority ~~issue~~ **issues** in many states, and as such the regulatory environment is continually changing. For example, the ~~CPRA~~ - **CCPA** ~~became effective on January 1, 2023. The CPRA requires companies, such as ours, that process information on California residents to make new disclosures to consumers about their data collection, use, and sharing practices, and allows consumers to opt out of certain data sharing with third parties and~~ provides a ~~new cause~~ **private right** of action for data breaches. **Additional** ~~We expect further~~ privacy requirements **are expected** ~~to be applicable to us~~ as **new** ~~a result of additional recently passed, and likely upcoming,~~ state **and federal** privacy laws **are enacted** ~~, which will expand consumers' rights with respect to their personal information. The Federal government is also considering legislative and regulatory proposals concerning data protection~~ . Continued compliance with current and potential new privacy **and data protection** laws ~~, rules,~~ and regulations **,** and meeting ~~consumer~~ expectations with respect to the control of personal data in a rapidly changing technology environment **,** could result in higher compliance and technology costs for us, as well as costly penalties in the event we are deemed to not be in compliance with such laws ~~, rules,~~ and regulations **. Legislative, regulatory, and legal developments involving taxes could adversely affect our results of operations and cash flows** . We are subject to U. S. federal and state income, payroll, property, sales and use, and other types of taxes in numerous jurisdictions. Significant judgment is required in determining our provisions for income taxes. Changes in tax rates, enactments of new tax laws, revisions of tax regulations, and claims or litigation with taxing authorities could result in substantially higher taxes. We do not collect sales and use taxes in all jurisdictions in which our customers are located, other than from sales of certain commuter services, based on our belief that such taxes are generally not applicable to our services. Sales and use tax laws and rates vary by jurisdiction and such laws are subject to interpretation. In those jurisdictions and in those cases where we do believe sales taxes are applicable, we collect and file timely sales tax returns. Currently, such sales taxes apply to certain commuter services, but otherwise are minimal to the rest of our services. Jurisdictions in which we do not collect sales and use taxes may assert that such taxes are applicable, which could result in the assessment of such taxes, interest, and penalties, and we could be required to collect such taxes in the future. Such additional sales and use tax liability could adversely affect the results of our **operations. Changes in laws and regulations relating to interchange fees on payment card transactions could adversely affect our revenue and results of** operations. Existing laws and regulations limit the fees or interchange rates that can be charged on payment card transactions. For example, the Federal Reserve Board has the power to regulate payment card interchange fees and has issued a rule setting a cap on the interchange fee an issuer can receive from a single payment card transaction. Our HSA- linked payment cards are exempt from this rule, although we are subject to a general requirement of reasonable compensation for services rendered. To the extent that our payment cards lose their exempt status, the interchange rates applicable to transactions involving our payment cards could be impacted, which could have a material adverse effect on our financial condition and results of operations. **Failure to comply with, or changes in, payment card industry, credit card association or other network rules or standards set by Visa or MasterCard, or changes in card association and debit network fees or products or interchange rates, could materially adversely affect us.** We, and the banks that issue our prepaid debit cards, are subject to Payment Card Industry Data Security Standards and Visa and MasterCard association rules that could subject us to a variety of fines or penalties that may be levied by the card associations or networks for acts or omissions by us or businesses that work with us, ~~- 22-~~ including card processors. Failure to comply with these rules and standards could result in significant fines, other penalties, or the termination of our interchange revenue agreements. The termination of the card association registrations held by us or any of the banks that issue our cards, or any changes in card association or other debit network rules or standards, including interpretation and implementation of existing rules, participants deciding to use PIN networks, standards or guidance that increase the cost of doing business or limit our ability to provide our products and services, or limit our ability to receive interchange fees, could have a material adverse effect on our results of operations, financial condition, business, and prospects. In addition, from time- to- time, card associations increase the organization or processing fees that they charge, which could increase our operating expenses, reduce our profit margin and materially adversely affect our results of operations, financial condition, business, and prospects **.- 20- We are subject to complex regulation, and any compliance failures or regulatory action could adversely affect our business** . Our business, including HSAs and many of the CDBs we administer and our investment adviser and trust company subsidiaries, is subject to extensive, complex, and frequently changing federal and state laws and regulations, including IRS, Health and Human Services (" HHS "), and Department of Labor (" DOL ") regulations; ERISA, HIPAA, HITECH, and other privacy and data security regulations; the Advisers Act; state banking laws; state third- party administrator laws **;** ~~, and~~ the Patient Protection and Affordable Care Act **; and developing regulation regimes for the use of AI** . Our subsidiary HealthEquity Advisors, LLC is an SEC- registered investment adviser that provides automated web- only investment advisory services. As such, it must comply with the requirements of the Advisers Act and related SEC regulations and is subject to periodic inspections by the SEC staff.

Such requirements relate to, among other things, fiduciary duties to clients, disclosure obligations, recordkeeping and reporting requirements, marketing restrictions, limitations on agency cross and principal transactions between the adviser and its clients, and general anti- fraud prohibitions. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act, ranging from fines and censure to termination of an investment adviser' s registration. Investment advisers also are subject to certain state securities laws and regulations. Our subsidiary HealthEquity Trust Company is a non- depository trust company and subject to regulation and supervision by the Wyoming Division of Banking. **As we continue to innovate and improve our products and services by leveraging automated decision making, machine learning and AI, our business model may be affected by global trends and laws that regulate the use of these developing technologies. Such laws or regulations may restrict or impose burdensome and costly requirements on our ability to use AI and machine learning and also may impact our ability to use certain data for developing our products and services.** Compliance with regulatory requirements requires resources and takes significant time and effort. Any claim of non- compliance, regardless of merit or ultimate outcome, could subject us to investigation by the HHS, the DOL, the SEC, the Wyoming Division of Banking, or other regulatory authorities. This in turn could result in additional claims or class action litigation brought on behalf of our members, Clients or Network Partners, any of which could result in substantial cost to us and divert management' s attention and other resources away from our operations. Furthermore, investor perceptions of us may suffer, and this could cause a decline in the market price of our common stock. Our compliance processes may not be sufficient to prevent assertions that we failed to comply with any applicable law, rule or regulation. In addition, all of our business is subject, to varying degrees, to fiduciary and other service provider obligations under ERISA, the Internal Revenue Code, and underlying regulations. A failure to comply could subject us to disgorgement of profits, excise taxes, civil penalties, private lawsuits, and other costs, including reputational harm **. If we are unable to meet or exceed the net worth test required by the IRS, we could be unable to maintain our non-bank custodian status** . As a non- bank custodian, we are required to comply with Treasury Regulations Section 1. 408- 2 (e), including the net worth requirements set forth therein. If we should fail to comply with the Treasury Regulations' non- bank custodian requirements, including the net worth requirements, such failure would materially and adversely affect our ability to maintain our current custodial accounts and grow by adding additional custodial accounts, and it could result in the institution of procedures for the revocation of our authorization to operate as a non- bank custodian. **Risks relating to our service and culture Any failure to offer high- quality customer support services could adversely affect our relationships with our members, Clients, and Network Partners and our operating results.** Our customers depend on our support and customer education organizations to educate them about, and resolve technical issues relating to, our products and services. We may be unable to respond quickly enough to accommodate short- term increases in customer demand for education and support services. Increased customer demand for these services, without a corresponding increase in revenue, could increase costs and adversely affect our operating results. In addition, as substantially all of our team members in our support and customer education ~~- 23-~~ areas now work remotely, it is more difficult to train and manage these team members, which could adversely affect the service we provide. Our sales process is highly dependent on the reputation of our products, services, and business and on positive recommendations from our existing customers. Further, we use third- party ~~vendors~~ **service providers** for certain call centers **- 21-** and COBRA claims and transaction processing, including certain offshore ~~vendors~~ **service providers** for member chat service, which ~~vendors~~ **service providers** may not provide the same quality of support services for our Clients and members. Any failure to maintain high- quality education and technical support, or a market perception that we do not maintain high-quality education support, could adversely affect our reputation, our ability to sell our products and services to existing and prospective customers and our business and operating results. We promote 24 / 7 / 365 education and support along with our proprietary technology platforms. Interruptions or delays that inhibit our ability to meet that standard have in the past hurt our reputation and ability to attract and retain customers, and such interruptions or delays in the future would likely also do so **. We rely on our management team and team members and our business could be harmed if we are unable to retain qualified personnel** . Our success depends, in part, on the skills, working relationships and continued services of our executive leadership team and other key personnel. While we have entered into employment agreements with our executive officers, all of our team members are " at- will " employees, and their employment can be terminated by us or them at any time, for any reason, and without notice, subject, in certain cases, to severance payment rights. In order to retain valuable team members, in addition to salary and cash incentives, we provide equity- based awards that vest over time or based on performance. The value to team members of these awards will be significantly affected by movements in our stock price that are beyond our control and may at any time be insufficient to counteract offers from other organizations. The departure of key personnel could adversely affect the conduct of our business. In such event, we would be required to hire other personnel to manage and operate our business, and there can be no assurance that we would be able to employ a suitable replacement for the departing individual, or that a replacement could be hired on terms that are favorable to us. Volatility or lack of performance in our stock price may affect our ability to attract replacements should key personnel depart. Our success also depends on our ability to attract, retain, and motivate additional skilled management personnel and other team members. For example, competition for qualified personnel in our field is intense due to the limited number of individuals who possess the skills and experience required by our industry ~~, particularly in technology- related fields where we have recently experienced significant turnover~~ . New hires require significant training and, in most cases, take significant time before they achieve full productivity. New team members may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. If our retention efforts are not successful or our team member turnover rate increases in the future, our business, results of operations and financial condition could be materially and adversely affected. **If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success.** We believe that a critical component to our success has been our corporate culture. We have invested substantial time and resources in building our team. As we continue to grow, including through the integration of team members joining us through our acquisitions, we have found it difficult to maintain these important aspects of our corporate culture. In addition, it is difficult to instill our culture in our now predominantly remote workforce. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives **. Risks relating to our partners and service providers If our Network Partners choose to partner with other providers of, or otherwise reduce offering or cease to offer, our products and services, our business could be materially and adversely affected** . Our business increasingly depends on our Network Partners' willingness to partner with us to offer their customers and / or employees our products and services. In particular, certain of our Network Partners enjoy significant market share in various geographic regions. In other geographies, we have multiple Network Partners that compete against each other for the same business, which at times results in our inability to bid for certain business or in us upsetting a Network Partner that we choose not to partner with in a certain bid or that expects us to bid exclusively with them. If these Network Partners choose to instead partner with our competitors, or otherwise reduce offering, or cease to offer, our products and services, our results of operations, business, and prospects could be materially adversely affected. ~~- 24-~~ **A change in relationship with any of our bank identification number sponsors, or the failure by these sponsors to comply with certain banking regulations, could materially and adversely affect our business.** We rely on a limited number of bank identification number (" BIN") sponsors in relation to the payment cards we issue. A BIN sponsor is a bank or credit union that provides the BIN that allows a prepaid card program to run on one of the major card brand networks (e. g., VISA, MasterCard, Discover or American Express). Our BIN sponsors enable us to link the payment cards that we offer our members to the VISA and Mastercard networks, thereby **- 22-** allowing our members to use our payment cards to pay for expenses with a " swipe " of the card. If any material adverse event were to affect our BIN sponsors, including a significant decline in the financial condition of any of our BIN sponsors, a decline in the quality of service provided by our BIN sponsors, the inability of our BIN sponsors to comply with applicable banking and financial service regulatory requirements or industry standards, systems failure or the inability of our BIN sponsors to pay us fees, our business, financial condition, and results of operations could be materially and adversely affected because we may be forced to reduce the availability of, or eliminate entirely, our payment card offering, which would materially impact our interchange revenue. In addition, we do not have long- term contracts with our BIN sponsors, and our BIN sponsors may increase the fees charged to us or terminate our relationship. If we were required to change BIN sponsors, we could not accurately predict the success of such change or that the terms of our agreement with a new BIN sponsor would be as favorable to us, especially in light of the regulatory scrutiny of the payment card industry, which has rendered the market for BIN sponsor services less competitive **. Replacing our third- party service providers would be difficult and disruptive to our business** . We have entered into contracts with third- party ~~vendors~~ **service providers** to provide critical services relating to our business, including the redesign of our technology platforms, fraud management and other customer verification services, transaction processing and settlement, telephony services, call centers and card production ~~. In addition, WageWorks uses third- party vendors for its COBRA transaction processing and also uses one of our competitors for card processing and other services~~ . In the past, certain of these service providers have failed to maintain adequate levels of support, did not provide high quality service to us and our members, increased the fees they charge us, discontinued their lines of business, terminated our contractual arrangements or ceased or reduce operations, and as a result, we suffered additional costs and were required to pursue new third-party relationships, which resulted in reputational harm, material disruption of our operations and our ability to provide our products and services, missed service- level agreements with Clients and Network Partners, and diverted management' s time and resources, and these events and consequences could happen with our current ~~vendors~~ **service providers** moving forward. Transitioning to a new ~~vendor~~ **service provider** often takes a significant amount of time and resources and, if we are unable to complete a transition to a new provider on a timely basis, or at all, we could be forced to temporarily or permanently discontinue certain services, such as our payment card services, which could disrupt services to our customers and adversely affect our business, financial condition, and results of operations. 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. **Growth- related risks Our acquisition strategy may not be successful.** We have in the past acquired, and, as a key part of our strategy, seek to acquire or invest in, assets, businesses, products, or technologies that we believe would complement or expand our products and services, enhance our technical capabilities, or otherwise offer growth opportunities. There is no assurance that we will be successful in consummating such acquisitions, or even if consummated, realize the anticipated benefits of these or any future acquisitions. The pursuit of potential acquisitions has in the past, and may in the future, divert the attention of management and cause us to incur various expenses related to identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. Acquisitions also increase the risk of unforeseen legal liability, including for potential violations of applicable law or industry rules and regulations, arising from prior or ongoing acts or omissions by the acquired businesses that are not discovered by due diligence during the acquisition process. Generally, if an acquisition fails to meet our expectations, our operating results, business, and financial condition may suffer. Certain of our past acquisitions also resulted in dilutive issuances of equity securities and the incurrence of additional debt, and future acquisitions could result in additional dilutive issuances of equity securities or the incurrence of additional debt, which could adversely affect our business, results of operations, or financial condition. **Failure** ~~- 25- Our ability~~ to **manage future growth effectively could have** ~~continue to provide our products and services to~~ a **material adverse effect** ~~growing number of customers, as well as to enhance our existing products and services, attract new customers and strategic partners, offer new products and services, and continue the integration of acquired businesses into our business, is dependent~~ on ~~our information technology systems. If we are unable to manage the technology associated with our business effectively, we could experience increased costs, reductions in system availability, and customer loss. We are currently investing in a significant modernization of our proprietary technology platforms to support new opportunities and enhance security, privacy, and platform infrastructure. If we are unsuccessful in implementing these upgrades to our technology platforms, we may be unable to adequately meet the needs of our customers and~~

~~/ or implement technology- based innovation in response to a rapidly changing market, which could harm our reputation and adversely impact~~ our business, financial condition, and results of operations. The continued rapid expansion and development of our business has placed a significant strain upon our management and administrative, operational, and financial infrastructure. As of January 31, ~~2023~~ **2024** , we had approximately 8. ~~0~~ **7** million HSAs and $ ~~22~~ **25** . ~~1~~ **2** billion in HSA ~~assets~~ **Assets** representing growth of ~~11~~ **9** % and ~~13~~ **14** %, respectively, from January 31, ~~2022~~ **2023** . Our growth strategy contemplates further increasing the number of our HSAs, CDBs and our HSA Assets at relatively higher growth rates than industry averages. However, the rate at which we have been able to add new HSAs, CDBs and HSA Assets in the past may not be indicative of the rate at which we will be able to grow in the future. **- 23-** Our success depends in part upon the ability of our executive officers to manage growth effectively. Our ability to grow also depends upon our ability to successfully hire, train, supervise, and manage new team members, obtain financing for our capital needs, expand our systems effectively, control increasing costs, allocate our human resources optimally, maintain clear lines of communication between our operational functions and our finance and accounting functions, and manage the pressures on our management and 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 to achieve further growth at all. If our business does not continue to grow or if we fail to effectively manage any future growth, our business, financial condition, and results of operations could be materially and adversely affected **. We may not accurately estimate the impact on our business of developing, introducing, and updating new and existing products and services** . We intend to continue to invest in technology and development to create new and enhanced products and services to offer our customers and to enhance the capabilities of our platforms. We may not be able to anticipate or manage new risks and obligations or legal, compliance, or other requirements that may arise in these areas. The anticipated benefits of such new and improved products and services may not outweigh the costs and resources associated with their development. Some new services may be received negatively by our existing and / or potential customers and strategic partners and have to be put on hold or canceled entirely. Our ability to attract and retain new customer revenue from existing customers will depend in large part on our ability to enhance and improve our existing products and services and to introduce new products and services. The success of any enhancement or new product or service depends on several factors, including the timely completion, introduction, and market acceptance of the enhancement or new product or service. Any new product or service we develop or acquire may not be introduced in a timely or cost- effective manner and may not achieve the broad market acceptance necessary to earn significant revenue. If we are unable to successfully develop or acquire new products or services or enhance our existing products or services to meet member or network partner requirements, our results of operations, financial condition, business or prospects may be materially adversely affected. **We may need to record write- downs from future impairments of identified intangible assets and goodwill.** Our consolidated balance sheet includes significant intangible assets, including approximately $ 1. 65 billion in goodwill and $ ~~936~~ **835** . ~~4~~ **9** million in intangible assets, together representing approximately ~~84~~ **79** % of our total assets as of January 31, ~~2023~~ **2024** . The determination of related estimated useful lives and whether these assets are impaired involves significant judgments. We test our goodwill for impairment each fiscal year, but we also test goodwill and other intangible assets for impairment at any time when there is a change in circumstances that indicates that the carrying value of these assets may be impaired. This is particularly relevant to us given our recent acquisition history and the amount of goodwill and intangible assets on our balance sheet associated with those acquisitions. ~~- 26-~~ Any future determination that these assets are carried at greater than their fair value could result in substantial non- cash impairment charges, which could significantly impact our reported operating results. **Financing and related risks** Our substantial debt could limit our ability to fund operations, expose us to interest rate volatility, limit our ability to raise additional capital and have a material adverse effect on our ability to fulfill our obligations under our Credit Agreement and Indenture and to our Network Partners, Clients and members. We are party to a credit agreement (the" Credit Agreement") ~~among the Company~~ , **which** ~~as borrower, each lender from time to time party thereto, JPMorgan Chase Bank, N. A., as administrative agent and the Swing Line Lender (as defined in the Credit Agreement), and each L / C Issuer (as defined therein) party thereto. Our Credit Agreement~~ consists of (i) a five- year senior secured term loan A facility in the aggregate principal amount of $ 350 million (the" Term Loan Facility") and (ii) a five- year senior secured revolving credit facility (the " Revolving Credit Facility " and, together with the Term Loan Facility, the " Credit Facilities "), in an aggregate principal amount of up to $ 1 billion. We have also issued $ 600 million of 4. 50 % unsecured Senior Notes due 2029 (the" Notes"). Under the Credit Agreement, we have the right to request additional commitments for new term loans and increases to then- existing term loans and revolving credit commitments in an amount up to the sum of (i) $ 300 million, plus (ii) an unlimited additional amount so long as the pro forma First Lien Net Leverage Ratio (as defined in the Credit Agreement) does not exceed 3. 85 to 1. 00 (assuming any such new or increased revolving commitments are fully borrowed). We also have the right to incur additional debt from time to time, subject to the restrictions contained in the Credit Agreement and the indenture under which the Notes were issued (the" Indenture"). The substantial debt we have outstanding, combined with our other financial obligations and contractual commitments, has important consequences, including the following: • our level of debt may make it more difficult for us to satisfy our obligations with respect to our debt, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, **- 24-** could result in an event of default under the Credit Agreement or the Indenture and the agreements governing such other debt; • we ~~will be required to~~ use a ~~substantial~~ portion of our cash flow from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances and other general corporate requirements; • our interest expense has increased substantially, and could continue to increase, if interest rates continue to increase, because any outstanding borrowings under our Credit Facilities are based on variable interest rates ~~; • the interest rate on our Revolving Credit Facility is based on LIBOR, and although the Credit Agreement provides an alternative mechanism for determining the applicable interest rate when LIBOR is no longer available, the interest rates we pay may be adversely affected~~

~~as a result of potential disruptions in connection with the LIBOR phase- out~~ ; • the interest rate on our Revolving Credit Facility will depend on the level of our specified financial ratios, and therefore could increase if such specified financial ratios increase; • such substantial debt could leave us vulnerable to general economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged; • our debt service obligations could limit our flexibility to plan for, or react to, changes in our business and the industry in which we operate; • our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and joint ventures and other general corporate requirements; • our level of debt may prevent us from raising the funds necessary to repurchase all of the Notes tendered to us upon the occurrence of a change of control, which would constitute an event of default under the Indenture; and • a potential failure to comply with the financial and other restrictive covenants in any of our debt instruments, which, among other things, require us to maintain specified financial ratios, could, if not cured or waived, have a material adverse effect on our ability to fulfill our obligations under the Notes and on our business and prospects generally. ~~- 27-~~ The Indenture and the Credit Agreement contain covenants that impose significant operational and financial restrictions on us, and the failure to comply with these covenants would result in an event of default under these instruments. The Indenture and the Credit Agreement impose on us operating and other restrictions. These restrictions affect, and in many respects limit or prohibit, among other things, our ability to: • incur additional debt and issue certain capital stock; • create liens; • make investments or acquisitions; • enter into transactions with affiliates; • sell assets; • guarantee debt; • declare or pay dividends or other distributions to shareholders; • repurchase equity interests; • redeem debt that is subordinated in right of payment to certain debt instruments; • enter into agreements that restrict dividends or other payments from subsidiaries; and • consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis. The terms of the Revolving Credit Facility in the Credit Agreement also require us to achieve and maintain compliance with specified financial ratios. The restrictions contained in the Credit Agreement: • limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and • adversely affect our ability to finance our operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in our interest. A breach of any of these restrictive covenants or our inability to comply with the required financial ratios would result in a default under some or all of the debt agreements. During the occurrence and continuance of a default, lenders under our Credit Facilities may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, which would result in an event of default under the Indenture. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings. Additionally, our Credit Agreement contains a cross- default provision, which generally causes a default or event of default under the Credit Agreement upon a qualifying default or event of default under any other debt instrument (including under the Indenture) and the Indenture contains a cross- acceleration provision. If we are **- 25-** unable to repay outstanding borrowings when due, the lenders under our Credit Facilities will also have the right to proceed against the collateral granted to them to secure the debt. If lenders under the Credit Facilities accelerate the debt thereunder, then the obligations under the Notes would be accelerated. We cannot provide assurance that, if the indebtedness under our Credit Facilities or the Notes were to be accelerated, our assets would be sufficient to repay in full that indebtedness and our other indebtedness. If not cured or waived, such acceleration could have a material adverse effect on our business and our prospects. **General risk factors Provisions** ~~To fund our expanding business and growth strategy, we must have sufficient working capital to continue to make significant investments~~ in our **charter documents** ~~service offerings, advertising, technology,~~ and ~~other activities. As~~ **under Delaware law could discourage** a **takeover that stockholders** ~~result, in addition to the cash flow from operations we generate from our business, we~~ may **consider favorable** ~~need additional equity or debt financing to provide the funds required for these endeavors. If such financing is not available on satisfactory terms or at all, we may be unable to operate or expand our business in the manner and at the rate desired. For example, the Credit Agreement may make it more challenging to incur additional debt, as it includes prohibitions against incurring additional debt without approval from our existing lenders, and other lenders may not be willing to take on the risk of adding to our existing leverage. In addition, debt financing increases expenses, may contain additional covenants that restrict the operation of our business and must be repaid regardless of operating results. Equity financing, or debt financing that is convertible into equity, could result in additional dilution to our existing stockholders, and any new securities we issue could have rights, preferences, and privileges superior to those associated with our common stock. Our inability to generate or obtain the financial resources needed to fund our business and growth strategies may require us to delay, scale back or eliminate some or all of our operations or the expansion of our business, which may have a material adverse effect on our business, operating results, financial condition, and prospects.- 28- Natural disasters, pandemics or other epidemics, acts of war (including the current war between Russia and Ukraine), terrorist attacks, the escalation of military activity in response to such attacks, adverse economic conditions (including the recent increase in inflation and its impact on our labor and third- party vendor costs), or otherwise may have negative and significant effects, such as imposition of increased security measures, changes in applicable laws, market disruptions, increased costs to operate our business, reduced economic activity among our clients, and job losses, which could in turn have a material adverse effect on our business, financial condition, and results of operations. For example, the recent COVID- 19 pandemic resulted in significant disruptions to our business, operations and products, and the societal changes arising out of the COVID- 19 pandemic may have long- term impacts on certain of our products, such as our commuter product~~ . Certain provisions in our governing documents could make a merger, tender offer or proxy contest involving us difficult; even if such events would be beneficial to the interests of our stockholders. These provisions include the inability of our stockholders to act by written consent and certain advance notice procedures with respect to stockholder proposals and nominations for candidates for the election of directors. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, prohibits stockholders owning in excess of 15 % of our outstanding voting stock from merging or combining with us. Accordingly, our board of directors could rely upon these or other provisions in our governing documents and Delaware law to prevent or delay a transaction involving a change in control of our company, even if doing so would benefit our stockholders. **The exclusive forum provision in our amended and restated certificate of incorporation could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or team members.** Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim for breach of a fiduciary duty owed by any of our directors and officers to us or our stockholders, any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim governed by the internal affairs doctrine. The 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 our directors, officers or other team members, which may discourage such lawsuits against us and our directors, officers, and other team members. 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 adversely affect our business and financial condition.