Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

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Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10- K and our ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** and the related notes and the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " before making a decision to invest in our Class A common stock. Our business, results of operations, financial condition **,** and prospects could also be harmed by risks and uncertainties not currently known to us or that we do not currently believe to be material. If any of the risks actually occur, our business, results of operations, financial condition, and prospects could be adversely affected. In that event, the trading price of our Class A common stock could decline, and you could lose part or all of your investment. Risk Factors Summary Our business is subject to numerous risks and uncertainties that you should consider before investing in our company. The following is a summary of some of these risks and uncertainties. This summary should be read together with the more detailed description of each risk factor below. • We have experienced rapid ~~net revenue~~ growth ~~in recent periods~~ and our **past** ~~recent net revenue~~ growth rates may not be indicative of ~~our~~ future ~~net revenue~~ growth **rates** . ~~•~~ If we fail to manage ~~our~~ growth effectively, ~~we may be unable to execute~~ our business ~~plan or maintain high levels of customer service~~ and **financial** ~~satisfaction, and our business,~~ results **may** ~~of operations, and financial condition could~~ be adversely affected. • Future net revenue growth depends on our ability to **attract new customers and** retain existing ~~customers, drive increased TPV on our platform, and attract new~~ customers in a cost- effective manner. • We participate in markets that are competitive and continuously evolving, and **,** if we do not compete successfully ~~with established companies and new market entrants~~ , our business, results of operations, financial condition, and future prospects ~~could~~ **may** be ~~materially and~~ adversely affected. • We currently generate significant net revenue from a small number of customers, including our largest customer, Block, and the loss of any of these significant relationships or decline in net revenue from these customers, including as a result of renewals on less favorable terms, could adversely affect our business ~~,~~ **and financial** results ~~of operations, financial condition, and future prospects. • Our recent growth, ongoing changes in our industry, and our transaction mix make it difficult to forecast our net revenue and evaluate our business and future prospects~~ . • We have a history of net losses ~~, we anticipate increasing operating expenses in the future,~~ and we may not be able to achieve or sustain profitability. • **Our** ~~We may experience significant annual or quarterly fluctuations in our~~ results **may fluctuate significantly and may not fully reflect the underlying performance** of ~~operations due to a number of factors that make~~ our **business, making it difficult to accurately forecast** future results ~~difficult~~ **. If we fail** to ~~predict~~ **meet the expectations of financial analysts or investors, our stock price** and **the value of your investment** could **decline** ~~cause our results of operations to fall below analyst or investor expectations~~ . • **We rely** ~~Our business relies~~ on our relationships with Issuing Banks and Card Networks, and if we are unable to maintain these relationships, our business may be adversely affected. **• If** ~~Further, any changes to the rules or~~ **our** ~~practices set~~ **credit platform is inaccurate or does not perform as intended, our business may be adversely affected. • Litigation, disputes, regulatory actions, and government or legal investigations could be costly and time- consuming to defend, and our business may be adversely affected** by ~~Card Networks, including changes in Card Network fees or~~ **our involvement** ~~Interchange Fees, or our~~ - **or** ~~handling~~ **the outcome** of such ~~fees~~ **litigation** , **disputes, actions, or investigations. • If we fail to maintain an effective system of disclosure controls and procedures or internal control over financial reporting, or remediate our existing material weaknesses, our ability to report timely and accurate financial results or comply with applicable regulations** could **be impaired, and our business, operating results, and the price of our Class A common stock may be** adversely ~~affect~~ **affected** ~~our business~~ . • The trading price of our Class A common stock has been and is likely to continue to be volatile, which could cause the value ~~or~~ **of** your investment to decline. • The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who hold shares of our Class B common stock, including our directors, executive officers, and their affiliates. As a result of the dual class structure of our common stock, the trading price of our Class A common stock may be depressed. **• We cannot guarantee that our share repurchase program will enhance long- term stockholder value. Share repurchases could also affect the trading price of our stock and may reduce working capital.** Risks Relating to Our Business and Industry **While we have experienced rapid net revenue growth in prior periods, our net revenue decreased in the year ended December 31, 2023.** Our total net revenue was $ ~~748~~ **676** . 2 million, $ ~~517~~ **748** . 2 million **,** and $ ~~290~~ **517** . ~~3~~ **2** million for the years ended December 31, **2023,** 2022, **and** 2021, ~~and 2020,~~ respectively, **a decrease of (10) % and** an increase of 45 % ~~and 78 %~~ from the prior years, respectively ~~. Our TPV was $ 166. 3 billion, $ 111. 1 billion and $ 60. 1 billion for the years ended December 31, 2022, 2021, and 2020, respectively, an increase of 50 % and 85 % from the prior years, respectively. We may not be able to sustain our net revenue and TPV growth rates, or the growth rate of related key operating metrics~~ . We believe our net revenue growth depends on several factors, including, but not limited to, our ability to: • acquire new customers and retain existing customers on favorable terms; • achieve widespread acceptance and use of our platform and the products and services we offer, including in markets outside of the United States; • increase ~~the use of our platform and~~ our offerings, TPV, and the number of **customers and** transactions on our platform; • effectively scale our operations **, including successfully integrating acquired businesses and technology** ; • expand our product and service offerings; • diversify our customer base; • maintain and grow our network of vendors and partners, including Issuing Banks and Card Networks; • ~~hire~~ **maintain the security** and **reliability** ~~retain talented employees at all levels~~ of our ~~business~~ **platform** ; • ~~maintain~~ **adjust for** the **impact** ~~security and reliability~~ of **the anticipated accounting treatment of our customer agreements and the risk that such accounting treatment may be**

subject to further changes ~~our~~ **or** ~~platform~~ **developments** ; • adapt to changes in laws and regulations applicable to our business; • adapt to changing macroeconomic conditions and evolving conditions in the payments industry; and • successfully compete against established companies and new market entrants ~~. Net revenue, TPV or key operating metrics for any prior quarterly or annual period should not be relied on as an indication of our future performance. If our net revenue and TPV growth rates decline, we may not achieve profitability as expected, and our business, financial condition, results of operations, and the price of our Class A common stock would be adversely affected. We have experienced, and expect to continue to experience, rapid growth, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. For example, our workforce has grown to 958 employees as of December 31, 2022 from 789 employees as of December 31, 2021. We have offices in the United States, United Kingdom, or U. K., and Australia, and legal entities in Canada, Singapore and Brazil, and we plan to continue to expand our international footprint and operations into other countries in the future~~ . We have also historically experienced significant growth in the number of customers using our platform, the number of card programs and solutions we manage for our customers, and TPV on our platform. ~~To manage~~ **Our TPV was $ 222. 3 billion, $ 166. 3 billion, and $ 111. 1 billion for the years ended December 31, 2023, 2022, and 2021, respectively, an increase of 34 % and 50 % from the prior years, respectively. Net revenue and TPV for any prior period should not be relied on as an indication of our future performance. If our TPV and net revenue growth rates decline or continue to decline, we may not achieve profitability as expected, and our business, financial condition, results of** operations **,** and ~~personnel~~ **the price of our Class A common stock would be adversely affected. Our** growth **has placed** , ~~we~~ **and may continue to place, significant demands on our management and our operational and financial resources. We** will need to continue to grow and improve our operational, financial, and ~~management~~ **information technology** controls, and our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to expand our systems and infrastructure ~~before our net revenue increases without any assurances that our net revenue will increase~~ . **If we fail** ~~We also believe that our corporate culture has been and will continue~~ to **manage** ~~be a valuable component of our success. We have moved to a flexible- first approach to work, meaning our employees are able to choose whether they work at home or~~ **our growth effectively** , ~~depending on where they live, in one of our office locations. As we expand~~ our business and **financial** ~~mature as a public company, we may find it difficult to maintain our corporate culture while managing this growth as our employees and other service providers increasingly work from geographic areas across the globe. Failure to manage our anticipated growth and organizational changes in a manner that preserves the key aspects of our culture could reduce our ability to recruit and retain personnel, innovate, operate effectively, and execute on our business strategy, potentially adversely affecting our business,~~ results ~~of operations, and financial condition. Further, as more of our employees are located in new jurisdictions, we will be required to invest resources and to monitor continually changing local regulations and requirements, and we~~ may ~~experience a resulting increase in our expenses, decrease in employee productivity, and changes in our corporate culture. We have in the past, and may in the future, experience high attrition and turnover rates across the Company. The loss of these employees may lead to a decrease in institutional knowledge which may adversely affect our ability to expand our business. In addition, as we expand our business, it is important that we continue to maintain a high level of customer service and satisfaction. As our customer base continues to grow, we will need to expand our account management and customer service teams and continue to scale our platform. If we are not able to continue to provide high levels of customer service, our reputation, as well as our business, results of operations, and financial condition, could~~ be adversely affected. If we are unable to attract new customers, retain existing customers on favorable terms, and grow and develop ~~our~~ **those** relationships ~~with new and existing customers~~ **to drive increased processing volumes** , our business, results of operations, financial condition, and future prospects would be ~~materially and~~ adversely affected **. If we fail to attract new customers** , ~~as could~~ **including customers in new use cases, industry verticals, and geographies, and to expand our platform in a way that serves the needs of these customers, and to onboard** ~~the~~ **them** ~~market price of~~ **quickly, then we may not be able to continue to grow** our ~~Class A common stock. Our~~ net revenue **. Our customers generally are not subject to any minimum volume commitments under their contracts and have no obligation to continue using our platform, products, or services. Accordingly, these customers may have, or may enter into in the future, similar agreements with our competitors, which could adversely affect our ability to drive the processing volume and revenue** growth **that** ~~substantially depends on our ability to maintain and grow our relationships with existing customers and increase the volume of transactions processed on our platform. To grow our business and extend our market position,~~ we ~~intend~~ **seek** to **achieve** ~~focus on educating potential customers about the benefits of our platform, expanding the capabilities of our platform and our product offerings, and bringing new products and services to market to increase market acceptance and use of our platform. If our prospective customers do not recognize, or our existing customers do not continue to recognize, the need for and benefits of our platform and our products, they may decide to adopt alternative products and services to satisfy their business needs~~ . Some of our customer contracts provide for a termination clause that allows our customers to terminate their contract at any time following a limited notice period. ~~In addition, our customers generally are not subject to any minimum volume commitments under their contracts and have no obligation to continue using our platform, products, or services. Accordingly, these customers may have, or may enter into in the future, similar agreements with our competitors, which could adversely affect our ability to drive the level of processing volume and revenue growth that we seek to achieve. Customers may terminate or reduce their use of our platform for any number of reasons, including their level of satisfaction with our products and services, the effectiveness of our support services, our pricing and the pricing and quality of competing products or services, or the effects of global economic conditions.~~ The loss of customers or reductions in their processing volumes, particularly any loss of or reductions by Block, may adversely affect our business, results of operations, and financial condition ~~. Our growth may decline in the future if customers are not satisfied with our platform or our ability to meet our customers' needs and expectations. The complexity and costs associated with switching processing volume to our competitors may not ultimately prevent a customer from switching to another provider~~ . To achieve continued growth, we must not only maintain our relationships with our existing customers, but also encourage them **to renew their contracts with us and** to increase adoption and usage of our products. For example, customers can have multiple card programs on our platform across different use cases and geographies. **However** ~~If customers do not renew their contracts or broaden their use of our services~~ , **we** ~~or do not renew on favorable terms, our growth may slow or stop and our business, results of operations, and financial condition may be materially and adversely affected. We~~ cannot assure you that customers will continue to use our platform or that we will be able to continue processing transactions on our platform at the same rate as we have in the past. ~~In addition to capitalizing on the potential net revenue embedded within our existing customer base, we must continue to attract new customers to promote growth. Our growth depends on developing new use cases and industry verticals across new geographies. We may face additional challenges that are unique to the markets we target and we may not be able to acquire new customers in a cost- effective manner. To reach new customers, we may need to spend significantly more on sales and marketing to generate awareness of our platform and educate potential customers on the value of our platform. We may also need to adapt our existing technology and offerings or develop new or innovative capabilities to meet the particular needs of customers in these new use cases or new markets, and there can be no assurance that we will be successful in these efforts. We may not have adequate financial or technological resources to develop effective and secure products and services that will satisfy the demands of customers in these new markets. When a new customer launches with us, if we are slow to onboard them onto our platform or are slow to expand their use cases, our net revenue from the customer may be limited. If we fail to attract new customers, including customers in new use cases, industry verticals, and geographies, and to expand our platform in a way that serves the needs of these new customers, and to onboard them quickly, then we may not be able to continue to grow our net revenue.~~ We participate in markets that are competitive and continuously evolving, and **,** if we do not compete successfully ~~with established companies and new market entrants~~ , our business, results of operations, and financial condition, and future prospects ~~could~~ **may** be ~~materially and~~ adversely affected. We operate in a highly competitive and dynamic industry ~~. We were founded in 2010,~~ and we ~~provide a single, global, cloud- based, open- API~~ **expect competition to increase in the future as established and emerging companies continue to enter the markets we serve or attempt to address the problems that our** platform **addresses** ~~for modern card issuing and payment processing~~ . We face competition along several dimensions, including providers with legacy technology platforms, such as Fidelity National Information Services (FIS), Fiserv, and Global Payments (TSYS); ~~legacy~~ **modern** API- based providers, such as Galileo, i2c, and Visa DPS; and emerging providers, such as Adyen and Stripe. We believe **that** the principal competitive factors in our market include **: pricing; multiple program types (debit, prepaid, credit); multinational reach; complete solutions at scale; flexibility and configurability; reliability; compliance solutions; program management; brand recognition and reputation; and** industry expertise ~~, platform and product features and functionality, ability to build new technology and keep pace with innovation, scalability, extensibility, product pricing, security and reliability, brand~~ -- **and customer** ~~recognition and reputation, agility, and speed to market. We expect competition to increase in the future as established and emerging companies continue to enter the markets we serve~~ **service** ~~or attempt to address the problems that our platform addresses~~ . Moreover, as we expand the scope of our platform, we may face additional competition. Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as greater brand name recognition, longer operating histories, larger sales and marketing budgets and resources, more established relationships with vendors or customers, greater customer support resources, greater resources to make acquisitions and investments, lower labor and development costs, larger and more mature intellectual property portfolios, and **other** substantially greater ~~financial, technical, and other~~ resources. Such competitors ~~with greater financial and operating resources~~ may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, customer requirements, or regulatory developments **. If we are unable to successfully compete, our growth could slow or decline, which would materially and adversely affect our business, results of operations, financial condition, and future prospects. We currently generate significant net revenue from a small number of customers, including our largest customer, Block, and the loss of any of these significant relationships or decline in net revenue from these customers, including as a result of renewals on less favorable terms, could adversely affect our business, results of operations, financial condition, and future prospects** . A small number of customers account for a large percentage of our net revenue. ~~For~~ **As discussed further in the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations, ” for** the years ended December 31, **2023,** 2022, **and** 2021 ~~and 2020~~ , Block accounted for **68 %,** 71 %, **and** 69 % ~~and 70 %~~ of our net revenue, respectively. **The** ~~Although we expect the~~ net revenue from **Block** ~~our largest customer will decrease~~ **decreased** over ~~time~~ **the second half of 2023** as a percentage of our total net revenue **, due to the terms of the August 2023 Block Amendment. We renewed the Block Agreement in August and November 2023, and the current term for both the Cash App and Square Debit Card programs expires in June 2028. The Block Agreement automatically renews thereafter for successive one- year periods. The August 2023 Block Amendment provides that Block is responsible for defining and managing the Cash App program with respect to the primary Card Network going forward. The August 2023 Block Amendment** ~~as~~ **has** ~~we generate more~~ **, and is expected to continue to, reduce reported** net revenue ~~from~~ **period- over- period comparisons through** ~~other~~ -- **the** ~~customers~~ **first half of 2024. However** , we expect that net revenue from a relatively small group of customers **, including Block,** will continue to account for a significant portion of our net revenue in the near term. **The** ~~Additionally, consolidation within our customers’ industries has accelerated in recent years, which has in turn increased the~~ concentration of **a** ~~our customers, and these trends may continue. For example, Block, our largest~~ -- **large** ~~customer, announced in January 2022 that it had completed its acquisition of our customer Afterpay Limited, which has and may continue to increase the~~ percentage of our net revenue ~~represented by our largest~~ **with a limited number of** ~~customer~~ **customers exposes us disproportionately to** ~~. Furthermore, in the event that~~ any of **those** ~~our largest~~ customers **choosing to** stop using our platform or ~~use~~ **using** our platform in a reduced capacity, **reducing** ~~our business, results of operations, and financial condition would be adversely affected. In addition, any publicity associated with the loss of any of these customers~~

~~may adversely affect our reputation and could make it more difficult to attract and retain other customers. Our customer contracts generally do not contain long- term commitments from our customers, and our customers may be able to terminate their agreements with us prior to expiration of the contract' s term. The current term of our agreement with Block for Cash App expires in March 2024 and the current term of our agreement with Block for Square Card expires in December 2024, and each agreement automatically renews thereafter for successive one- year periods. Furthermore, while certain of our Customer contracts have minimum volume commitments, others do not. There can be no assurance that we will be able to continue our relationships with our Customers on the same or more favorable terms in future periods or that our relationships will continue beyond the terms of our existing contracts with them. In addition, the processing volume from Block has in the past fluctuated from period to period and may fluctuate or decline in future periods. Our net revenue and results of operations could suffer if, among other things, Block or any of our other largest customers do not continue to use our products, use fewer of our products, reduce~~ their processing volume with us, or ~~renegotiate~~ **renegotiating** , ~~terminate~~ **terminating ,** or ~~fail~~ **failing** to renew ~~, or to renew on similar or favorable terms,~~ their agreements with us **, or renewing their agreements with us on different terms. For example, the August 2023 Block Amendment renewed our agreement with Block for the Cash App program on different terms, which reduced reported net revenue. Should any of those events occur, our business, results of operations, and financial condition may be adversely affected** . We ~~launched~~ have incurred significant net losses since our inception,including net losses of $ **223.0 million,$** 184.8 million, **and** $ 163.9 ~~million and $ 47.7~~ million for the years ended December 31, **2023,** 2022, **and** 2021 ~~and 2020~~ ,respectively.As of December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** ,our accumulated deficit was approximately $ ~~602~~ **825** .2 million and $ ~~417~~ **602** . ~~5~~ **2** million **,** respectively.We expect to continue to incur net losses for the foreseeable future and we may not achieve profitability.We anticipate our operating expenses to continue to increase in the foreseeable future as we hire additional personnel,adjust compensation packages to hire new or retain existing employees,expand our operations and infrastructure, **and** continue to enhance ~~our platform and develop~~ and expand our platform **, products, and services. These initiatives may be more costly than we expect and may not result in increased net revenue. Further as we expand our offerings to additional markets, our offerings in these markets may be less profitable than the markets in which we currently operate. In addition, as a** ~~publicly~~ -- **public company** ~~in 2014~~ , **we have incurred,** and ~~much of our growth~~ **we will continue to incur, additional significant legal, insurance, accounting, and other expenses that we did not incur** ~~has~~ - **as a private company** ~~occurred in recent periods~~ . ~~This recent growth~~ **From time to time, we may** ~~makes~~ - **make decisions that may reduce our short- term operating results if we believe those decisions will improve the experiences of our customers and their end users, which we believe will improve our operating results over the long term. These decisions may not be consistent with investors' expectations and may not produce the long- term benefits that we expect, and this may materially and adversely affect our business. Our results may fluctuate significantly and may not fully reflect the underlying performance of our business, making** it difficult to **accurately** ~~effectively assess or~~ forecast ~~our~~ future ~~prospects~~ **results. If our results fail to meet the expectations of financial analysts or investors** , ~~particularly in~~ **our stock price** ~~an~~ **and** ~~evolving industry~~ **the value of your investment could decline** . Our **results of operations for** ~~modern card issuing platform represents~~ a ~~substantial departure from~~ **given period may not fully reflect** the **underlying performance of** ~~traditional card issuing methods and the payment processing solutions offered by traditional providers. While~~ our business ~~has grown rapidly, the market for our platform, products,~~ and ~~services~~ may **fluctuate** ~~not develop~~ as ~~we expect or in a manner that is favorable to our business. As~~ a result of ~~ongoing changes~~ **a number of factors, many of which are outside of our control and may be difficult to predict, including, but not limited to the risk factors included** in **this section. You should not rely on our past results as an indicator of our future performance. If our results of operations or other operating metrics fall short of the expectations of investors and financial analysts, the trading price of our Class A common stock could be adversely affected and the value of** ~~our~~ **your investment could decline. Forecasting** ~~evolving industry, our ability to forecast~~ our future results of operations ~~and plan for and model future growth is limited and subject to a number of uncertainties. In particular, forecasting our future results of operations~~ can be challenging **because of such fluctuations and** because our net revenue depends in part on our customers' end users **. Our** ~~, and our~~ transaction mix adds further complexity. Our transaction mix refers to the proportion of signature debit versus PIN debit transactions and consumer versus commercial transactions that make up our TPV. In general, transactions that require a signature of the cardholder generate higher percentage- based Interchange Fees, while transactions that require a PIN generate lower percentage- based Interchange Fees. Accordingly, we may be unable to prepare accurate internal financial forecasts, and our results of operations in future reporting periods may differ materially from our estimates and forecasts or the expectations of investors or **financial** analysts, causing our business to suffer and our Class A common stock trading price to decline. We have incurred significant net losses since our...... results of operations. You should not rely ~~on our past results as an indicator of our future performance. If our results of operations or other operating metrics fall short of the expectations of our investors and financial analysts, the trading price of our Class A common stock could be adversely affected. Systems failures and interruptions in the availability of our platform may adversely affect our business, results of operations, and financial condition. Our continued growth depends on the efficient operation of our platform without interruption or degradation of performance. Our business involves processing large numbers of transactions, enabling the movement of large sums of money on an aggregate basis, and the management of large amounts of data. System outages or data loss could have a material adverse effect on our business, results of operations, and financial condition. We may experience service interruptions, data loss, outages, and other performance problems due to a variety of factors, including infrastructure changes or failures, introductions of new functionality, human or software errors, capacity constraints, denial- of- service attacks, phishing attacks, ransomware attacks, or other security- related incidents, including as retaliation against financial institutions for sanctions imposed against Russia as a result of the significant military action against Ukraine launched by Russia. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order, and we may face difficulties remediating and~~

~~otherwise responding to any such issues, including resuming operations in a timely manner for our customers and preventing data loss. Further, our customer contracts typically provide for service level commitments. If we suffer extended periods of downtime of our platform or are otherwise unable to meet these commitments, we are contractually obligated to provide service credits, which may be based on a percentage of the processing volume on the day of an incident or the revenue we earned from our customer on the day of an incident, or based on our overall monthly transaction success rate and the incentive payments or fees from that month. We have experienced incidents requiring us to pay service level credits and other customer service concessions in the past. In addition, the performance and availability of the cloud- based solutions that provide cloud infrastructures for our platform is outside of our control and, therefore, we are not in full control of whether we meet our service level commitments. As a result, we have experienced, and expect to continue to periodically experience, unpredictable outages of the services provided by these cloud infrastructure providers. Our business, results of operations, and financial condition has in the past been affected and could in the future be adversely affected if we suffer unscheduled downtime that exceeds the service level commitments we have made to our customers. Any extended service outages could adversely affect our business and reputation and erode customer trust. Any of the above circumstances or events may harm our reputation, cause customers to terminate their agreements with us, impair our ability to renew contracts with customers and grow our customer base, subject us to financial penalties and liabilities, and otherwise adversely affect our business, results of operations, and financial condition. We may not be able to maintain the level of service uptime and performance needed by our customers, especially as TPV increases. If we are unable to maintain sufficient processing capacity, customers could face longer processing times or even downtime. Furthermore, any efforts to further scale our platform or increase its complexity to handle a larger number or more complicated transactions could result in performance issues, including downtime. If our platform is unavailable or if customers are unable to access our platform within a reasonable amount of time, or at all, our business would be adversely affected. Our customers rely on the full- time availability of our platform to process payment transactions, and an outage on our platform could impair the ability of our customers to operate their business and generate revenue. Therefore, any system failure, outage, performance problem, or interruption in the availability of our platform would negatively impact our brand, reputation, and customer satisfaction, and could subject us to financial penalties and liabilities. Our business relies~~ on our relationships with Issuing Banks and Card Networks ~~, and if we are unable~~ to ~~maintain these relationships, our business may be adversely affected. Further, any changes to the rules or practices set by Card Networks, including changes in Card Network fees or Interchange Fees, or changes in our handling of such fees could adversely affect our business. We rely on our relationships with financial institutions, including Issuing Banks and Card Networks, that~~ provide certain services **for** ~~that are an important part of~~ our **platform,** ~~product~~ **products** ~~offering~~ **, and services** . We **have in the past and may in the future pay certain amounts in association with these relationships, regardless of whether we were compelled to under law or contract. In addition, we** have in the past and may in the future have disagreements with these financial institutions. If we are unable to maintain the quality of these relationships or fail to comply with our contractual requirements with these financial institutions, our business would be adversely affected. ~~We partner with Issuing Banks, who issue payment cards to our customers and settle payment transactions on such cards.~~ A significant portion of our payment transactions are settled through ~~one~~ **a small number of** Issuing ~~Bank~~ **Banks** ~~, Sutton Bank~~ . For the years ended December 31, **2023,** 2022, **and** 2021 ~~and 2020~~ **, 76 %** , 82 %, **and** 90 ~~% and 96~~ %, respectively, of TPV was settled through **one Issuing Bank,** Sutton Bank. If Sutton Bank terminates our agreement with them or is unable or unwilling to settle our transactions for any reason, we may be required to switch some or all of our processing volume to one or more other Issuing Banks, including to any of the ~~three~~ other ~~U. S.~~ Issuing Banks that we currently contract with. Switching ~~a significant portion or all of our~~ processing volume to another Issuing Bank ~~, including contracting with additional Issuing Banks,~~ would take time and could result in additional costs, **which** ~~including increased operating expenses, and termination fees under our agreement with Sutton Bank if unilaterally terminated by us without Sutton Bank' s consent. We could also lose customers if we do not have another Issuing Bank who is willing to support such customers. Diversifying our contractual relationships and operations with Issuing Banks~~ may **adversely affect** ~~increase the complexity of~~ our **business** ~~operations and may also lead to increased costs~~ . We also have agreements ~~directly~~ with Card Networks that, among other things, provide us certain monetary incentives based on the processing volume of our customers' transactions routed through the respective Card Network. **The timing and extent of amendments** ~~For~~ - **or** ~~certain~~ **new contracts related to our volume** incentive arrangements with ~~an annual measurement~~ **Card Networks could result in incentive payments that are recorded in a current** period ~~, the~~ **and based** ~~one~~ - **on** ~~- year~~ **volume processed in a prior** period ~~may not align with our fiscal year~~ . We currently include Card Network fees in the pricing arrangements with **the majority of** our MxM customers. If our customers were to ~~pay~~ **manage** ~~these~~ -- **the relationship with** ~~fees directly to~~ the Card Networks **directly** , our **reported net** revenue may decrease. ~~Unusual fluctuations in~~ **For example, the August 2023 Block Amendment provides that Block will be responsible for defining and managing the Cash App program with respect to the primary** Card Network **going forward** ~~fees can occur in the quarter in~~ which ~~volume thresholds are achieved as~~ **has** ~~higher incentive rates are applied to volumes over~~ the ~~entire measurement periods, which can span 6 or 12 months, which can affect~~ **effect** ~~our financial results for a given quarter~~ **of reducing reported net revenue. We intend to expand and deepen** ~~or~~ **our relationships** ~~fiscal year. If we were to lose our certification~~ with ~~a~~ **Issuing Banks and** Card ~~Network~~ **Networks** , ~~we could lose customers if~~ **and diversifying these contractual relationships and operations may increase** ~~they~~ - **the** ~~needed~~ **complexity of our operations and may also lead** to **increased costs** ~~switch to a different Card Network, for which we did not have a certification~~ . The Issuing Banks and Card Networks we work with may fail to process transactions, breach their agreements with us, or refuse to renew or renegotiate our agreements with them on terms that are favorable, commercially reasonable, or at all. They might also take actions that could degrade the functionality of our ~~services~~ **platform** , impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own ~~services~~ . If we are unsuccessful in establishing, renegotiating, or maintaining relationships with Issuing Banks and Card Networks, our business may be adversely affected. ~~Our agreements with Issuing~~

~~Banks~~ **Performance issues, systems failures,** and **interruptions in** ~~Card Networks require us to comply with Card Network rules. The Card Networks set these rules and have discretion to interpret the rules and change them~~ - **the availability of our platform may adversely affect our** ~~at any time. For additional information about regulations relating to Card Network rules, see the section titled " Risk Factors — Risks Relating to Regulation — Our~~ business ~~is subject to extensive regulation and oversight in a variety of areas, directly and indirectly through our relationships with Issuing Banks and Card Networks, which regulations are subject to change and to uncertain interpretation. Changing international, federal, state, and local laws, as well as changing regulatory enforcement policies and priorities, including changes that may result from changes in the political landscape, may negatively impact our business~~ , results of operations, **and** financial condition ~~, and future prospects~~ . **Our continued growth depends** ~~" The termination of the card association registrations held by us or any of the Issuing Banks or any changes to these Card Network rules or how they are interpreted could have a significant impact~~ on ~~our business and financial condition. Any changes to or interpretations of the Card Network rules that are inconsistent with the way we or our Issuing Banks currently operate may require us to make changes to our business that could be costly or difficult to implement. If we fail to make such changes or otherwise resolve the issue with the Card Networks, the Card Networks could charge us additional fees or prohibit us from processing transactions. We have been charged such additional fees in the past, and expect to continue to be charged such fees in the future. These additional fees are considered costs of revenue. While changes in the Card Network rules usually relate to pricing, other~~ -- **the efficient** ~~types of changes could require us to take certain steps to comply or adapt. Unfavorable conditions in our industry or the global economy could adversely affect our business, results of operations~~ - **operation** ~~, and financial condition. Our revenue is impacted, to a significant extent, by general economic conditions, their impact on levels of spending by businesses and their customers, and the financial performance of our customers. Our business, the industry, and our customers' businesses are sensitive to macroeconomic conditions. Our net revenue is dependent on the usage~~ of our platform ~~, which in turn is influenced by the volume of business our customers conduct. Supply chain disruption, a global labor shortage, increased inflation, and higher interest rates have adversely affected our business, results of operations and business outlook and may continue to create uncertainty as to our and our customers', partners', and vendors' financial results, operations and business outlook. Weak economic conditions or a significant deterioration in economic conditions, including the current inflationary environment and the possibility of a recession could result in a reduced volume of business for our customers and prospective customers, and demand for, and use of, our platform, products, and services may decline. If spending by their customers declines, our customers could process fewer payments with us or, if our customers cease to operate, they could stop using our platform and our products and services altogether. Moreover, if the financial condition of a customer deteriorates significantly or a customer becomes subject to a bankruptcy proceeding, we may not be able to recover amounts due to us from the customer. Furthermore, weak economic conditions may make it more difficult to collect on outstanding accounts receivable. If, as a result of a weak economy, our customers reduce their use of our platform, or prospective customers delay adoption or elect not to adopt our platform, our business, results of operations, and financial condition could be adversely affected. We are unable to predict the impact of other macroeconomic factors, including the military action against Ukraine launched by Russia, supply chain shortages, higher inflation rates, higher interest rates, and other global economic conditions, will have on our processing volumes, and on our future results of operations. A deterioration in macroeconomic conditions could increase the risk of lower consumer spending, consumer and merchant bankruptcy, insolvency, business failure, higher credit losses, foreign currency fluctuations, or other business interruption, which may adversely impact our business. We continue to monitor the situation and may take actions that alter our operations and business practices as may be required by federal, state, or local authorities or that we determine are in the best interests of our customers, vendors, employees, and us. Performance issues in our platform or our platform' s transaction processing could diminish demand for our platform or products, adversely affect our business and results of operations, and subject us to liabilities~~ . Any significant disruption ~~in~~ **, outage, data loss** , or errors in ~~,~~ service on our platform, including events beyond our control, **such as infrastructure changes or failures, or human or software errors** could have a material and adverse effect on our business **and** ~~, results of operations,~~ financial condition ~~,~~ **. We have experienced such performance incidents in the past** and **expect that we will continue to periodically experience such performance issues in the** future ~~prospects~~ . Our platform is designed to process a high number of transactions and deliver reports and other information related to those transactions at high processing speeds. ~~Our~~ **We have in the past and may in the future experience errors, inaccuracies, or omissions in our processing, reconciling, or reporting of transactions. The risk of performance issues has increased in recent periods due to the significant increase in our TPV and increases further with new product launches and geographical expansion. We release regular updates to our platform, which have in the past contained, and may in the future contain, undetected errors, failures, and bugs. Any platform performance issues could lead to claims by** customers **, Card Networks,** ~~use our platform for important aspects of their businesses. Our~~ Issuing Banks **,** ~~use reports and information from our~~ - **or** ~~platform in part to settle card transactions with the~~ **other partners** ~~Card Networks. Any performance issues, including errors, defects, or disruptions in our~~ - **or** ~~platform or~~ **vendors,** ~~our~~ - **or** ~~platform' s transaction~~ **other claims, regulatory fines, or** ~~processing~~ **proceedings** ~~,~~ **. It** could **also** damage **ours and** our customers' businesses and, in turn, hurt our brand and reputation **. The performance** and ~~erode~~ **availability of the data centers and cloud- based solutions that provide computing and storage infrastructure for our platform is outside of our control. If any of these infrastructure providers fail to provide sufficient capacity to support our platform or otherwise experience service outages, we may experience interruptions in our ability to operate our platform and our business could be adversely affected. We have experienced, and expect to continue to periodically experience, outages of the services provided by these providers. If we are not able to maintain the level of service uptime and performance needed by our customers, they could face longer processing times or downtime as a result. If customers are unable to access our platform within a reasonable amount of time, or at all, we may not be able to meet the service level commitments typically provided for in our** customer ~~trust~~ **contracts and we would be contractually obligated to provide**

service level credits. We have experienced incidents, including incidents outside our control, and expect we may experience incidents in the future requiring us to pay service level credits and other customer service concessions . In addition ~~, in the event of damage or interruption~~ , our insurance policies may not adequately compensate us for any losses that we may incur **as a result of damage or interruption. Further, we are continuing to refine our enterprise resilience functions such as business continuity, crisis management, and disaster recovery** . Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. ~~The risk of~~ **Therefore, any** performance ~~issues~~ - **issue, systems failure, outage,** ~~has increased in recent periods due to the significant increase in our~~ - **or** ~~TPV. This risk~~ **interruption in the availability** of ~~performance issues further increases with new product launches and geographical expansion. We release regular updates to~~ our platform **would adversely affect** ~~, which have in the past contained, and may in the future contain, undetected errors, failures, vulnerabilities, and bugs. Additionally, we have in the past and may in the future experience errors, inaccuracies, or~~ **our** ~~omissions in~~ **business, and could subject us to financial penalties and liabilities. Any real** ~~our~~ - **or perceived improper** ~~processing, reconciling or reporting of transactions. For~~ - **or** ~~instance, in the third quarter of 2022, we incurred losses related to the processing of a limited number of international transactions in excess of customer authorized~~ **unauthorized use** ~~amounts. Further, we may be unable to replenish the supply~~ of ~~payment cards issued~~ **, disclosure of, or access** to **our or** our customers ~~before it is depleted, such that our customers could run out of cards for a short period of time. Real or perceived errors, failures, or bugs in our platform or our platform~~ ' **and** ~~s transaction processing could result in negative publicity, loss of or delay in market acceptance of our platform or our products, loss of competitive position, lower customer retention, claims by customers, Card Networks, Issuing Banks, or other~~ partners ~~or vendors~~ **' confidential, proprietary,** ~~for~~ - **or** ~~losses sustained by them, or other claims, regulatory fines, or proceedings. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources to help correct the problem. In addition, we may not carry insurance sufficient to compensate us for any losses that may result from claims arising from defects or disruptions in our platform or operations. As a result, our reputation and our brand could be harmed, and our business, results of operations, and financial condition may be adversely affected. We, our customers, our vendors, and others who use or interact with our platform obtain and process a large amount of~~ sensitive data ~~. Any real or perceived improper or unauthorized use of~~ , ~~disclosure of~~ **including by cyberattacks** , **security breaches** or ~~access to such data~~ **incidents, or employee or other misconduct,** could expose us to liability and damage our reputation. Our operations depend on receiving, storing, **transmitting, and otherwise** processing ~~, and transmitting~~ sensitive information pertaining to our business, employees, customers, and **customers'** end users. The confidentiality, ~~security, and~~ integrity **, and availability** of such ~~sensitive business~~ information residing on or ~~otherwise~~ processed using our systems is important to our business. ~~Any unauthorized~~ **While we have an internal security program, the** ~~access~~ **success** ~~, intrusion, infiltration, network disruption, denial~~ of ~~service, infection~~ **such program will be impacted** by ~~ransomware~~ **new and existing vulnerabilities** , ~~viruses~~ **human error** , **resource constraints, the efficiency of our processes and procedures, and management of gaps in controls. The integrity of our internal security program is also subject to changing standards or interpretations of standards as new frameworks are introduced and existing frameworks evolve. We use vendors to perform certain services for us, in some cases involving management** or other ~~malicious code~~ **processing of sensitive data** , ~~or~~ **and these vendors face** similar ~~incident could disrupt~~ **security threats to** the **confidentiality, security, and** integrity ~~, continuity, security, and trust~~ of ~~our~~ **their** systems ~~or~~ **and the** data ~~, or the~~ **they** ~~systems~~ **process** ~~or~~ **for us** ~~data of our customers or vendors. These incidents are often difficult to detect and the threats are constantly evolving, and we or our customers or vendors may face difficulties or delays in identifying or otherwise responding to any incident~~ . Unauthorized parties have attempted and ~~may~~ **will** continue to attempt to gain access to our platform, systems, or facilities, and those of our customers, partners, and vendors **using a variety of methods such as denial- of- service attacks** , ~~through various means~~ **phishing attacks and other forms of social engineering, and ransomware and other malicious code. Any attempted, perceived or actual breach or incident could disrupt our systems and other aspects of our operations, result in unauthorized or unlawful access to or loss, modification, unavailability, misuse, or other unauthorized processing of our and our customers' data, have a significant impact on our reputation as a trusted** ~~and~~ **brand , and expose us to legal risk and potential liability, and costs associated** with **remediation** ~~increasing sophistication~~ . ~~Currently~~ **Further** , **if** there is a **breach of payment card information** ~~threat~~ -- **that** ~~of attacks against U. S. financial institutions as retaliation against financial institutions~~ **we store, process, or transmit or that is stored, processed, or transmitted by our customers or other third parties that we do business with, we could be liable to the Issuing Banks or our customers** for **certain** ~~sanctions imposed against Russia as a result~~ of ~~the~~ **their costs** ~~significant military action against Ukraine launched by Russia. These events could create costly claims~~ and ~~litigation~~ **expenses** , ~~significant financial liability, regulatory investigations or proceedings, increased regulatory scrutiny, financial sanctions, a loss of confidence~~ in **addition** ~~our ability~~ to **the** ~~serve customers and cause current or~~ potential ~~customers to choose~~ **for fines, penalties, and** ~~another~~ -- **other** ~~service provider, all of which could have a material adverse impact on our business. In addition, cybersecurity researchers have warned of the possibility of a broader increase in cyberattack activity in connection with this military action. We expect to continue to invest significant resources to maintain and enhance our information security and controls and to investigate and remediate any security vulnerabilities~~ -- **liabilities** . ~~Although~~ **While** we believe that ~~we maintain a robust data security program, including a responsible disclosure program, and that~~ none of the incidents that we have ~~encountered~~ **identified** to date have materially impacted us, we cannot be certain that the security measures ~~and procedures~~ we have in place to detect **and address** security **breaches,** incidents **, and other disruptions** and protect sensitive data ~~, including protection against unauthorized access and use by our employees,~~ will be ~~successful or~~ sufficient to counter **the** ~~all current and emerging~~ risks and threats facing us ~~and~~ **,** our customers **,** and **our** vendors. ~~The impact of~~ **We and our vendors may be unable to anticipate, react to, remediate, or otherwise address any actual or attempted security breach or other security incident in** a ~~material event~~ **timely manner, or implement adequate preventative measures. Any security breach or incident** involving our systems or data, or those of our customers or vendors, could have a material adverse effect on our business, results of operations, and financial condition. **Even** ~~Under Card Network rules and our contracts with our Issuing Banks, if there~~ -- **the perception** ~~is a breach~~ of **inadequate security may damage** ~~payment card information that we store, process, or~~ **our** ~~transmit~~ **reputation and negatively impact** ~~or~~ **our ability to gain new** ~~that is stored, processed, or transmitted by our~~ customers **and** ~~or other third parties that we do business with, we could be liable to the Issuing Banks for certain~~ - **retain** ~~of their costs and expenses. Additionally, if our own confidential business information were improperly acquired or otherwise disclosed or processed, our business could be materially and adversely affected. The reliability and security of our platform is a core component of our business. Any perceived or actual breach of security or security incident, regardless of how it occurs or the extent of the breach or incident, could significantly disrupt our operations, result in unauthorized or unlawful access to, misuse, disclosure, loss, acquisition, corruption, unavailability, alteration, modification or destruction of our and our customers' data, including sensitive and proprietary information, personal data and personal information, have a significant impact on our reputation as a trusted brand, cause us to lose~~ existing customers **. We expect to invest significant resources to maintain and enhance our information security program and controls in compliance with industry standards and applicable laws and regulations; however** , ~~prevent~~ **if we experience resourcing constraints, our investments and the result of such investments may be delayed. We have adopted a flexible- first work environment, and expect to continue to be subject to challenges and risks associated with having a remote workforce. For example, our employees are accessing our servers remotely through home or other networks to perform their job responsibilities. Such security systems may be less secure than those used in our offices, which may subject** us ~~from obtaining new customers, require us~~ to **increased security risks** ~~expend significant funds to remedy problems caused by the breach or incident and to implement measures to prevent further breaches and incidents~~ , and expose us to ~~legal risk~~ **risks of data** ~~and potential liability, including those resulting from governmental~~ or **financial loss** ~~regulatory investigations, claims, demands, investigations,~~ and ~~litigation initiated by private parties, including class action litigation, and costs~~ associated **disruptions to our business operations** ~~with remediation, such as fraud monitoring, card reissuance, and forensics~~ . **In addition** ~~Our vendors face similar security risks~~ , ~~and~~ any ~~actual~~ **inability to track and manage hardware and software assets across** ~~or~~ **our** ~~perceived~~ **remote workforce could lead to loss of intellectual property, a** security breach or incident **, and unauthorized access** ~~at a vendor providing services~~ to ~~us or~~ **our systems and applications, potentially adversely affecting** our **business and financial condition** ~~customers could have similar effects~~ . While we maintain cybersecurity insurance ~~, subject to applicable deductibles and policy limitations~~ , our insurance may be insufficient to cover all liabilities incurred by ~~such attacks~~ **a cybersecurity breach or incident** . We cannot be certain that our insurance coverage will be adequate for ~~privacy, information security, and data protection~~ liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that an insurer will not deny coverage as to any future claim. **If a** ~~The successful assertion of one or more large claims~~ - **claim** ~~against us that exceed~~ **exceeds** available insurance coverage ~~,~~ or **if** the ~~occurrence~~ **conditions** of ~~changes in~~ our insurance policies **change** , ~~premiums, or~~ **our** ~~deductibles~~ **business or financial condition could be adversely affected. Our business depends on a strong and trusted brand, and any failure to maintain, protect, enhance, and market our brand would hurt our business. Negative publicity about us or our industry could adversely affect our business, results of operations, financial condition, and future prospects. We have developed a strong and trusted brand that has contributed significantly to the success of our business. We believe that maintaining and promoting our brand in a cost- effective manner is important to the continued growth of our business. Any failure to maintain high quality customer support, or a market perception that we do not maintain high quality customer support, could erode customer trust and adversely affect our reputation, business, results of operations, and financial condition. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our customers effectively, it could adversely affect our ability to retain existing customers and could prevent prospective customers from adopting our platform. Harm to our brand can arise from many other sources as well, including inadequate protection or misuse of sensitive information, compliance failures, litigation, and other claims, and misconduct by our employees, contractors, or vendors. We may also be the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our brand and deter customers from adopting our services. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected. Our new products and technologies have a limited performance history, and any failure to execute on our related strategy could have an adverse impact on our business and financial condition. We acquired Power Finance in the first quarter of 2023 and released our credit card issuing platform publicly in October 2023. Net revenue growth attributed to credit card issuing is dependent on increasing the number of existing customers or new customers who use our credit card issuing capabilities. We have limited experience administering our credit card issuing platform, and failure to scale the platform due to our limited experience or a competitive market could adversely affect our business and financial results. Our failure to accurately predict the demand or growth of new products and technologies could have a material and adverse effect on our business, results of operations, financial condition, and future prospects. New products and technologies are inherently risky, due to, among other things, risks associated with: the product or technology not working, or not working as expected; customer acceptance; technological outages or failures; increased regulatory scrutiny; and the failure to meet customer expectations. As a result of these risks, we could experience increased claims, reputational damage, or other adverse effects, which could be material. In addition, our investment in new products and technologies and making changes or updates to our platform may either be insufficient or result in expenses that exceed the revenue actually generated from these new products. The success of our credit platform depends on our ability to effectively manage related risks for us and our Issuing Banks. While the Issuing Banks we work with bear the credit risk, they rely on our credit decisioning engine and managed services to underwrite and service credit card programs in accordance with their credit policies. Numerous factors, many of which are outside**

of our control, can adversely affect the evaluation of credit risk. The information we use in our credit platform may be inaccurate or incomplete as a result of error or fraud, both of which may be difficult to detect and avoid. If a fraudulent applicant is approved based on our credit risk model, we may be liable for the losses incurred by the Issuing Bank, which could adversely affect our business and results of operations. There may be risks that exist, or that develop in the future, including market risks, interest rate risks, economic risks, and other external events, that we have not appropriately anticipated, identified, or mitigated that would impact our Issuing Bank partners or our ability to offer credit products. If our credit risk tools do not effectively and accurately model the credit risk of potential cards issued by our Issuing Banks, greater than expected losses may result on such card programs and, as a result, our customers may stop marketing their card programs, potential customers may be less likely to initiate card programs, and Issuing Banks may stop using our platform for credit card issuing. Further, if our credit platform does not operate as intended or is inaccurate, it may be alleged that we and / or our bank partners have failed to comply with applicable laws and regulations, we and / or our bank partners may be subject to litigation or regulatory investigations or other proceedings, we and / or our bank partner may have to pay fines and penalties or become subject to civil or criminal liability or have additional obligations or restrictions imposed upon our respective businesses, and our customer relationships and reputation may be adversely affected, which could have a material adverse effect on our business, results of operations, and financial condition. ~~Our business depends~~ **The Issuing Banks face the risk that our customers' cardholders will default** on **their payment obligations** ~~a strong and trusted brand~~ , ~~and~~ **creating the risk of potential charge- offs. While we are not contractually obligated to pay for** any **credit- related delinquencies** ~~failure to maintain, protect, enhance, and market our~~ - **or charge- offs, we have in the past** ~~brand~~ -- **and may in the future make payments to** ~~would hurt our business. Negative publicity about us or~~ **our Issuing Banks in association with our relationship with them, regardless of whether we were compelled to under law** ~~our~~ - **or** ~~industry~~ **contract. Incremental charge- offs may also affect the Issuing Bank' s future credit decisioning which** could **impact the volume of transactions processed and the number of cards issued. This may** adversely affect our business ~~,~~ **and** results of operations ~~, financial condition, and future prospects~~ . ~~We have~~ **If we fail to anticipate, adapt to, or keep pace with new technologies and** ~~developed~~ -- **develop new** ~~a strong and trusted brand that has contributed significantly to the success of our business. We believe that maintaining and promoting our brand in a cost- effective manner is important to achieving widespread acceptance of our platform and the products and~~ services ~~we offer, expanding our base of customers and end users, and increasing our TPV. Harm to our brand~~ -- **and** ~~can arise from many sources, including failure by us or our partners and vendors to satisfy expectations of service and quality, inadequate protection or misuse of sensitive information, compliance failures and claims, litigation and other claims, and misconduct by our vendors or other counterparties. We may also be the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our brand and deter customers from adopting our services. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected. If we fail to offer high- quality customer support, our business and reputation will suffer. Many of our customers depend on our customer support team to assist them in launching and deploying our card programs effectively, help them resolve issues quickly, and provide ongoing support. Our direct, ongoing interactions with our customers help us tailor offerings to them at scale and in the context of their usage. Our customer support team also helps increase awareness and usage of our platform while helping customers address inquiries and issues. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our customers effectively, it could adversely affect our ability to retain existing customers and could prevent prospective customers from adopting our platform. We may be unable to respond quickly enough to accommodate short- term increases in demand for customer support. Increased demand for customer support, without corresponding net revenue, could increase costs and adversely affect our business, results of operations, and financial condition. Our sales are highly dependent on our business reputation and on positive recommendations from customers. Any failure to maintain high quality customer support, or a market perception that we do not maintain high quality customer support, could erode customer trust and adversely affect our reputation, business, results of operations, and financial condition. In addition, as we continue to grow our operations and reach a larger and increasingly global customer base, we need to be able to provide efficient customer support that meets the needs of customers on our platform globally and at scale. The number of customers and end users using our platform, TPV, the products and services we offer, and usage of our platform by customers have all grown significantly and this has put additional pressure on our support organization. If we are unable to provide efficient customer support globally and at scale, our ability to grow our operations may be adversely affected and we may need to hire additional support personnel, potentially adversely affecting our results of operations. If we fail to adapt to rapid technological changes and develop enhancements and new~~ capabilities for our platform, our ~~ability to remain competitive~~ **business and future growth** could be ~~impaired~~ **harmed** . We compete in an industry that is characterized by rapid technological changes, frequent introductions of new products and services, and evolving industry standards and regulatory requirements. Our ability to attract new customers and increase net revenue ~~from customers~~ will depend in significant part on our ability to adapt to industry standards, anticipate trends, and continue to enhance our platform and introduce new products and capabilities on a timely and secure basis to keep pace with technological developments and customer expectations ~~.~~ ~~For example, it is important for us to implement tools to support the operational efficiency of our platform. If we are unable to provide enhancements and new products on our platform, develop new capabilities that achieve market acceptance, innovate quickly enough to keep pace with rapid technological developments, or experience unintended consequences with enhancements we provide, our business could be adversely affected. For example, our customers may not adopt enhancements and new products or may not use them as intended~~ . We must also keep pace with changing legal and regulatory regimes that affect our platform, products, services, and business ~~practices~~ . ~~We~~ **It is also important for us to implement tools to support the operational efficiency of our platform. For example, in the past year generative artificial intelligence (" AI ") solutions have emerged as an opportunity for us, our customers, our partners, and our vendors to innovate more quickly and**

efficiently and better serve our customers. Rapid adoption and novel uses of generative AI may **, however, introduce unique and unpredictable security risks to our systems and platform, products, and services. Our business could be adversely affected if we are** not ~~be~~ successful in developing modifications, enhancements, and improvements, in bringing them to market quickly or cost- effectively ~~in response to market demands~~ , or at modifying our platform to remain compliant with applicable legal and regulatory requirements. ~~In addition, because our platform is designed to operate directly~~ **Our business could also be harmed if we experience unintended consequences** with the **enhancements** ~~Card Networks, Issuing Banks, and general payments ecosystem,~~ we **provide** ~~need to continuously modify and enhance our~~ - **or use** ~~platform to keep pace with changes in technologies, while maintaining compatibility and legal and regulatory compliance~~ . **We may** ~~Any failure of our platform to~~ continue to ~~operate effectively with third- party infrastructures and technologies could reduce the demand for our platform, products, or services, result in the dissatisfaction of our customers, and materially and adversely affect our business. Our future success depends in part on our ability to~~ expand ~~internationally and drive the adoption of our platform and products by international customers. Expanding our business internationally, however, could subject us to new challenges and risks. Further expansion of our~~ operations internationally ~~is important~~ **where we have limited operating experience and may be subject** to **increased** ~~the success of our~~ business **, economic,** and **regulatory** ~~will subject us to new challenges and~~ risks **that could adversely impact** ~~. During the year ended December 31, 2022, we derived 3 % of~~ our ~~net revenue from customers located outside~~ **operations and financial results. We have offices in** the United States **and United Kingdom (" U** . ~~We do not currently~~ **K. "), and legal entities in various other global jurisdictions, and we may pursue further international expansion of our business in new international markets where we** have **limited** ~~operations in Russia or plans to expand there, and, based on the actions taken by certain Card Networks, to our~~ - **or** ~~knowledge~~ no **experience** ~~Marqeta- powered card could currently operate~~ in **marketing** ~~Russia. It is unclear~~ , ~~however~~ **selling** , **employing personnel,** ~~whether the significant military action against Ukraine launched by Russia will have any broader implications that may impact our business~~ and ~~results of operations~~ **deploying our platform, products, and services** . Managing ~~our new and existing~~ international operations requires us to comply with new regulatory frameworks, additional regulatory hurdles, and implement additional resources and controls. **Our** ~~Furthermore, our~~ business model may not be successful or have the same traction outside the United States. International expansion subjects our business to additional risks, including: • ~~difficulty in attracting a sufficient number of customers in a given international market; •~~ failure to anticipate competitive conditions and competition with market ~~–~~ players that have greater experience in the local markets than we do or that have pre- existing relationships with potential customers and investors in those markets; • ~~conformity~~ **conforming** ~~of~~ our platform with applicable business customs **and** ~~, including translation into foreign~~ languages ~~and associated expenses~~ ; • increased costs and difficulty in protecting intellectual property and sensitive data; • increased costs from local Card Networks, BIN sponsors, vendors, and other local providers; • potential changes to our established business and pricing models; • the ability to support and integrate with local BIN sponsors and other service providers; • difficulties in ~~staffing and~~ managing foreign operations ~~in an environment of diverse culture, laws, and customers~~ ; • increased travel, infrastructure, and legal and compliance costs ~~associated with international operations~~ ; • difficulties in recruiting and retaining qualified **personnel** ~~employees and maintaining our company culture~~ ; • difficulties in gaining acceptance from industry self- regulatory bodies; • **risks related to government regulations in and related to foreign jurisdictions, including** compliance with multiple, potentially conflicting, and changing ~~governmental~~ laws and regulations ~~, including banking, AML, securities, employment, tax, privacy, and data protection laws and regulations, such as the EU' s General Data Protection Regulation, or the GDPR~~ ; • **Interchange Fee regulation in** ~~compliance with U. S. and~~ foreign **jurisdictions** ~~anti- bribery laws, including the FCPA~~ ; • exchange rate risk and **global market volatility** ~~Interchange Fee regulation in foreign countries; • limited experience selling our platform, products, and services outside of the United States~~ ; • potential restrictions on repatriation of earnings; • **management** ~~expanded compliance with potentially conflicting and changing laws~~ of ~~taxing jurisdictions in which we conduct business and applicable U. S. tax laws as they relate to international operations, the complexity of such tax laws, and potentially adverse~~ tax consequences ~~due to changes in such tax laws or the interpretation or administration thereof~~ ; and • ~~regional~~ **political, social, and / or** economic ~~and political conditions~~ **instability or military conflict** . As a result of these risks, we may not be successful in managing our existing international operations or expanding our international operations **, and our business and financial condition could be adversely affected** . We may incur losses relating to the settlement of payment transactions **on** ~~and the fraudulent use of payment cards issued through~~ our platform. ~~Our resources, technologies, and fraud prevention tools may be insufficient to accurately detect and prevent fraud~~ **We settle funds on behalf of our customers on a daily basis for a variety of transaction types** . We are and will continue to be subject to the risk of losses relating to the day- to- day settlement of payment transactions ~~that is inherent in our business model~~ , including with respect to pre- funding and chargeback requests **as well as human or processing error** . **If transactions or settlement reconciliations are not performed timely or are inaccurate due to human or processing error, we could incur losses. While** ~~Customers~~ **customers** deposit a certain amount of pre- funding into bank accounts at our Issuing Banks ~~. However~~ , depending on the model of the card program and the timing of funding and transactions, some transactions **may be authorized in an amount** that ~~exceed~~ **exceeds** the ~~amount of~~ pre- funding in the customer' s account ~~are still authorized. We have in the past, and may in the future, incur costs relating to the improper processing of chargeback requests~~ . Customers are ultimately responsible for fulfilling their obligations to fund transactions. However, when a customer does not have sufficient funds to settle a transaction, we ~~are~~ **may be** liable to the Issuing Bank to settle the transaction, including ~~a~~ fraudulent or disputed ~~transaction~~ **transactions** , and may incur losses as a result of claims from the Issuing Bank. We would seek to recover such losses from the customer, but we may not fully recover them if the customer is unwilling or unable to pay ~~due to their financial condition~~ . Additionally, when a chargeback request is approved, the purchase price of the transaction is refunded to the customer' s end user' s account through our platform. If we do not properly process the chargeback, the customer may request that we fund the refunded amount to their end user. We have in the past, and may in the future, incur costs relating to the improper processing of chargeback requests. **The costs we incur related** ~~Additionally, criminals are using increasingly sophisticated methods~~ to ~~engage~~ **our settlement obligations may adversely affect our business and financial condition. We may incur losses relating to illegal and fraudulent activity on our platform. Our resources, technologies, and fraud prevention tools may be insufficient to accurately detect and prevent fraud on our platform. We have programs to vet and monitor our potential customers and the transactions we process for them, but such programs may not be effective** in **detecting and preventing fraud or illegitimate transactions. Illegitimate transactions or** illegal activities **such as money laundering or terrorist funding can expose us to governmental and regulatory enforcement actions and potentially prevent us from satisfying our contractual obligations to our third- party partners,** which ~~they~~ may ~~use~~ **cause** ~~to target~~ us **to be in breach of our obligations. The techniques used to perpetrate fraud on our customers and our platform are continually evolving** , ~~including~~ **and we expend considerable resources to continue to monitor and combat them. Criminals may commit fraud using techniques such as stolen identities and bank accounts, compromised business email accounts, employee or insider fraud, account takeover, false applications, check fraud,** " skimming, " counterfeit payment cards, and **stolen cards** ~~identity theft. A single, significant incident~~ or **card account numbers.** ~~a series of incidents of fraud~~ **Fraud** or theft involving cards issued through our platform **or as a result of actions by our employees or contractors** could result in **financial losses, civil or criminal liability,** reputational damage ~~to us~~ , **harm to** ~~potentially reducing the use and acceptance of our platform or~~ **our business,** ~~leading to greater regulatory scrutiny that would increase our~~ **or increasing costs related to remediation or more rigorous** compliance ~~costs~~ **obligations** . Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, or other operating losses ~~. The foregoing~~ **, all of which** could have a material adverse effect on our business, results of operations, and financial condition. **Failure** ~~We are also potentially susceptible~~ to **attract** ~~risk from fraudulent acts of employees or contractors. We depend on our executive officers~~ and ~~other~~ **retain** key ~~employees~~ **personnel** , **including senior management** ~~and the loss of one or more of these employees or an~~ **and** ~~inability to attract and retain~~ other highly skilled employees **,** could adversely affect our business. Our **future** success depends **on** ~~largely upon the continued services of~~ our ~~executive officers~~ **ability to identify, hire, develop, motivate,** and ~~other key~~ **retain highly qualified personnel for all areas of our organization. Competition for highly skilled** employees **is intense as these employees are in high demand and may be in short supply** . ~~There~~ **We** have ~~been changes~~ **from time to time experienced, are currently experiencing, and we expect to continue to experience difficulty** in **hiring and retaining employees with appropriate qualifications, at a speed that is consistent with our business needs, and at an appropriate cost. Our labor expenses may increase as a result of a shortage in the supply of qualified personnel. In addition, job candidates and existing employees often consider the value of the equity awards** ~~the~~ **they** ~~past and~~ **receive in connection with** ~~there~~ **their employment. If the value of our equity awards declines, it** may **impair our ability to recruit and retain highly skilled employees. If we are not able to add and retain employees effectively, our ability to achieve our strategic objectives will** be **adversely affected, and our business and growth prospects will be adversely affected. The majority of our employees operate in a remote capacity, and we expect to continue to be subject to challenges and risks associated with having a remote workforce. For example, operating our business with both remote and in- person workers across different geographies and time zones could have a negative impact on our corporate culture, decrease the ability of our workforce to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect workforce morale.** ~~changes~~ **Changes** in ~~the future, to~~ our executive management team **may also** ~~resulting from the hiring or departure of executives, which could~~ disrupt our business ~~. For example, we appointed Simon Khalaf, most recently our Chief Product Officer and interim Chief Revenue Officer, as Chief Executive Officer and as a member of our board of directors, effective January 31, 2023. Mr. Khalaf succeeds Jason Gardner, who has served as our Chief Executive Officer since November 2010 and Mr. Gardner will continue as Executive Chairman of the board of directors. The loss of one or more of our executive officers or other key employees could adversely affect our business. Changes in our executive management team may also cause disruptions in, and adverse impacts to, our business. We also may not be able to successfully navigate the leadership changes while maintaining key aspects of our culture, which could have a significant negative effect on our existing business and our ability to pursue future plans. The volatility in or lack of appreciation of the trading price of our Class A common stock may affect our ability to attract and retain executive officers or other key employees. Many of our key employees have become, or will become, vested in a substantial amount of restricted stock units, or RSUs, or stock options. Employees may be more likely to leave us if the shares they own or the shares underlying their vested options or RSUs have significantly appreciated in value relative to the original purchase price of the shares or the exercise price of the options, or conversely, if the exercise prices of the options that they hold are significantly above the market price of our Class A common stock~~ . Any employment agreements we have with our executive officers or other key personnel do not require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. We have in the past, and may in the future, experience high attrition and turnover rates across the Company, including **executive officers and other** key ~~employees~~ **personnel** . The loss of these employees may lead to a decrease in institutional knowledge which may adversely affect our business. Additionally, we do not maintain any key person insurance policies. ~~Our~~ **We may require additional capital to support our** business ~~depends~~ **, and this capital might not be available** on **acceptable terms** ~~our ability to attract and retain highly skilled employees. Our future success depends on our ability to identify~~ , ~~hire~~ **if at all. We intend to continue to make investments to support our business and may require additional funds. In particular** , **we may seek additional funds to** develop **new** ~~, motivate, and retain highly qualified personnel for all areas of our organization, in particular highly experienced product~~ **products** and ~~technology personnel. Competition~~ **enhance our platform and existing products, expand our operations, improve our infrastructure,** ~~for~~ **or acquire complementary** ~~these types of highly skilled employees is intense. Trained and experienced personnel are in high demand and may be in short supply. We have from time to time experienced, are currently experiencing, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate~~

~~qualifications, at a speed that is consistent with our business~~ **businesses** ~~needs~~ , ~~and at~~ **technologies, services, products,** ~~an~~ **and** ~~appropriate cost. Any changes to U. S. immigration policies that restrain the~~ **other assets** ~~flow of technical and professional talent may also inhibit our ability to recruit and retain highly qualified employees. Many of the companies with which we compete for experienced employees have greater resources than we do and may be able to offer more attractive terms of employment~~ . In addition, we ~~invest significant time~~ **are using a portion of our cash to satisfy tax withholding** and ~~expense~~ **remittance obligations related to the vesting of RSUs. Accordingly, we may need to engage** in ~~training~~ **equity** ~~our~~ **or debt financings** ~~employees, which increases their value~~ to ~~competitors~~ **secure additional funds. Any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock and Class B common stock. Any debt financing** that **we** may **secure in** ~~seek to recruit them~~ **the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, potentially making it more difficult for us to obtain additional capital and to pursue business opportunities** . We may not be able to **obtain additional financing on terms favorable** ~~attract, develop, and maintain the skilled workforce necessary~~ to ~~operate~~ **us, if at all. Disruptions in the credit markets** ~~our~~ **or** ~~business~~ **other factors** , **such** ~~and labor expenses may increase~~ as ~~a result of a shortage in~~ **inflation or rising interest rates, could adversely affect** the ~~supply~~ **availability, diversity, cost, and terms** of ~~qualified personnel~~ **funding arrangements** . In addition, ~~in 2022~~ **actual events involving limited liquidity** , **defaults, non** ~~we transitioned our Company to a flexible~~ - **performance** ~~first work environment. As of December 31~~ , ~~2022, 58 % of our~~ **or** ~~employees were remote. Over time such remote operations may decrease the~~ **other** ~~cohesiveness of our teams and our ability to maintain our culture, both of which are critical to our success. Additionally, a remote working environment may impede our ability to undertake new business projects, foster a creative environment, hire new team members, and retain existing team members. Such effects may adversely~~ - **adverse developments that** affect ~~the productivity of~~ **financial institutions, transactional counterparties,** ~~our~~ **or** ~~team members and overall operations~~ **other companies in the financial services industry or the financial services industry generally** , ~~which~~ **or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. The ultimate outcome of these events cannot be predicted, but these events** could have a material adverse effect on our business **. The FDIC only insures up to $ 250** , ~~results~~ **000 per depositor per insured bank, and we currently have cash deposited in certain financial institutions in excess** of ~~operations~~ **FDIC insured levels. If any of the banking institutions in which we have deposited funds ultimately fails, we may lose our deposits over $ 250, 000. Further, certain banks may be under regulatory orders and may not be able to support us due to regulatory challenges. The loss of our deposits at such banks may have a material adverse effect on our business** , financial condition, and **liquidity. We have in the past and may in the** future **make investments** ~~prospects. In addition, job candidates and existing employees often consider the value of the equity awards they receive~~ in ~~connection with their employment~~ **investment- grade securities** . If **such investments** ~~the value of our equity awards declines, it may impair our ability to recruit and retain highly skilled employees. If we~~ are not **diversified or are concentrated at an “ at- risk ” institution, we may experience losses and may not be** able to **liquidate** ~~add and retain employees effectively, our ability to achieve our strategic objectives will be adversely affected, and our business and growth prospects will be adversely affected. Exposure to political developments in the United Kingdom, including the United Kingdom’ s decision to leave the European Union, could adversely affect us. On June 23, 2016, a referendum was held on the U. K.’ s membership in the European Union, or the EU, resulting in a vote in favor of leaving the European Union. Effective as of January 31, 2020, the U. K. formally withdrew its membership from the European Union. The U. K.’ s decision to leave the European Union has created an uncertain political and economic environment in the U. K. and across other European Union member states. The political and economic instability created by the U. K.’ s decision to leave the European Union has caused and may continue to cause volatility in global financial markets and the value of the British Pound or other currencies, including the Euro. In addition, this uncertainty may cause some of our customers or potential customers to curtail or delay spending or adoption of our platform. Depending on the market and regulatory effects of the U. K.’ s exit from the European Union, it is possible that there may be adverse practical or operational implications on our business. For example, the U. K. Data Protection Act, which implemented the EU’ s General Data Protection Regulation, or the GDPR, was amended January 1, 2021 to reflect the U. K.’ s status outside the European Union. However, the U. K. has discussed its plans to depart from the GDPR and implement its own framework. It remains unclear how U. K. data protection laws or regulations will develop and be interpreted in the medium to longer term, how data transfers to and from the U. K. will be regulated, and how those regulations may differ from those in the European Union. While we have taken measures to preemptively address the impact of the U. K.’ s departure from the European Union by including contingency clauses in our European Union master service agreements, for example, these may not adequately protect us from adverse implications on our business. Further, the U. K.’ s exit from the European Union may create increased compliance costs. These and other factors related to the departure of the U. K. from the European Union may adversely affect our business, financial condition, and results of operations. We may face exposure to foreign currency exchange rate fluctuations, and~~ such ~~fluctuations could adversely affect our business, results of operations, and financial condition. As we continue to expand our global operations, we become more exposed to the effects of fluctuations in currency exchange rates. Our customer contracts are denominated primarily in U. S. dollars, and therefore the majority of our net revenue is not subject to foreign currency risk. We expect, however, to significantly expand the number of transactions with customers that are denominated in foreign currencies in the future as we continue to expand our business internationally. We also incur expenses for employee compensation and other operating expenses at our non- U. S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in an increase to the U. S. dollar equivalent of such expenses and, as a result, adversely affect our business, results of operations, and financial condition. We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all. We intend to continue to make~~ investments ~~to support our business and may require additional funds. In particular, we may seek~~

~~additional funds to develop new products and enhance our platform and existing products, expand our operations, including our sales and marketing organizations and our presence outside of the United States, improve our infrastructure or acquire complementary businesses, technologies, services, products, and other assets. In addition, we are using a portion of our cash to satisfy tax withholding and remittance obligations related to the vesting of RSUs. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock and Class B common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, potentially making it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. Disruptions in the credit markets or other factors, such as the current inflationary environment and rising interest rates, could adversely affect the availability, diversity, cost, and terms of funding arrangements~~ . If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements, and respond to business challenges could be significantly impaired, and our business, results of operations, and financial condition may be adversely affected. ~~Any acquisition, strategic~~ **Strategic** ~~investment, partnership, alliance and other transaction~~ **transactions , including acquisitions, investments, partnerships, and collaborations,** could ~~be difficult to identify,~~ fail to achieve strategic objectives, divert the attention of ~~key~~ management ~~personnel~~ , disrupt our ongoing operations, dilute stockholder value ~~or result in operating difficulties~~ , ~~liabilities~~ and ~~expenses, harm~~ **may adversely affect** our business ~~,~~ and **financial** ~~negatively impact our~~ results ~~of operations~~ . We may be unable to successfully integrate **any** acquired businesses and technology. We have in the past and may in the future ~~seek to~~ acquire or invest in businesses, products, or technologies that we believe could complement our platform, products, and services ~~or expand the breadth of our platform, enhance our products and capabilities~~ , expand our geographic reach or customer base, or otherwise offer growth opportunities. For example, we acquired Power Finance Inc. ~~on~~ **in** February ~~3,~~ 2023. The identification, pursuit, evaluation **,** and negotiation of potential strategic ~~investment~~ transactions ~~or acquisitions~~ may divert the attention of management and entail various expenses, whether or not such transactions are ultimately consummated. Any acquisition, investment, or business relationship may result in unforeseen operating difficulties and expenditures or require us to make adjustments to our or the acquired company' s business models. There can be no assurance that we will be successful in identifying, negotiating, and consummating favorable transaction opportunities ~~,~~ or successfully integrating the acquired personnel, operations, and technologies, or effectively scaling ~~, expanding,~~ and managing the combined business following the acquisition. Specifically, we may not successfully evaluate or utilize the acquired technology or personnel from an acquired business and we may be unable to retain key personnel after a transaction, including personnel who are critical to the success of the ongoing business. We may not accurately forecast the financial impact of an acquisition transaction ~~, including accounting charges~~ . Moreover, the anticipated benefits, ~~opportunities,~~ growth, **or** synergies ~~, or business model improvements~~ of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities. **If** ~~We may not be able to find and identify desirable acquisition targets or~~ we ~~may not be successful in entering into an agreement with any one target. We may be required to issue equity or debt securities to acquire businesses which could dilute our shareholders or adversely affect our results of operations. In addition, if an acquired business fails to meet our expectations, our business, results of operations, and financial condition may suffer. We have made, and may in the future seek to make, strategic investments in early stage companies developing products or technologies that we believe could complement our platform or expand its breadth, enhance our technical capabilities, or otherwise offer growth opportunities. These investments may be in early stage private companies for restricted stock. Such investments are generally illiquid and may never generate value. Further, we may~~ invest in companies that do not succeed, ~~and~~ our investments may lose all or some of their value, which could result in us recording impairment charges reflected in our results of operations. ~~Litigation, regulatory actions, and compliance issues could subject us to fines, penalties, judgments, remediation costs, requirements resulting in increased expenses and reputational harm.~~ In the ordinary course of business, we **have been, are currently, and in the future** may be **,** involved in ~~and subject to~~ litigation **or disputes. We have also received and may in the future receive, inquiries, warrants, subpoenas, and other requests** for ~~a variety of~~ **information in connection with government investigations. Such** claims ~~or~~ **,** disputes **, lawsuits, proceedings,** and ~~receive~~ **investigations could involve matters relating to employment, wage and hour, commercial, antitrust, securities, the duties of officers or directors,** regulatory **compliance** ~~inquiries. These claims, lawsuits, and proceedings could include labor and employment, wage and hour, commercial, antitrust, alleged securities law violations or other investor claims~~ , and other matters. The number and significance of ~~these potential claims~~ **litigation, regulatory, and government or legal investigation matters** and disputes may increase as our business expands. **We also had in the past, have currently, and may have in the future indemnification obligations as a result of our contracts with customers and partners that may require us to reimburse or pay for damages, fees, or other expenses associated with claims, lawsuits, proceedings, and investigations such customers and partners face.** Further, our ~~general~~ liability insurance may not cover all potential claims made against us or **third parties or** be sufficient to ~~indemnify~~ **cover** us for all liability that may be imposed. ~~Any~~ **A** claim **brought** against us ~~, regardless of~~ **or third parties that** ~~its~~ - **is** ~~merit,~~ **uninsured or under- insured** could ~~be costly~~ **result in unanticipated costs. The costs associated with litigation** , **disputes, regulatory actions, and government or legal investigations can also be unpredictable depending on the complexity of the matter, the resources needed to manage it, and length of time devoted to it. These matters may also** divert management' s attention and operational resources, ~~and~~ **could** harm our reputation **regardless of the outcome** ~~. As litigation is inherently unpredictable~~ , ~~we~~ **and might seriously harm our business, overall financial condition, and operating results. We** cannot assure you that any **actual or** potential **litigation,** claims ~~or~~ **,** disputes **, investigations, or proceedings** will not have a material adverse effect on our business, results of operations, and financial condition. **We rely on third parties to**

~~The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing~~ **provide** certain products and services ~~. Some of the laws and regulations affecting our business have been enacted relatively recently. Many laws and regulations affecting our business are evolving~~ , ~~unclear, and inconsistent across jurisdictions, and ensuring compliance with them is difficult and costly. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have an~~ **and** ~~adverse effect on our business. Additionally, while we have developed policies and procedures designed to assist in compliance with laws and regulations, no assurance can be given that our compliance policies and procedures will be effective. Failure to comply with laws and with regulatory requirements applicable to our business could subject us to damages, revocation of licenses, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm our business. Our vendor relationships subject us to a variety of risks, and the~~ **their** failure ~~of third parties~~ to **perform those services or** comply with legal or regulatory requirements ~~or to provide various services that are important to our operations~~ could ~~have an adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ our business ~~,~~ **and financial** results ~~of operations, financial condition, and future prospects~~ . We depend on services from various third- party vendors to ~~maintain~~ **provide** our **products** ~~infrastructure, including data center facilities~~ and ~~Amazon Web Services~~ **services** ~~, Inc. as our computing and storage platform. We also rely on Card Networks to complete, settle, and reconcile transactions processed on our platform~~ . Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our platform. We conduct vendor due diligence ~~; however~~ **and manage such vendors using a risk- based approach intended to determine if relevant vendors have the ability to implement and maintain appropriate security measures** , **consistent with all applicable laws, to implement and maintain reasonable security measures in connection with their work with us, and to promptly report to us any suspected breach of their security measures that may affect our business. If we are unable to timely and accurately identify at- risk vendors or** if a service provider fails to **properly safeguard our** ~~develop and maintain sufficient internal control processes, fails to maintain adequate~~ data ~~privacy controls and electronic security systems, or fails to provide sufficient capacity to support our~~ - **or intellectual property** ~~platform or otherwise experiences service outages~~ , ~~such failure could adversely affect the business of our customers using our platform or their perception of our platform' s reliability. Further, if any service provider~~ fails to meet contractual requirements (including compliance with applicable laws and regulations), suffers a **cyberattack,** ~~cyber- attack or other~~ security breach **or incident** , **or other** ~~experiences damage to its systems~~ - **system outage** or ~~facilities~~ **interruption** , or terminates its contract with us, **we** ~~such failure or event~~ could **be** subject ~~us~~ to **claims from customers and other third parties or** regulatory enforcement actions, ~~claims from third parties, including our customers,~~ and **such incidents may also put information** we **process at risk which** could **in turn** ~~suffer economic and reputational harm that could have an adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ our business ~~. If any service provider fails~~ , **reputation** ~~we may also be unable to effectively address capacity constraints~~ , ~~upgrade~~ **financial condition,** ~~our~~ - **or results of operations** ~~systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, as well as to increase efficiency~~ . In some cases, vendors are the sole source, or one of a limited number of sources, of the services they provide to us. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of any of these services could ~~result~~ **adversely affect our business and we may incur additional costs to resolve the issue. Indemnity provisions** in ~~decreased functionality~~ **various agreements potentially expose us to substantial liability and risk** of **loss. Our agreements with Issuing Bank partners and customers include indemnification provisions under which we agree to indemnify them for losses** ~~our~~ - **or** ~~platform until equivalent technology is either developed~~ **expenses suffered or incurred in certain circumstances, including, for example, in relation to claims arising out of the breach of such agreements, services to be provided** by us ~~or~~ , **or** ~~if available~~ from ~~another provider, is identified, obtained, and integrated into our infrastructure. We may incur significant costs to resolve any disruptions in service, which could adversely affect our business. Additionally, if our vendors, or other service providers, fail to comply with the legal requirements applicable to the particular products or services being offered, or violate applicable laws or our policies, or become subject to third party claims of~~ intellectual property infringement ~~, misappropriation,~~ **claims made by third parties. Some of these agreements provide** ~~or~~ **for uncapped liability** ~~other violation, or~~ **for** ~~malfunctions~~ **indemnification claims and some indemnity provisions survive termination** or ~~functions in a way we did not anticipate~~ **expiration of the applicable agreement. In some cases** , ~~such violations may also put information~~ we ~~process at risk~~ **have in the past** and could **continue to be exposed to liability or indemnification claims from our customers or partners** in ~~turn adversely impact and affect~~ **connection with the services we provide. Large payments to partners or customers could harm** our business, ~~reputation~~ **results of operations** , **and** financial condition ~~,~~ **. Any dispute with a partner or customer with respect to these obligations could have adverse effects on** ~~or~~ **our relationship with that partner or customer and other existing or prospective partners and customers, and harm our business and** results of operations **. Further, although we carry insurance, our liability insurance may not cover all potential claims made against us or be sufficient to cover us for all liability that may be imposed, and any such coverage may not continue to be available to us on acceptable terms or at all** . If our estimates or judgments relating to our accounting policies prove to be incorrect, our results of operations could be adversely affected. The preparation of financial statements in conformity with ~~U. S.~~ generally accepted accounting principles ~~, or~~ **("** GAAP ~~,~~ **")** requires management to make estimates and assumptions that affect the amounts reported in the ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** and accompanying notes. We base our estimates in part on historical experience, market observable inputs, if available, and various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of net revenue and expenses that are not readily apparent from other sources. Assumptions and estimates used in preparing our ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** include those related to revenue recognition ~~and~~ **,** accounting for **business combinations and** share- based compensation. **If we make incorrect**

assumptions or estimates, our reported financial results may be over- or understated, which could materially and adversely affect our business, financial condition and results of operations. Our results of operations may **also** be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock. **Risks Relating to Regulation Our business is subject to extensive regulation and oversight in a variety of areas, directly and indirectly through our relationships with Issuing Banks and Card Networks, which regulations are subject to change and to uncertain interpretation. Compliance with such laws and regulations could result in additional costs and any failure to comply could materially harm our business and financial condition.** We, our vendors, our partners, and our customers are subject to a wide variety of laws, regulations, and industry standards, including supervision and examination with respect to the foregoing **by multiple authorities and governing bodies and in multiple countries** , which govern numerous areas important to our business ~~in the United States, both at the federal and state level, and in other countries where we operate both directly and indirectly through our relationships with Issuing Banks and Card Networks. As we continue to expand our operations internationally, we may become subject to additional laws and regulations, including possible examination and supervision, by international authorities~~ . While we currently operate our business in an effort to ensure our business itself is not subject to the same level of regulation as ~~our~~ **the** Issuing Banks and Card Networks that we partner with, ~~the~~ Issuing Banks and Card Networks operate in a highly regulated environment, and there is a risk that those regulations could become applicable to ~~,~~ or impact ~~,~~ us. ~~For example~~ **As a program manager** , ~~due to our relationships~~ **we are responsible for aligning compliance** with ~~certain~~ Issuing ~~Banks~~ - **Bank requirements** and Card ~~Networks~~ - **Network** ~~, we may be subject to indirect supervision and examination by the CFPB, which is engaged in rule~~ **rules , -** ~~making~~ and **we help create** ~~regulation~~ - **regulatory compliant** ~~of the payments industry, including, among other things, the regulation of prepaid cards~~ - **card** ~~, BNPL financing~~ programs **for our customers. In some cases** , ~~and~~ **we have in** the ~~enforcement of certain protections under applicable regulations~~ **past and could continue to be exposed to liability or indemnification claims from our customers or partners in connection with the services we provide** . We are directly ~~subject to regulation in areas including privacy~~ , ~~data protection~~ and **indirectly through** ~~information security, and anti- bribery, and~~ our contractual relationships with customers, Issuing Banks **,** and Card Networks ~~may~~ **,** subject ~~us~~ to ~~additional regulations~~ - **regulation in areas which may** ~~including~~ **include privacy, data protection and information security, global sanctions regimes and export controls, and anti- bribery, and** those relating to payments services (such as payment processing and settlement services) **, AI** ~~and those relating to payments products and services utilizing artificial intelligence~~ , consumer protection, AML, ~~anti- bribery,~~ escheatment ~~, international sanctions regimes and export controls, privacy, data protection, information security, intellectual property~~ , and compliance with ~~the~~ PCI DSS **. As** ~~, a data security standard and set of requirements designed to ensure that all companies that process, store, or~~ **our business and platform continue** ~~transmit payment card information maintain a secure environment~~ to ~~protect cardholder data. The~~ **develop and expand, we may become subject to additional** laws, rules, regulations, and **industry** standards **, including possible additional examination** ~~applicable to our business are enforced by multiple authorities~~ and ~~governing bodies~~ **supervision,** in the United States ~~, including federal agencies, self- regulatory organizations, and numerous state agencies. Outside of the United States, we may be subject to additional laws, rules, regulations, and standards. In addition, as our business and platform continue to develop and expand, we may become subject to additional rules, regulations, and industry standards in the United States~~ and internationally ~~where we do business~~ . New **or changing** laws or regulations could ~~also~~ require us to incur significant expenses and devote significant management attention to ensure compliance **and** ~~. For example, we~~ could **also prompt** ~~be regulated by international, federal, and state regulatory agencies through licensing and other supervisory or~~ **our** ~~enforcement authority, which could include regular examination by international, federal, and state governmental authorities. We may not always accurately predict the scope or applicability of certain regulations to our business, particularly as we expand into new areas of operations, which could have a significant negative effect on our existing business and our ability to pursue future plans. In addition to laws and regulations that apply directly to us, we are contractually subject to certain laws and regulations through our relationships with~~ Issuing Banks ~~and Card Networks, which operate in a highly regulated industry. Additionally, as a program manager, we are responsible for ensuring compliance with Issuing Banks' requirements and Card Network rules, and we help create regulatory compliant card programs for our customers. In some cases, our inability to ensure such compliance could expose us to liability or indemnification claims from our customers or partners. Furthermore, legislative and regulatory changes could prompt our Issuing Banks~~ to alter ~~the extent or the terms of~~ their dealings with us in ways that may have adverse consequences for our business. **We may not be able to respond quickly** ~~For~~ - **or effectively** ~~example, due~~ to **,** ~~our~~ - **or accurately predict the scope or applicability of, regulatory, legislative, or other developments, which may in turn impair our ability to offer our existing or planned features, products, and services and / or increase our cost of doing business. In addition, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, or criminal or civil sanctions, all of which may have an adverse effect on our reputation, business, results of operations, and financial condition. As a result of our business** relationships ~~with certain Issuing Banks and Card Networks~~ , we may **also** be subject to **direct or** indirect supervision and examination by ~~the~~ **various authorities. The** CFPB, **for example** ~~which is engaged in rulemaking and regulation of the payments industry, including, among other things, the regulation of prepaid cards, BNPL financing programs, and the enforcement of certain protections under applicable regulations. While reform in the payment industry, such as the formation of the CFPB~~ , has ~~focused on individual consumer protection, legislatures continue to consider whether to include business customers, especially smaller business customers, within the scope of these regulations and the CFPB recently~~ indicated it has dormant authority to ~~regulate any~~ **examine certain** ~~company~~ **companies** whose services may ~~have~~ **pose risk to** ~~consumer~~ **consumers** ~~impact~~ **, which may include our company. The CFPB has also published guidance on third party risk management, which places additional vendor compliance oversight expectations for certain companies operating in the**

financial services industry . As a ~~result~~ **program manager** , ~~new~~ **we may be viewed as overseeing third party relationships on behalf of our Issuing Banks and, as such, it is possible that regulators could hold us responsible for actual or perceived deficiencies in our oversight and control of third party relationships. New** or expanded regulation ~~focusing on business customers~~ or changes in interpretation or enforcement of **existing** regulations may have an adverse effect on our business, results of operations, and financial condition due to increased compliance costs and new restrictions affecting the ~~terms under~~ **offering of our platform, products and services. Further, while we do not handle or interact with cryptocurrency and we only process transactions on our platform in fiat currencies, certain cryptocurrency businesses use our platform to provide card products to their customers and end users. The regulation of cryptocurrency is rapidly evolving and varies significantly among jurisdictions and is subject to substantial uncertainty. Various legislative and executive bodies in the U. S. and other countries may adopt laws, regulations, or guidance, or take other actions,** which **may impact** ~~we offer our Platform or~~ **our Issuing Banks and restrain the growth of cryptocurrency businesses and in turn impact the net revenue associated with our cryptocurrency business customers. While we have developed policies and procedures designed to assist in compliance with laws and regulations, no assurance can be given that our compliance policies and procedures will be effective. If we fail to comply or are alleged or perceived to have failed to comply with applicable laws and regulations, we may be subject to litigation or regulatory investigations or other proceedings, we may have to pay fines and penalties or become subject to civil or criminal liability or have additional obligations or restrictions imposed upon our business, and our customer relationships and reputation may be adversely affected, which could have a material adverse effect on our business, results of operations, and financial condition. In some cases, regardless of fault, it may be less time- consuming or costly to settle these matters, which may require us to implement certain changes to our business practices, provide remediation to certain individuals, or make a settlement payment to a given party or regulatory body. Laws, regulations, and industry standards related to privacy and data protection, and our actual or perceived failure to comply with such obligations, could adversely affect our business and financial results. Governmental bodies and industry organizations in the United States and abroad have adopted, or are considering adopting, laws and regulations governing the use of, and requiring safeguarding of, personal information. We also are and may become subject to contractual obligations relating to privacy, data protection, and information security. For example, we are subject to the California Consumer Privacy Act (" CCPA "), as amended and supplemented by the California Privacy Rights Act, which imposes significant restrictions on the collection, processing, and disclosure of personal information, including imposing increased penalties related to data privacy incidents. Other U. S. states have also passed or are considering privacy legislation, including omnibus privacy legislation similar to the CCPA, and industry organizations regularly adopt and advocate for new standards in these areas. In Europe, we are subject to the General Data Protection Regulation (" GDPR ") which extends the scope of E. U. data protection law to all companies processing data of individuals within the E. U., regardless of the company' s location, and requires companies to meet stringent requirements regarding the handling of personal data. The U. K. has also adopted a law substantially implementing the GDPR as part of its local data protection law, referred to as the U. K. GDPR. The GDPR imposes substantial obligations and risk upon our business and provides for significant penalties in the event of any non-compliance. The GDPR and other laws and regulations in the E. U., the U. K., and elsewhere also impose limitations on international transfers of personal data. We continue to monitor and assess evolving regulatory guidance and other developments related to our data transfer mechanisms, and it is possible that our ability to transfer personal data will be impacted or challenged as such requirements evolve. Any inability to transfer personal data in compliance with these requirements may require us to modify our policies and practices and may otherwise adversely affect our business. Current or future laws, regulations, contractual obligations, and industry standards or other frameworks may impose, or be asserted to impose, requirements that are inconsistent with our data management and processing practices or the operation of** our products and services. **While we have incurred and expect to continue to incur substantial expense in complying with new and evolving privacy and data protection laws and frameworks, we may not be successful in our efforts to achieve compliance. If we fail or are alleged to have failed to comply with these laws, regulations, frameworks, or other actual or asserted obligations, we may be subject to regulatory investigations, enforcement actions, and other proceedings, civil litigation, claims, and demands, and fines and other penalties, all of which may result in additional cost and liability to us, damage our reputation, and adversely affect our business. We may also be required to make additional, significant changes in our policies and business operations, such as modifying products and services, our data processing practices or policies, or otherwise restricting our operations, which we may be unable to complete on a commercially reasonable basis or at all, and our potential liability in connection with non- compliance with laws, regulations, contractual obligations, and frameworks may increase, all of which could have a material adverse effect on our business, results of operations, and financial condition.** A ~~majority~~ **portion** of our net revenue is derived from Interchange Fees and ~~we expect~~ **changes in** Interchange Fees ~~to continue to represent a significant percentage~~ **or Interchange Fee regulation could adversely affect our business, results of operations, and financial condition. A portion** of our net revenue ~~in~~ **is derived from Interchange Fees and** the ~~near term. The~~ amount of Interchange Fees we earn is highly dependent on the interchange rates that the Card Networks set and adjust. ~~From time to time, Card Networks change the~~ Interchange Fees and assessments ~~they charge for transactions processed using their networks. Interchange Fees and assessments~~ are ~~also~~ subject to change from time to time **by the Card Networks and** due to government regulation. Interchange Fees are the subject of intense legal and regulatory scrutiny and competitive pressures in the electronic payments industry. For example, the Durbin Amendment ~~to the Dodd- Frank Act, which limits Interchange Fees,~~ may restrict or otherwise impact the way we do business or limit our ability to charge certain fees to customers. Issuing Banks that are exempt from the ~~interchange~~ **Interchange** ~~fee~~ **Fee** restrictions in the Durbin Amendment are able to access higher interchange rates. As a result, to maximize our Interchange Fees, we ~~currently~~ **generally** only contract with Issuing Banks that are subject to this exemption from the Durbin Amendment when we provide MxM services ~~. Changes in regulation or additional rulemaking may adversely affect the way we conduct our business or result in additional compliance obligations and expense~~ for ~~our business and limitations on net revenue. On October 3, 2022, the Board of Governors of the Federal Reserve System adopted its final rule pursuant to the Electronic Fund Transfer Act to clarify the requirement that~~ debit **and prepaid** card **programs** ~~issuers ensure that at least two unaffiliated payment card networks have been enabled to process all debit card transactions, including “ card not present ” transactions, such as online payments. Such secondary payment card networks may charge lower Interchange Fees, and to the extent merchants substantially shift their ‘ card not present’ transaction volumes to such networks, we may experience a reduction in net revenue derived from Interchange Fees~~. Interchange Fee regulation also exists in other countries where our customers use payment cards and such regulation could adversely affect our business in other foreign regions. Any changes in the Interchange Fees associated with our customers’ card transactions could adversely affect our business, results of operations, and financial condition. ~~Moreover,~~ **Changes to the rules** ~~our~~ - **or** ~~use of vendors and~~ **practices set by Card Networks** ~~our~~ - **or** ~~other ongoing third party business relationships could be subject to increasing regulatory requirements and attention. We regularly use vendors and subcontractors as part of~~ our **failure** ~~business. It is possible that regulators will hold us responsible for deficiencies in our oversight and control of third party relationships and in the performance of the parties with which we have these relationships. If we fail~~ to comply with ~~laws~~ **their rules** and ~~regulations applicable to~~ **practices could adversely affect** our business ~~in~~ **. We are required to comply with the rules set by the Card Networks. The termination of the card association registrations held by us or any of our Issuing Banks or any changes to these Card Network rules or their interpretation could have** a **significant impact on** ~~timely and appropriate manner, or~~ **our** ~~if this is perceived or reported~~ **business and financial condition. If we fail** to **make required changes or otherwise resolve an issue with the Card Networks, the Card Networks could charge us additional fees. We** have **been charged such** ~~occurred, we may be subject to litigation or regulatory investigations or other proceedings, we may have to pay fines and penalties or become subject to~~ additional ~~obligations~~ **fees in the past, and expect to continue to be charged such fees in the future as Card Network rules change. These additional fees are considered costs of revenue. We could also be fined and** ~~or~~ **our** ~~restrictions~~ **registrations** ~~imposed upon our~~ - **or** ~~business or operations,~~ **certifications could be suspended** ~~our~~ - **or terminated** ~~reputation may be harmed, and our customer relationships and reputation may be adversely affected,~~ which **could limit our ability to process transactions and** could have a material adverse effect on our business ~~,~~ **and** results of operations ~~, and financial condition~~ . **We are subject to anti** ~~In some cases, regardless of fault, it may be less time~~ - **money laundering** ~~consuming or costly to settle these matters~~ , **anti- bribery** ~~which may require us to implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body. Further, while we do not handle or interact with cryptocurrency~~ and ~~we only process~~ **corruption (“ AB & C ”),** ~~transactions~~ -- **sanctions** ~~on our platform in fiat currencies~~ , ~~certain cryptocurrency businesses use our platform to provide card products to their customers~~ and **similar** ~~end users. The regulation of cryptocurrency is rapidly evolving and varies significantly among international, federal, state, and local jurisdictions and is subject to substantial uncertainty. Various legislative and executive bodies in the U. S. and other countries may adopt~~ laws, ~~regulations, or guidance, or take other actions, which may impact our Issuing Banks and restrain the growth of cryptocurrency businesses and in turn impact the net revenue associated with our cryptocurrency business customers. We may not be able to respond quickly or effectively to regulatory, legislative, or other developments, and these changes may in turn impair our ability to offer our existing or planned features, products, and services and / or increase our cost of doing business. In addition, if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, or criminal or civil sanctions, all of which may have an~~ **and** ~~adverse effect on our reputation, business, results of operations, and financial condition. Stringent and changing laws, regulations and industry standards related to privacy, data protection, and information security could adversely affect our ability to effectively provide our services and could result in claims or fines, harm our results of operations, financial condition, and future prospects, or otherwise harm our business. Governmental bodies and industry organizations in the United States and abroad have adopted, or are considering adopting, laws and regulations restricting the use of, and requiring safeguarding of, personal information. For example, the California Consumer Privacy Act became effective on January 1, 2020 and imposed significant restrictions on the collection, processing, and disclosure of personal information, including imposing increased penalties related to data privacy incidents. Additionally, a new privacy law, the California Privacy Rights Act, or the CPRA, which became effective on January 1, 2023, creates additional obligations relating to personal information (with certain provisions having retroactive effect to January 1, 2022). Other U. S. states have also passed or are considering omnibus privacy legislation and industry organizations regularly adopt and advocate for new standards in these areas. Many obligations under these proposed laws and legislative proposals remain uncertain, and we cannot fully predict their impact on our business. Industry organizations also regularly adopt and advocate for new standards in these areas, and we are and may become subject to contractual obligations relating to privacy, data protection, and information security. If we fail to comply with any of these laws, standards, or other actual or asserted obligations, if we fail to protect information that we collect or otherwise process, or if any of these events is reported or perceived to have occurred, we may be subject to regulatory investigations, enforcement actions, and other proceedings, civil litigation, claims, investigations, and demands, and fines and other penalties and liabilities, all of which may generate negative publicity, harm our reputation, and have a negative impact on our business. Further, any such actual or perceived failure may result in, among other things, revocation of any required licenses or registrations, loss of any approved status, administrative enforcement actions, sanctions, civil and criminal liability, and constraints on our ability to operate. Our efforts to comply with laws, regulations, and other obligations relating to privacy, data protection, and information security also may cause us to incur substantial operational costs or require us to change our policies and our business practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of vendor~~

~~cooperation. As we continue to expand our operations internationally, we will continue to become subject to various foreign policy and data protection laws and regulations, which may in some cases be more stringent than the requirements in the jurisdictions in which we currently operate. For example, the GDPR, which became effective in 2018, extends the scope of European Union data protection law to all companies processing personal data of European Union residents, regardless of the company' s location, and requires companies to meet stringent requirements regarding the handling of personal data. The U. K. has also adopted a law substantially implementing the GDPR as part of its local data protection law, referred to as the U. K. GDPR. The GDPR and other laws and regulations in Europe, the U. K., and elsewhere also impose some limitations on international transfers of personal data. The GDPR imposes substantial obligations and risk upon our business and provides for significant penalties in the event of any~~ non- compliance ~~. Administrative~~ **with such laws and regulations can subject us to criminal penalties or significant** fines ~~under the GDPR can amount up to 20 million Euros or four percent of a company group' s annual global turnover~~ , ~~whichever is higher. Further, it remains unclear how U. K. data protection laws and regulations will develop in the medium to longer term. We have incurred substantial expense in complying with new and evolving privacy and data protection legal frameworks and we may be required to make additional, significant changes in our business operations, all of which may~~ adversely affect our ~~net revenue and our~~ business **and reputation** ~~overall. Additionally~~ , **or have other adverse consequences for** ~~because many of these new regimes lack a substantial enforcement history, we are unable to predict how emerging standards may be applied to~~ us. ~~Among~~ **We can be held liable under AML, AB & C, sanctions, and similar laws for** ~~other~~ -- **the corrupt or illegal activities** ~~requirements, the GDPR regulates transfers~~ of **our** ~~personal data subject to the GDPR to~~ third ~~countries that~~ **- party intermediaries and our employees, representatives, contractors, partners, and agents, even if we do not authorize such activities. While we** have **programs** ~~not been found to provide adequate protection to such personal data, including the United States. On July 16, 2020, the Court of Justice of the European Union invalidated the EU- U. S. Privacy Shield, eliminating a mechanism we had relied on to legitimize EU- U. S. data transfers. An alternative transfer mechanism that we rely on, use of standard contractual clauses approved by the European Union Commission, continues to be a valid mechanism for data transfers, provided additional safeguards are in place~~ and **controls designed** ~~the appropriate versions of those standard contractual clauses are employed. The EU and U. K. each have issued updated standard contractual clauses that are required~~ to ~~be implemented. We continue to monitor and assess regulatory guidance and other developments related to our data transfer mechanisms, with it possible that our ability to transfer personal data across borders, including from the European Union, U. K., and Switzerland to the United States (and other countries), will be impacted. We and many other companies may need to implement different or additional measures to establish or maintain legitimate means for the transfer and receipt of personal data from the European Union, U. K., Switzerland, or other jurisdictions to the United States (and other countries), and we may, in addition to other impacts, experience additional costs associated with increased compliance burdens, and we and our customers face the potential for regulators to apply new or different standards to the transfer of personal data from the European Union, U. K., Switzerland, or other jurisdictions to the United States (and other countries), and to restrict, block, or impose conditions or restrictions with respect to, certain personal data transfers. Other jurisdictions have also enacted legislation that requires maintaining data locally. Any inability to transfer personal data in compliance with laws or regulations relating to privacy, data protection, or information security, or otherwise~~ comply with **applicable AML** ~~requirements in this rapidly changing environment~~ , ~~may impede~~ **AB & C, and sanctions laws and regulations, we cannot assure you that our programs and controls will be effective in ensuring compliance and that none of our third- party intermediaries** ~~our~~ - **or** ~~ability to attract~~ **employees, representatives, contractors, partners,** and ~~retain~~ **agents will take actions in violation of those controls and laws. Ours or these third parties' failure to comply with these laws and regulations could result in a breach and / or termination of our agreements with Issuing Banks and** customers **and /** ~~. If more restrictive~~ or **fines** ~~burdensome laws, rules,~~ or **penalties** ~~regulations related to privacy, data protection, or information security are adopted~~ by **governmental agencies** ~~authorities in the future on the federal or state level or internationally, or if new or existing laws, rules, or regulations become subject to new or differing interpretations or enforcement, or if we become bound by additional obligations that we become subject to in response to customer requests, contractual obligations, or otherwise, relating to privacy, data protection, or information security, including any additional compliance standards relating to non- public consumer personal information, our compliance and operational costs may increase, our opportunities for growth may be curtailed, we may find it necessary or appropriate to modify our data processing practices or policies or otherwise restrict our operations~~ , which ~~we may be unable to complete on a commercially reasonable basis or at all, and our potential liability in connection with breaches or incidents relating to privacy, data protection, and information security may increase, all of which could~~ **would** have a material adverse effect on our business, results of operations, and financial condition. ~~Because the interpretation and application of many laws and regulations relating to privacy, data protection, and information security are uncertain, it also is possible that current or future laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products and services. If so, in addition to the possibility of fines, lawsuits, claims, demands, regulatory investigations and other proceedings, and other claims and penalties, we could be required to change our business activities and practices or modify our products or services, any of which could have an adverse effect on our business and which we may be unable to complete on a commercially reasonable basis or at all. Any claims regarding our inability to adequately address privacy, data protection, or information security concerns, even if unfounded, or to comply with applicable laws, regulations, contractual requirements, policies, or other actual or asserted obligations, such as industry standards, could result in additional cost and liability to us, damage our reputation, result in negative publicity, and adversely affect our business. Privacy, data protection, and information security concerns, whether valid or not, may inhibit market adoption of our products and services, particularly in certain industries and jurisdictions. Additionally, if we are not able to quickly adjust to changing laws, regulations, and standards related to the internet, we could face fines, lawsuits, regulatory investigations and other claims and penalties, our business may be harmed. We are subject to, and have an obligation to comply with, anti- corruption, anti- bribery,~~

~~anti- money- laundering, and similar laws, and non- compliance with such laws and their obligations can subject us to criminal penalties or significant fines, significantly and adversely affect our business and reputation, or have other adverse consequences for us. We can be held liable under anti- corruption, anti- bribery, AML, and similar laws for the corrupt or illegal activities of our third- party intermediaries and our employees, representatives, contractors, partners, and agents, even if we do not authorize such activities. While we have programs and controls designed to ensure compliance with all applicable AML, and anti- bribery laws and regulations, we cannot assure you that none of our third- party intermediaries and our employees, representatives, contractors, partners, and agents will take actions in violation of those controls and laws.~~ We may be subject to governmental export controls and economic sanctions regulations that could impair our ability to compete in international markets and could subject us to liability if we **fail to comply** ~~are not in compliance with applicable laws~~ . Certain of our products and services may be subject to export control and economic sanctions regulations, including the U. S. Export Administration Regulations, and various economic and trade sanctions regulations administered by the U. S. Department of the Treasury' s Office of Foreign Assets Control. ~~Exports of our products and the provision of our services must be made in compliance with these laws and regulations.~~ If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including ~~:~~ the possible loss of export privileges ~~;~~ **,** fines imposed on us and responsible employees **,** ~~or managers;~~ and, in extreme cases, the incarceration of responsible employees ~~or managers~~ . ~~In addition, changes~~ **Changes** in applicable export or economic sanctions regulations ~~may create delays in the introduction and deployment of our platform~~ , ~~products, and services in international markets, or, in some cases, prevent the use of our platform and products or provision of our services in certain countries or with certain end users. Any change in export or economic sanctions regulations, shift~~ **shifts** in the enforcement or scope of existing regulations, or change in the countries, governments, persons, or technologies targeted by such regulations **may create delays** ~~, could also result~~ in **the introduction and deployment of our platform and existing or future products and services in international markets, or, in some cases, prevent or** ~~decreased~~ - **decrease the** use of our platform ~~,~~ **and existing or future** products ~~, and~~ **or provision of existing or future** services ~~or~~ in **certain countries** ~~our~~ - **or** ~~decreased ability to provide our products and services to existing or prospective customers~~ with ~~international operations~~ **certain end users** . Any decreased use of our platform, products, or services or limitation on our ability to provide our platform, products, or services could adversely affect our business, results of operations, and financial condition. Further, we incorporate encryption technology into certain of our products. Various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our customers' ability to use our products in those countries if our products are subject to such laws and regulations. While we believe our encryption products meet certain exceptions that reduce the scope of export control restrictions applicable to such products, these exceptions may be determined not to apply to our encryption products and our products and underlying technology may become subject to export control restrictions. Governmental regulation of encryption technology and regulation of exports of encryption products, or our failure to obtain required approval for our products, when applicable, could adversely affect our international sales and net revenue. ~~If we were required to comply with regulatory requirements regarding the export of our platform and products and provision of our services, including with respect to new releases of our products and services, we may experience delays introducing our platform in international markets, our customers with international operations may experience difficulty deploying our platform and products and using our services, or, in some cases, we may be prevented from exporting our platform or products or providing our services to some countries altogether. If we fail to maintain an effective system of disclosure controls and procedures or internal control over financial reporting, our ability to report timely and accurate financial results or comply with applicable regulations could be impaired, and our business, operating results, and the market price of our Class A common stock may be adversely affected. As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control.~~ The Sarbanes- Oxley Act **of 2002** requires, among other things, that we maintain effective disclosure controls and procedures and **to report any material weakness in our** internal ~~control~~ **controls** over financial reporting **. In the period ended March 31, 2023, we identified a material weakness related to the accounting for our acquisition of Power Finance, and, for the period ended December 31, 2023, we identified a material weakness related to information technology general controls. See Part II, Item 9A " Controls and Procedures " for additional information about these material weaknesses** . The process of designing and implementing effective internal controls and disclosure controls is a continuous effort ~~that requires us to anticipate and react to changes in our business and the economic and regulatory environment and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company~~ . To maintain and improve the effectiveness of our disclosure controls and procedures and **remediate the material weaknesses in** our internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including **technology- and** accounting- related costs and significant management oversight. If any of ~~these new or~~ **our** ~~improved~~ controls and systems do not perform as expected, we may experience **additional** material weaknesses ~~in our~~ - **or** ~~controls~~ **we may be unable to remediate the existing material weaknesses** . In addition, testing and maintaining internal controls **and disclosure controls** may divert ~~our~~ management' s attention from other matters that are important to our business. ~~If we are unable to establish and maintain appropriate internal control over financial reporting and disclosure controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our operating results.~~ Any failure to **implement and** maintain effective internal control over financial reporting ~~or disclosure controls and procedures~~ could **cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements,** have an adverse effect on our business and operating results, and **could cause investors to lose confidence in us, all of which could** cause a decline in the price of our Class A common stock. We **could** also ~~could~~ become subject to investigations by **Nasdaq** ~~the stock exchange on which our securities are listed~~ , the SEC **,** or other regulatory authorities, which could require additional financial and management resources ~~. Any failure to~~

~~implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information~~ , **and** ~~which could have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements,~~ we may not be able to remain listed on Nasdaq ~~. Additionally, if our internal control over financial reporting is not effective, our independent registered public accounting firm may issue an adverse report. As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting~~ . Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our results of operations. A change in accounting standards or practices may have a significant effect on our results of operations or financial condition and may ~~even~~ affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or practices may adversely affect our reported results of operations or the way we conduct our business. Adoption of these types of accounting standards and any difficulties in implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, potentially resulting in regulatory discipline and weakening investors' confidence in us ~~. We could be required to collect additional sales, value added or similar taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our solutions and adversely affect our results of operations. While we have not historically collected sales, value added or similar indirect taxes from our customers in most jurisdictions in which we have sales, we expect to collect sales, value added, or similar indirect taxes from our customers in 2023. One or more jurisdictions may seek to impose incremental or new sales, value added or other indirect tax collection obligations on us. A successful assertion by one or more states, or foreign jurisdictions, requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. Any requirement to collect sales, value added or similar indirect taxes by foreign, state or local governments could also create additional administrative burdens for us and decrease our future sales, which could have a material adverse effect on our business and results of operations~~ . Changes in tax laws or regulations could have a material adverse effect on our business, results of operations, and financial conditions. The rules **addressing** ~~dealing with~~ taxation are constantly under review by ~~persons involved in~~ the ~~legislative~~ **legislature ,** ~~process and by~~ the Internal Revenue Service, the U. S. Department of the Treasury, and state, local **,** and non- U. S. tax authorities. For example, beginning on January 1, 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures in the current period and requires taxpayers to capitalize and amortize these expenses. ~~As a result of~~ **However, recently proposed tax legislation, if enacted, would restore the ability to deduct currently domestic research and development expenditures through 2025 and would retroactively restore this benefit for 2022 and 2023. While** this change **, has not currently had a material impact on us, if such provision is not deferred or repealed** , we expect to have taxable income in periods earlier than we would have had in the absence of this change, which could adversely impact our financial condition, operating results, and cash flows. On August 16, 2022, the Inflation Reduction Act ~~(IRA)~~ of 2022 ~~was signed into law to implement new tax provisions and provide various incentives and tax credits. The IRA~~ created ~~a 15 % corporate alternative minimum tax and~~ an excise tax of 1 % on stock repurchases from publicly traded US corporations, among other changes ~~. As of December 31~~ , **which** ~~2022, the Company~~ has **resulted and is expected** ~~determined that neither this Act nor changes~~ to ~~income~~ **continue to result in increased** tax ~~laws~~ **liabilities** ~~or~~ **for** ~~regulations in~~ **us. In addition,** ~~other~~ -- **the** ~~jurisdictions~~ **Organization for Economic Cooperation and Development (the " OECD ") has proposed enacting a global minimum tax rate of at least 15 % for multinationals with global revenue exceeding certain thresholds, known as " Pillar Two, " and many countries** have ~~a significant~~ **adopted or intended to adopt these proposals. We are currently evaluating the** impact on our ~~financial results~~ **2024 annual effective tax rate as we wait for additional guidance from the OECD** and ~~operations~~ **for additional countries to enact the Pillar Two legislation** . Any changes in tax legislation, regulations, policies, or practices in the jurisdictions in which we operate could **increase our effective tax rate and** materially increase the amount of taxes we owe, thereby negatively impacting our results of operations as well as our cash flows from operations. **A successful assertion by one or more states, or foreign jurisdictions, requiring us to collect sales, value added, or similar indirect taxes where we presently do not do so, or to collect more of such indirect taxes in a jurisdiction in which we currently do collect some indirect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest.** Furthermore, **compliance** ~~our implementation of new practices and processes designed to comply~~ with changing tax laws and regulations could require us to make substantial changes to our business practices, allocate additional resources, and increase our costs, potentially negatively affecting our business, results of operations, and financial condition. As we grow internationally, we may also be subject to taxation **and review by taxation authorities** in ~~several~~ **additional** jurisdictions ~~around the world~~ with increasingly complex tax laws, the application of which can be uncertain **, and which** ~~. The amount of taxes we pay in these jurisdictions~~ could increase ~~substantially as a result of changes in~~ the ~~applicable~~ **amount of** ~~tax~~ **taxes we pay** ~~rules, including increased tax rates, new tax laws, or revised interpretations of existing tax laws and precedents~~ , potentially adversely affecting our liquidity and ~~results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest, and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could adversely affect us and our~~ results of operations. We may have exposure to greater- than- anticipated tax liabilities, which may materially and adversely affect our business, results of operations, and financial condition. The determination of our worldwide provision for income taxes, value-added taxes, and other tax liabilities requires estimation and significant judgment, and ~~there are many transactions and~~

~~calculations where~~ the ultimate tax determination is uncertain. Like many other multinational corporations, we are subject to tax in multiple U. S. and foreign tax jurisdictions. Our determination of our tax liabilities is always subject to audit and review by applicable domestic and foreign tax authorities. Any adverse outcome of any such audit or review could have a negative effect on our business and the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our results of operations and financial condition in the periods for which such determination is made. While we have established reserves based on assumptions and estimates that we believe are reasonable to cover such eventualities, these reserves may prove to be insufficient ~~. In addition~~ , **which may** ~~our future income taxes could be adversely affected by earnings being lower than anticipated, or by the incurrence of losses, in jurisdictions that~~ have ~~lower statutory tax rates and~~ **an adverse effect** ~~higher than anticipated in jurisdictions that have higher statutory tax rates; by changes in the valuation of our deferred tax assets and liabilities, as a result of gains~~ on our ~~foreign exchange risk management program; or changes in tax laws, regulations, or accounting principles, as well as certain discrete items. Various levels of government, such as U. S. federal and state legislatures, and international organizations, such as the Organization for Economic Co- operation and Development, are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue. Any such tax reform or other legislative or regulatory actions could increase our effective tax rate, which may materially and adversely affect our~~ business, **results of operations, and** financial condition ~~, and results of operations~~ . Our ability to use our net operating losses **and other tax attributes** to offset future taxable income may be subject to certain limitations. We have incurred substantial net operating losses ~~, or~~ **("** NOLs **") and other tax attributes, including research & development (" R & D ") credits** , during our history. In general, under Section 382 of the Internal Revenue Code of 1986, as amended **(** ~~, or~~ the **"** Code **")** , a corporation that undergoes an " ownership change " (generally defined as a greater than 50- percentage- point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three- year period) is subject to limitations on a company' s ability to utilize its NOLs **and other tax attributes** to offset taxable income. We ~~do not~~ **have experienced ownership changes since inception and** believe **that** our existing NOLs ~~are~~ **and other tax attributes, including R & D credit carryforward, will be** subject to **such** limitation ~~; however, if we have undergone previous ownership changes, or if we undergo an ownership change in the future, our ability to utilize NOLs could be limited by Section 382 of the Code and / or analogous provisions of applicable state tax law in states where we have incurred NOLs for state income tax purposes. Future changes in our stock ownership, some of which may be outside of our control, could result in an ownership change under these rules~~ . In addition, the amount of NOLs **and other tax attributes** ~~arising in taxable years beginning after December 31, 2017~~ that we are permitted to deduct **may be subject** ~~in a taxable year beginning after December 31, 2017 is limited~~ to **limitations and** ~~80 % of~~ our ~~taxable income in each such year to which the~~ NOLs **and other tax attributes may expire before they** are **fully utilized** ~~applied, where taxable income for such year is determined without regard to the NOL deduction itself, and such NOLs may be carried forward indefinitely. NOLs generated in taxable years beginning on or prior to December 31, 2017, however, may be carried forward for only 20 years, but are not subject to the 80 % limitation~~ . Our NOLs **and other tax attributes** may also be subject to limitations under state law. There is a risk that due to legislative or regulatory changes, or other unforeseen reasons, our existing NOLs **and other tax attributes** could expire or otherwise be unavailable to offset future income tax liabilities. ~~For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.~~ Risks Relating to Intellectual Property If we fail to adequately protect our ~~proprietary~~ **intellectual property** rights, our **business** ~~competitive position~~ could be ~~impaired~~ **adversely affected** and we **could** ~~may lose valuable assets, generate reduced net revenue, and~~ incur ~~costly litigation~~ **additional expenses** to protect our rights ~~. Our success depends, in part, upon protecting our proprietary information and technology~~ . We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws, and contractual restrictions to establish and protect our **intellectual property and** proprietary rights **, which are critical to our success** . The steps we take to protect our intellectual property, however, may be inadequate **, and various events outside of our control may pose a threat to our intellectual property rights** . We cannot assure you that any patents or trademarks will be issued with respect to our currently pending patent and trademark applications **. Our** ~~in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any~~ patents ~~or~~ **and** trademarks ~~issued to us will~~ **may be contested, circumvented, or found unenforceable or invalid, and we may** not be ~~challenged, invalidated, or circumvented. Our currently issued patents and trademarks and any patents or trademarks that may be issued in the future with respect to pending or future applications may not provide sufficiently broad protection, or they may not prove to be enforceable in actions against alleged infringers. We will not be~~ able ~~to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our platform, or certain aspects of our platform, and use information that we regard as proprietary to create products that compete with our platform. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our platform, or certain aspects of our platform, may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we continue to expand our international activities, our exposure to unauthorized copying and use of our platform, or certain aspects of our platform, and proprietary information may increase. Further, competitors, foreign governments, foreign government- backed actors, criminals, or other third parties may gain unauthorized access to our proprietary information and technology. Accordingly, despite our efforts, we may be unable~~ to prevent third parties from infringing ~~upon or misappropriating~~ **, diluting,** ~~our~~ **or otherwise violating them. There can be no guarantee that others will not independently develop similar products, duplicate any of our products, or design around our patents. As the development, adoption, and use of generative AI** ~~technology~~ **technologies** ~~and~~ **grows, our** intellectual property **may inadvertently be exposed through the use of such technologies. Further, the laws of some foreign countries may not protect our intellectual property rights to the same extent as the laws of the United States, and effective intellectual property protection and mechanisms may not be available in those**

jurisdictions . We also rely in part on trade secrets, proprietary **technology** ~~know- how~~ , and other confidential information to maintain our competitive position. Although we ~~enter into confidentiality and invention assignment agreements with our employees, consultants, and contractors and~~ enter into confidentiality agreements with **our employees, service providers, and** ~~the~~ **other actual or potential** ~~parties with whom we have~~ strategic ~~relationships and~~ business ~~alliances~~ **partners** , ~~no assurance can be given that~~ these agreements ~~will~~ **may not** be effective in controlling access to and distribution of our platform, or certain **other** aspects of our ~~platform~~ **trade secrets** , ~~and~~ proprietary **technology, and other confidential** information ~~. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform~~ . To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights **, in the U. S. and internationally** , and we may not be able to detect infringement by third parties. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. ~~Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management' s attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new capabilities, result in our substituting inferior or more costly technologies into our platform, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new capabilities, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license such technology could impair our ability to compete.~~ Our use of open source software could ~~negatively~~ **adversely** affect our ability to sell our products ~~and subject us to possible litigation~~ . Our platform incorporates open source software, and we expect to continue to incorporate open source software in our products and platform in the future. ~~Few of~~ **There have been claims challenging** the **use of** ~~licenses applicable to~~ open source software **against companies** ~~have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products and platform. If we fail to comply with open source licenses, we may be subject to certain requirements, including requirements that we offer our products~~ that incorporate **it into** ~~the~~ **their products. If it is alleged** ~~open source software for no cost,~~ that we **have** ~~make available source code for modifications or derivative works we create based upon, incorporating, or using the open source software and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had~~ not complied with **an open source** ~~the conditions of one or more of these licenses~~ - **license** , we could ~~be required to~~ incur significant legal expenses defending against such ~~allegations~~ - **allegation. If we fail to comply with** ~~and~~ - **an open source license** ~~could be subject to significant damages~~ , **we may be required to offer our** ~~enjoined from generating net revenue from customers using~~ products that ~~contained~~ **incorporate** the open source software **for no cost** , **make available the source code for modifications or derivative works we create based upon, incorporating, or using the open source software,** and **license such modifications or derivative works under the terms of the open source software. We may also be** required ~~to comply with onerous conditions or restrictions on these products. In any of these events, we and our customers could be required to seek licenses from third parties to continue offering our products and operating our platform and~~ to re- engineer our products or platform or **to** discontinue offering our products **. These** ~~to customers in the event~~ **events** ~~re- engineering cannot be accomplished on a timely basis. Any of the foregoing could require us to devote additional research and development resources to re- engineer our products or platform, could result in customer dissatisfaction, and~~ may adversely affect our business, results of operations, and financial condition **. In addition to risks related to license requirements, open source licensors generally do not provide warranties or other contractual protections regarding infringement, misappropriation, or other violations, the quality or security of code, or the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business, results of operations, and financial condition. For instance, open source software developers operate outside of our control and open source software may have security vulnerabilities, defects, or errors of which we are not aware. It may take a significant amount of time to address such vulnerabilities, defects, or errors once we are aware of them, which could negatively impact our products and services and result in liability to us, our vendors and service providers** . We may be accused of infringing the intellectual property rights of third parties. We **have in the past and** may **in the future** be accused of infringing **, misappropriating, or otherwise violating the** intellectual property or other proprietary rights of third parties ~~, including~~ **. Although we seek to comply with** ~~their~~ -- **the** ~~copyrights~~ **statutory** , ~~trademarks~~ **regulatory** , **and judicial frameworks and** ~~or patents, or improperly using or disclosing their~~ -- **the** ~~trade secrets~~ **terms and conditions of statutory licenses** , ~~or otherwise~~ **we cannot assure you that we are not** infringing or violating **any** ~~their~~ - **third** ~~proprietary~~ **- party intellectual property** rights **, or that we will not do so in the future** . The costs of ~~supporting any~~ litigation ~~or disputes related to such claims~~ can be considerable, and we cannot assure you that we will achieve a favorable outcome of any such claim **. Although we carry insurance, our insurance may not cover potential claims of this type or may not be adequate to cover us for all liability that may be imposed** . If any such claim is valid, we may be ~~compelled~~ **required** to **stop using** ~~cease our use of~~ such intellectual property or other proprietary rights and pay damages, ~~potentially~~ **which could** adversely ~~affecting~~ --- **affect** our business. Even if such claims were not valid, defending them could be expensive and distract our management team ~~, adversely affecting our results of operations. Although we require our employees to not use the proprietary information or know-how of others in their work for us and we are not currently subject to any claims that they have done so, we may in the future become subject to claims that these employees have divulged, or we have used, proprietary information of these employees' former employers. Litigation may be necessary to defend against these claims. If we are unable to successfully defend any such claims, we may be required to pay monetary damages and to discontinue our commercialization of certain solutions. In addition,~~

~~we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper our ability to develop new solutions and features for our existing solutions, which could severely weaken our business. Even if we are successful in defending against these claims, litigation efforts are costly, time- consuming and a significant distraction to management~~ . We ~~currently have a number of agreements in effect pursuant to which we~~ have agreed to defend, indemnify, and hold harmless **certain of** our customers and other partners from damages and costs arising from the infringement or claimed infringement by our ~~solutions~~ **products** of third- party ~~patents or other~~ intellectual property rights ~~, which may include patents, copyrights, trademarks, or trade secrets~~ . The scope of these indemnity obligations varies ~~, but may, in some instances, include indemnification for damages and expenses, including attorneys' fees. Our insurance may not cover all intellectual property infringement claims. A claim that one of our solutions infringes a third party' s intellectual property rights, even if untrue, could damage our relationships with our customers, may deter future customers from purchasing our solutions, and could expose us to costly litigation and settlement expenses~~ . Even if we are not a party to any litigation between a customer and a third party relating to infringement by our ~~solutions~~ **products** , an adverse outcome in any such litigation could make it more difficult for us to defend our solutions against intellectual property infringement claims in any subsequent litigation where we are a named party. Any of these results could harm our brand and adversely affect our results of operations. Risks Relating to Ownership of Our Class A Common Stock The trading price of our Class A common stock has been and ~~is likely to continue to be volatile, which could cause the value of your investment to decline. The market price of our Class A common stock has been and~~ may continue to be highly volatile and could be subject to wide fluctuations. This ~~market~~ volatility, as well as general economic, market, **industry,** and political conditions **, and the occurrence of the risks discussed in this risk factor section** , could reduce the market price of shares of our Class A common stock despite our ~~operating performance. In addition, our results of operations could be below the expectations of public market analysts and investors due to a number of potential factors, including: • overall performance of the economy, equity markets, and / or publicly- listed technology and fintech companies; • actual or anticipated fluctuations in our net revenue or other operating metrics; • our actual or anticipated operating performance and the operating performance of our competitors; • the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections; • failure of securities analysts to maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors; • rumors and market speculation involving us or other companies in our industry; • announcements by us or our competitors of significant innovations, new products, services or capabilities, acquisitions, strategic partnerships or investments, joint ventures, or capital commitments; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • lawsuits threatened or filed against us; • actual or perceived privacy or data security incidents; • developments or disputes concerning our intellectual property or other proprietary rights; • changes in accounting standards, policies, guidelines interpretations or principles; • changes in our board of directors, management, or key personnel; • other events or factors, including those resulting from war (including the significant military action against Ukraine launched by Russia and any related political or economic responses and counter- responses or otherwise by various global actors or general effect on the global economy), incidents of terrorism, pandemics (including the COVID- 19 pandemic), or elections, or responses to these events; and • sales of additional shares of our Class A common stock by us or our stockholders. Because of these fluctuations, comparing our results of operations on a period- to- period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. These broad market and industry factors may decrease the market share of our Class A common stock, regardless of our actual~~ operating performance. In addition, stock markets in general, and the market for technology and fintech companies in particular, have from time to time experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. In the past, stockholders have often instituted securities class action litigation against a company following periods of overall market volatility and volatility in the market price of that company' s securities. ~~If we were to become involved in securities~~ **Securities** litigation **can** ~~, could~~ result in substantial costs and divert resources and the attention of management **. See Part I, Item 3 of this Annual Report on Form 10- K for more information about litigation proceedings** . Our Class B common stock has 10 votes per share, and our Class A common stock has one vote per share. Our directors, executive officers, and their affiliates, beneficially own in the aggregate ~~50~~ **52** . ~~1~~ **4** % of the voting power of our capital stock as of December 31, ~~2022~~ **2023** . **The** ~~Because of the ten- to- one voting ratio between our Class B and Class A common stock, the~~ holders of our Class B common stock collectively continue to control a majority of the combined voting power of our common stock and therefore control all matters submitted to our stockholders for approval and may continue to control such matters until the tenth anniversary of our initial public offering, when all outstanding shares of Class A common stock and Class B common stock will convert automatically into shares of a single class of common stock. This concentrated control limits or precludes your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this concentrated control may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may believe are in your best interest as **a** ~~one of our stockholders~~ - **stockholder** . ~~Future transfers~~ **Transfers** by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, ~~such~~ **which** ~~as~~ **has had and** ~~certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock~~ will **continue to** have the effect ~~, over time,~~ of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result, it is possible that one or more of the persons or entities holding our Class B common stock could gain significant voting control as other holders of Class B common stock sell or otherwise convert their shares into Class A common stock. Our dual class structure may also depress the trading price of our Class A common stock due to negative perceptions by market participants and other stakeholders. Certain index providers have announced restrictions on including companies with multiple **-** class share structures in certain of their ~~indexes~~ **indices** . Similarly, several stockholder advisory firms have announced their opposition to the use of multiple **-** class structures. Any exclusion from indices or criticism of our corporate governance practices by stockholder advisory firms could result in a less active trading market for our Class A common stock. Our issuance of additional capital stock may dilute your ownership and adversely affect the market price of our Class A common stock. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. For example, we **could issue** ~~may attempt to obtain financing or to further increase our capital resources by issuing additional~~ shares of our Class A common stock or securities convertible into ~~shares of~~ our Class A common stock or ~~offering debt or other securities. We could also issue shares of our Class A common stock or securities convertible into our Class A common stock or~~ debt or other securities in connection with acquisitions or other strategic transactions **or in an attempt to obtain financing or to further increase our capital resources** . Additionally, we expect to grant equity awards to employees ~~,~~ **and** directors ~~, and consultants~~ under our stock incentive plan. ~~Any~~ **We have granted equity awards to employees and directors under our stock incentive plans in the past, and such grants may dilute your ownership as the equity vests and the RSUs are released and the options are exercised. In addition, as of December 31, 2023, we had 36, 670, 638 option shares outstanding that, if fully vested and exercised, would result in the issuance of an equal number of shares of** Class A **or Class B** common stock ~~or securities convertible into~~ **, as well as 38, 177, 072 total** shares of ~~our~~ Class A **or Class B** common stock **subject** ~~that we issue from time~~ to ~~time, including in connection with a financing, acquisition, investment or under any equity incentive plans or that we may adopt in the future, will dilute your percentage ownership. In addition, issuing additional shares of our Class A common stock or securities convertible into our Class A common stock or debt or other securities may dilute the economic and voting rights of our existing stockholders and would likely reduce the market price of our Class A common stock both upon issuance and conversion, in the case of securities convertible into our Class A common stock. As of December 31, 2022, unrecognized compensation costs related to unvested RSUs~~ **RSU awards. We have also granted** ~~and unvested outstanding stock options, excluding~~ the Executive Chairman Long- Term Performance Award ~~, formerly known as the CEO Long- Term Performance Award, were $ 296. 0 million and $ 58. 6 million, respectively. These costs are expected~~ to ~~be recognized over a weighted-average period of 3. 3 years and 2. 4 years, respectively. In April and May 2021, our board of directors granted~~ our Executive Chairman and **former** ~~then-~~ Chief Executive Officer ~~equity incentive awards in~~ **, which vests upon** the ~~form~~ **satisfaction** of ~~performance- based~~ **a service condition and the achievement of certain** stock ~~options covering 19, 740, 923 and 47, 267 shares of our Class B common stock with an exercise~~ price **goals** ~~of $ 21~~ . **If** ~~49 and $ 23. 40 per share, respectively, or, collectively,~~ the ~~Executive Chairman Long- Term Performance Award. The~~ Executive Chairman Long- Term Performance Award vests ~~upon the satisfaction of a service condition~~ and ~~the achievement of certain~~ **is exercised, your ownership will be diluted. See Note 11 "** ~~stock~~ **Stock Incentive Plans "** ~~price goals. As of December 31, 2022, the aggregate unrecognized compensation cost related~~ to **our Consolidated Financial Statements for more information about** the Executive Chairman Long- Term Performance Award ~~was $ 117~~ . **Any** ~~0 million, which is expected to be recognized over the remaining derived service period of 3. 1 years. In addition, as of December 31, 2022, we had 36, 156, 445 option shares outstanding that, if fully vested and exercised, would result in the issuance of an equal number of shares of Class B common stock or~~ Class A common stock **or securities convertible into** ~~, as well as 34, 146, 546 total~~ shares of ~~Class B or~~ **our** Class A common stock ~~subject~~ **that we issue from time** to ~~RSU awards~~ **time will dilute your percentage ownership** . ~~All of the~~ **In addition, issuing additional** shares of ~~Class B common stock issuable upon the exercise of stock options, and the shares reserved for future issuance under~~ our ~~equity incentive plans are registered for public resale under the Securities Act following conversion to shares of~~ Class A common stock ~~. Accordingly, these shares will be able to be freely sold in the public market upon issuance, subject to volume limitations under Rule 144 for~~ **or securities convertible into** our ~~executive officers and directors and applicable vesting requirements. Certain holders of our Class B common stock have rights, subject to some conditions, to require us to file registration statements for the public resale of the~~ Class A common stock ~~issuable~~ **or debt or other securities may dilute your economic and voting rights and would likely reduce the market price of our Class A common stock both** upon **issuance and** conversion **, in the case** of ~~such shares~~ **securities convertible into** ~~or~~ **our Class A common stock** ~~to include such shares in registration statements that we may file for us or other stockholders~~ . We do not intend to pay dividends on our Class A common stock in the foreseeable future and, consequently, the ability of Class A common stockholders to achieve a return on investment will depend on appreciation in the trading price of our Class A common stock. We have never declared or paid any cash dividends on our capital stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current board of directors, and limit the trading price of our Class A common stock. Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that: • provide that our board of directors will be classified into three classes of directors with staggered three- year terms; • permit our board of directors to establish the number of directors and fill any vacancies and newly- created directorships; • require super- majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws; • authorize the issuance of " blank check " preferred stock that our board of directors could use to implement a stockholder rights plan; • provide that only the ~~Chairperson~~ **chairperson** of our board of directors, our ~~Chief~~ **chief** ~~Executive~~ **executive** ~~Officer~~ **officer** , or a majority of our board of directors will be authorized to call a special meeting of stockholders; • provide for a dual class common stock structure where holders of our Class B common stock are able to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets; • prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders; • provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and • contain advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. Moreover, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15 % or more of our common stock. Our amended and restated bylaws designate state or federal courts located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, potentially limiting stockholders' ability to obtain a favorable judicial forum for disputes with us. Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders; • any action asserting a claim arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or • any action asserting a claim that is governed by the internal affairs doctrine **(** ~~, or~~ the **"** Delaware Forum Provision **")** . The Delaware Forum Provision does not apply to any causes of action arising under the Securities Act **of 1933, as amended (the " Securities Act ")** or the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Delaware shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act **(** ~~, or~~ the **"** Federal Forum Provision **")** , as we are incorporated in the State of Delaware. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U. S. federal securities laws and the rules and regulations thereunder. The Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, these forum selection clauses may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, or employees, potentially discouraging the filing of lawsuits against us and our directors, officers, and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are " facially valid " under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the District of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders. **In May 2023, our board of directors approved a $ 200 million share repurchase program for shares of our Class A common stock (the " 2023 Share Repurchase Program "). The actual timing, manner, number, and value of shares repurchased under the program will depend on a number of factors, including the availability of cash, the market price of our Class A common stock, general market and economic conditions, applicable requirements, and other business considerations. The share repurchase program may be suspended, modified or discontinued at any time and we have no obligation to repurchase any amount of our Class A common stock under the program. The share repurchase program has no set expiration date. We intend to make all repurchases in compliance with applicable regulatory guidelines and to administer the plan in accordance with applicable laws, including Rule 10b-8 of the Exchange Act. Other risks and uncertainties include, among other things, the market price of our stock prevailing from time to time, the nature of other investment opportunities presented to us, our financial performance and our cash flows from operations, and general economic conditions, which could adversely affect our results of operations and cash flows.** General Risk Factors **Unfavorable conditions in the global economy could adversely affect our business and financial results. Our business, the industry, and our customers' businesses are generally sensitive to macroeconomic conditions. Our net revenue is impacted, to a significant extent, by general economic conditions, their impact on levels of spending by businesses and their customers, and the financial performance of our customers. Supply chain disruption, a global labor shortage, increased inflation, and higher interest rates have adversely affected our business, results of operations, and business outlook and may continue to create uncertainty as to our and our customers', partners', and vendors' financial results, operations, and business outlook. We are unable to predict the impact that these and other macroeconomic factors may have or continue to have on our business and processing volumes, and on our future results of operations. Weak economic conditions or a significant deterioration in economic conditions could result in a reduced volume of business for our customers and prospective customers, demand for, and**

use of, our platform, products, and services may decline, and prospective customers could delay adoption or elect not to adopt our platform. If spending by their customers declines, our customers could process fewer payments with us or, if our customers cease to operate, they would stop using our platform, products, and services altogether. Moreover, if the financial condition of a customer deteriorates significantly or a customer becomes subject to a bankruptcy proceeding, we may not be able to recover amounts due to us from the customer. Weak economic conditions may make it more difficult to collect on outstanding accounts receivable. The global credit and financial markets have from time to time experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, rising interest and inflation rates, declines in consumer confidence, declines in economic growth, increases in unemployment rates, and uncertainty about economic stability. The bank closures and failures in 2023 created bank- specific and broader financial institution liquidity risk and concerns. Future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market- wide liquidity shortages, impair the ability of companies to access near- term working capital needs, and create additional market and economic uncertainty. Our business is subject to the risks of earthquakes, fire, floods, pandemics **,** and other natural catastrophic events, and to interruption by man- made issues such as power disruptions and strikes. Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, strikes, health pandemics, such as the COVID- 19 pandemic, and similar events. For example, our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity and wildfires, and a significant natural disaster in that area or any other location in which we have offices or facilities or employees working remotely, such as an earthquake, fire, or flood, could have a material adverse effect on our business, results of operations financial condition, and future prospects. Our insurance coverage may be insufficient to compensate us for the losses that may occur. In addition, strikes, wars, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays, or loss of critical data. If a natural disaster, power outage, connectivity issue, or other event occurs that impacts our employees' ability to work remotely, our business and results of operations could be adversely affected. We may not have sufficient protection or recovery plans in certain circumstances, such as a significant natural disaster, and our business interruption insurance may be insufficient to compensate us for losses that may occur. **42** ~~The requirements of being a public company may strain our resources, divert management' s attention and affect our ability to attract and retain executive management and qualified board members. As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time- consuming and costly, and place significant strain on our personnel, systems, and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations and comply with the Sarbanes- Oxley Act and other regulations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management' s attention may be diverted from other business concerns, potentially adversely affecting our business, results of operations, and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants or contractors, which will increase our operating expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time- consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, potentially resulting in continued uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected. Being a public company and being subject to these new rules and regulations makes it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our management and could divert their attention away from the day- to- day management of our business, potentially adversely affecting our business, results of operations, and financial condition. 59~~